

OFFICIAL RECORD OF PROCEEDINGS**Wednesday, 28 November 2018****The Council met at Eleven o'clock****MEMBERS PRESENT:**

THE PRESIDENT

THE HONOURABLE ANDREW LEUNG KWAN-YUEN, G.B.S., J.P.

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE ABRAHAM SHEK LAI-HIM, G.B.S., J.P.

THE HONOURABLE TOMMY CHEUNG YU-YAN, G.B.S., J.P.

PROF THE HONOURABLE JOSEPH LEE KOK-LONG, S.B.S., J.P.

THE HONOURABLE WONG TING-KWONG, G.B.S., J.P.

THE HONOURABLE STARRY LEE WAI-KING, S.B.S., J.P.

THE HONOURABLE CHAN HAK-KAN, B.B.S., J.P.

THE HONOURABLE CHAN KIN-POR, G.B.S., J.P.

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN, S.B.S., J.P.

THE HONOURABLE WONG KWOK-KIN, S.B.S., J.P.

THE HONOURABLE MRS REGINA IP LAU SUK-YEE, G.B.S., J.P.

THE HONOURABLE PAUL TSE WAI-CHUN, J.P.

THE HONOURABLE CLAUDIA MO

THE HONOURABLE MICHAEL TIEN PUK-SUN, B.B.S., J.P.

THE HONOURABLE STEVEN HO CHUN-YIN, B.B.S.

THE HONOURABLE FRANKIE YICK CHI-MING, S.B.S., J.P.

THE HONOURABLE WU CHI-WAI, M.H.

THE HONOURABLE YIU SI-WING, B.B.S.

THE HONOURABLE MA FUNG-KWOK, S.B.S., J.P.

THE HONOURABLE CHARLES PETER MOK, J.P.

THE HONOURABLE CHAN CHI-CHUEN

THE HONOURABLE CHAN HAN-PAN, B.B.S., J.P.

THE HONOURABLE LEUNG CHE-CHEUNG, S.B.S., M.H., J.P.

THE HONOURABLE KENNETH LEUNG

THE HONOURABLE ALICE MAK MEI-KUEN, B.B.S., J.P.

DR THE HONOURABLE KWOK KA-KI

THE HONOURABLE KWOK WAI-KEUNG, J.P.

THE HONOURABLE DENNIS KWOK WING-HANG

THE HONOURABLE CHRISTOPHER CHEUNG WAH-FUNG, S.B.S., J.P.

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

DR THE HONOURABLE HELENA WONG PIK-WAN

DR THE HONOURABLE ELIZABETH QUAT, B.B.S., J.P.

THE HONOURABLE MARTIN LIAO CHEUNG-KONG, S.B.S., J.P.

THE HONOURABLE POON SIU-PING, B.B.S., M.H.

DR THE HONOURABLE CHIANG LAI-WAN, S.B.S., J.P.

IR DR THE HONOURABLE LO WAI-KWOK, S.B.S., M.H., J.P.

THE HONOURABLE CHUNG KWOK-PAN

THE HONOURABLE ALVIN YEUNG

THE HONOURABLE ANDREW WAN SIU-KIN

THE HONOURABLE CHU HOI-DICK

THE HONOURABLE JIMMY NG WING-KA, J.P.

DR THE HONOURABLE JUNIUS HO KWAN-YIU, J.P.

THE HONOURABLE HO KAI-MING

THE HONOURABLE LAM CHEUK-TING

THE HONOURABLE HOLDEN CHOW HO-DING

THE HONOURABLE SHIU KA-FAI

THE HONOURABLE SHIU KA-CHUN

THE HONOURABLE WILSON OR CHONG-SHING, M.H.

THE HONOURABLE YUNG HOI-YAN

DR THE HONOURABLE PIERRE CHAN

THE HONOURABLE CHAN CHUN-YING, J.P.

THE HONOURABLE TANYA CHAN

THE HONOURABLE CHEUNG KWOK-KWAN, J.P.

THE HONOURABLE HUI CHI-FUNG

THE HONOURABLE LUK CHUNG-HUNG, J.P.

THE HONOURABLE LAU KWOK-FAN, M.H.

THE HONOURABLE KENNETH LAU IP-KEUNG, B.B.S., M.H., J.P.

DR THE HONOURABLE CHENG CHUNG-TAI

THE HONOURABLE KWONG CHUN-YU

THE HONOURABLE GARY FAN KWOK-WAI

THE HONOURABLE AU NOK-HIN

THE HONOURABLE VINCENT CHENG WING-SHUN, M.H.

THE HONOURABLE TONY TSE WAI-CHUEN, B.B.S.

THE HONOURABLE CHAN HOI-YAN

MEMBERS ABSENT:

THE HONOURABLE JEFFREY LAM KIN-FUNG, G.B.S., J.P.

THE HONOURABLE IP KIN-YUEN

THE HONOURABLE JEREMY TAM MAN-HO

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE WONG KAM-SING, G.B.S., J.P.
SECRETARY FOR THE ENVIRONMENT, AND
CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE JAMES HENRY LAU JR., J.P.
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY, AND
FINANCIAL SECRETARY

THE HONOURABLE JOHN LEE KA-CHIU, S.B.S., P.D.S.M., J.P.
SECRETARY FOR SECURITY

THE HONOURABLE FRANK CHAN FAN, J.P.
SECRETARY FOR TRANSPORT AND HOUSING

PROF THE HONOURABLE SOPHIA CHAN SIU-CHEE, J.P.
SECRETARY FOR FOOD AND HEALTH

THE HONOURABLE EDWARD YAU TANG-WAH, G.B.S., J.P.
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

MR ANDY CHAN SHUI-FU, J.P.
UNDER SECRETARY FOR CONSTITUTIONAL AND MAINLAND
AFFAIRS, AND
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

MR LIU CHUN-SAN, J.P.
UNDER SECRETARY FOR DEVELOPMENT

CLERKS IN ATTENDANCE:

MR KENNETH CHEN WEI-ON, S.B.S., SECRETARY GENERAL

MISS ODELIA LEUNG HING-YEE, DEPUTY SECRETARY GENERAL

MS ANITA SIT, ASSISTANT SECRETARY GENERAL

MISS FLORA TAI YIN-PING, ASSISTANT SECRETARY GENERAL

MS DORA WAI, ASSISTANT SECRETARY GENERAL

TAKING OF LEGISLATIVE COUNCIL OATH

PRESIDENT (in Cantonese): I will administer the oath to be taken by Ms CHAN Hoi-yan. Ms CHAN Hoi-yan, when I call your name shortly, the proceeding on your oath-taking begins.

We now proceed to oath-taking.

Ms CHAN Hoi-yan, please walk up to the table to take the oath.

(Some Members tapped the bench and talked in their seats)

PRESIDENT (in Cantonese): Members please keep quiet.

The Honourable CHAN Hoi-yan took the Legislative Council Affirmation

(Some Members tapped the table)

PRESIDENT (in Cantonese): The oath-taking concludes.

TABLING OF PAPERS

The following papers were laid on the table under Rule 21(2) of the Rules of Procedure:

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Pharmacy and Poisons (Amendment) (No. 7) Regulation 2018.....	228/2018
Telecommunications (Carrier Licences) (Amendment) Regulation 2018.....	229/2018

Other Papers

- No. 33 — Estate Agents Authority
Annual Report 2017/18 (including Financial Statements
and Independent Auditor's Report)
- No. 34 — Hong Kong Housing Authority
Annual Report 2017/18
- No. 35 — Hong Kong Housing Authority
Financial Statements for the year ended 31 March 2018
- No. 36 — Insurance Authority
Annual Report 2017-18 (including Financial Statements
and Independent Auditor's Report)
- No. 37 — Occupational Safety and Health Council
Annual Report 2017-2018 (including Financial Statements
and Independent Auditor's Report)
- No. 38 — Consumer Council
Annual Report 2017-18 (including Financial Statements
and Independent Auditor's Report)
- No. 39 — Office of the Privacy Commissioner for Personal Data,
Hong Kong
Annual Report 2017-18 (including Financial Statements
and Independent Auditor's Report)
- No. 40 — The Commissioner on Interception of Communications and
Surveillance
Annual Report 2017 to the Chief Executive (together with
a statement under section 49(4) of the Interception of
Communications and Surveillance Ordinance)
- No. 41 — Report of the Director of Audit
on the Accounts of the Government of the Hong Kong
Special Administrative Region for the year ended 31
March 2018
- No. 42 — Report No. 71 of the Director of Audit
on the results of value for money audits—October 2018

No. 43 — Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2018

No. 44 — The Legislative Council Commission
Annual Report 2017-2018 (including Statement of accounts and Report of the Director of Audit)

Report No. 5/18-19 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments

Report of the Bills Committee on Companies (Amendment) Bill 2018

Report of the Bills Committee on Travel Industry Bill

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Formation of branches in Hong Kong by the Communist Party of China

1. **DR HELENA WONG** (in Cantonese): *It has been reported that three groups of Mainland judges currently studying for a master's or doctorate degree in law at the City University of Hong Kong have, pursuant to the requirements under the Constitution of the Communist Party of China ("CPC"), formed a temporary branch of CPC in Hong Kong. Given that at present, quite a number of people from the Mainland have come to Hong Kong for settlement, further studies, doing business, or taking up employment in the Government, educational institutions or public and private organizations, some members of the public are concerned whether those CPC members among such people are required to establish CPC branches in Hong Kong pursuant to the requirements under CPC's Constitution. In this connection, will the Government inform this Council:*

- (1) *whether it knows the details of the activities conducted by political forces outside Hong Kong on campuses of tertiary institutions; whether the Government and tertiary institutions will adopt measures to stop CPC members conducting political activities on campuses; if so, of the details; if not, the reasons for that;*

- (2) *as a CPC leader reportedly demanded at a meeting of the aforesaid temporary branch that the party members "unequivocally uphold the banner of commitment to political integrity" and "be brave to combat wrongful words and actions", whether the Government has assessed if this situation will undermine the confidence of members of the public in "one country, two systems" and "Hong Kong people administering Hong Kong"; whether it will relay to the Central Authorities the worries of some members of the public about CPC members conducting political activities in Hong Kong; if so, of the details; if not, the reasons for that; and*
- (3) *whether a CPC branch established in Hong Kong by any person is required to apply for registration or exemption from registration under the Societies Ordinance; if so, of the details; if not, the reasons for that?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, having consulted the Education Bureau and the Security Bureau, our consolidated reply to Dr WONG's question is as follows:

Article 2 of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China ("the Basic Law") stipulates that the National People's Congress authorizes the Hong Kong Special Administrative Region ("HKSAR") to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication, in accordance with the provisions of the Basic Law. Since the establishment of the HKSAR, the Central Government has been acting in strict accordance with the basic policies of "one country, two systems", "Hong Kong people administering Hong Kong" and "a high degree of autonomy", as well as the provisions of the Basic Law, and supports the HKSAR Government to implement policies in accordance with the law. This forms the foundation of Hong Kong's prosperity and stability and enables Hong Kong people to live and work in peace and contentment. Since the return to the Motherland, Hong Kong has consistently been ranked as one of the freest and most competitive economies in the world, fully demonstrating the successful implementation of "one country, two systems".

Hong Kong is a diverse and open metropolis—an international financial, trading and shipping centre, a world-renowned tourist destination, and home to a number of world-class universities. Many people from around the world are

studying, doing business, working and living in Hong Kong every day. They may have different values, political beliefs or even political affiliations, but all of them must abide by the Basic Law and the laws of Hong Kong.

The state leaders have reiterated on a number of important occasions that the Central Government will uphold the implementation of the "one country, two systems" policy. At the Celebrations of the 20th Anniversary of Hong Kong's Return to the Motherland and the Inaugural Ceremony of the Fifth Term Government of the HKSAR on 1 July last year, President XI Jinping clearly stated that "[t]o uphold and implement the principle of 'one country, two systems' meets the interests of the Hong Kong people, responds to the needs of maintaining Hong Kong's prosperity and stability, serves the fundamental interests of the nation, and meets the shared aspiration of all Chinese." President XI also pointed out that "the central government will unswervingly implement the policy of 'one country, two systems' and make sure that it is fully applied in Hong Kong without being bent or distorted. This will enable us to keep advancing in the right direction."

In his report delivered at the 19th National Congress in October last year, President XI also clearly stated that upholding "one country, two systems" is one of the fourteen basic policies for propelling the future development of the country.

Premier LI Keqiang also stated in the Report of the Work of the Central Government delivered at the First Session of the 13th National People's Congress of the People's Republic of China that the principle of "one country, two systems" must be fully and faithfully implemented, and the administration should act in strict accordance with the Constitution and the Basic Law.

In his recent speech delivered at the meeting with the delegation from Hong Kong and Macao in celebration of the 40th anniversary of the reform and opening up of the country, President XI also pointed out that "one country, two systems" is the greatest advantage of Hong Kong and Macao. In particular, President XI mentioned that innovation is the key to the successful development of the Greater Bay Area, and that we should give full play to the strengths of Guangdong, Hong Kong and Macao under the framework of the "one country, two systems" principle and the Basic Law.

Post-secondary institutions are independent and autonomous bodies. Institutions have the responsibility to maintain effective operation, look after their students' interests, and prevent the abuse of institutions' platforms and resources for conducting political activities. They are also obliged to ensure that nothing in contravention of the Basic Law would occur in their operation. The Government respects institutional autonomy and believes that the institutions have the ability to deal with incidents on their campuses properly.

In Hong Kong, all organizations should be registered by authorities under applicable ordinances such as the Companies Ordinance and the Societies Ordinance. Generally speaking, the Societies Ordinance applies to any club, company, partnership or association of persons, irrespective of the nature or objects, unless the organization is a person (including an organization) listed in the Schedule to the Societies Ordinance (such as an organization which is already registered pursuant to other legislations).

According to section 5 of the Societies Ordinance, a local society shall apply to the Societies Officer for registration or exemption from registration within one month of its establishment or deemed establishment. The application must include details of the name, objects and particulars of the office-bearers of the society, as well as the address of the principal place of business of the society and of every place or premises owned or occupied by the society.

We will not comment on individual cases. If the act of any person or organization is governed by the laws of Hong Kong, the authorities will follow up as appropriate in the light of the actual circumstances.

DR HELENA WONG (in Cantonese): *President, I think the Secretary was just beating around the bush. He quoted extensively the remarks of state leaders without actually answering any one of my questions.*

I do not mean to discuss any individual cases. My question for the Secretary is: Have the branches of the Communist Party of China ("CPC") established in Hong Kong contravened the Basic Law and "one country, two systems"? Are the various CPC branches established in Hong Kong local societies? Are they required to apply for registration or exemption from registration? He did not answer these questions. If these branches have not registered, are they unlawful societies?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, please allow me to further elaborate. In fact, I have already answered this Member's question in the main reply. As regards individual cases and policies, we all agree that individual cases should not be discussed here and I just heard that Dr WONG concurred with this point. In respect of policy, what we are talking about are the policies of "one country, two systems", "Hong Kong people administering Hong Kong" and "a high degree of autonomy". These policies, instead of being changed, are more sternly upheld. My various quotes from the state leaders in the main reply show that there is not even the slightest change in these policies. Therefore, my reply to Dr WONG's question is that everything will just be fine as long as "one country, two systems" is successfully implemented.

DR HELENA WONG (in Cantonese): *President, the Secretary has not answered my question. I asked him whether CPC has contravened "one country, two systems" and the Basic Law by establishing branches in Hong Kong. Goodness, he is the Secretary for Constitutional and Mainland Affairs.*

PRESIDENT (in Cantonese): Dr WONG, please sit down. Secretary, do you have anything to add?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I do not have anything to add.

MR WONG KWOK-KIN (in Cantonese): *President, just now, Dr Helena WONG was right to criticize the Secretary because he was really beating around the bush, wasting our time.*

Why did the Hong Kong Government not openly, frankly and unequivocally state the following: first, CPC is the ruling party of China and there is the element of "one country" under the principle of "one country, two systems"; second, CPC has existed for a long time and it was not established in Hong Kong. Its members come to Hong Kong only for business and branch meetings, but not for establishing societies in Hong Kong. Why can't the Government clarify these points?

Secretary, is CPC an unlawful society in the eyes of the Government or does the Government think that CPC members should not hold meetings in Hong Kong? Frankly speaking, in the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region situated in Sai Wan, CPC members may hold meetings there every day. Will the Government ban their meetings? Or will it ask the Central Government for explanation? How come the Secretary, being a Hong Kong government official, does not even dare answer this question openly and frankly, but beat around the bush.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I thank Mr WONG for his supplementary question. The Constitution of our nation and the Basic Law together form the very foundation of the constitutional framework of HKSAR. We must therefore learn about the constitutional order under the Constitution and the Basic Law. As we all know, under the constitutional framework, the political party system of our nation is multiparty cooperation and political consultation under the leadership of CPC. HKSAR, being an inalienable part of China, must respect the Constitution. In view of this, Hong Kong must understand and respect the system of the Mainland in addition to implementing "one country, two systems" according to the Basic Law. The HKSAR Government agrees that education efforts should be step up in this regard.

According to the information of the Education Bureau, in respect of local education, the Government has all along given students a proper understanding of the Constitution, the Basic Law and the origin of "one country, two systems" through curricula, learning and teaching resources and various learning activities which complement each other. The Constitution, the Basic Law and "one country, two systems" are taught not only in related subjects (including General Studies, Chinese History, History, Life and Society, and Liberal Studies) but also through the learning and teaching resources, such as the Basic Law Online Course prepared by the Education Bureau. Moreover, the Education Bureau has developed a "Constitution and the Basic Law" module, covering the constitutional status of the Basic Law, relationship between the Central Authorities and HKSAR, fundamental rights and duties of Hong Kong residents, and basic characteristics of HKSAR's political structure.

Meanwhile, the history of CPC and the political system of China are taught in a number of subjects, such as Chinese History, History, Life and Society under the junior secondary curriculum and Liberal Studies under the senior secondary curriculum. Students can hence acquire a proper understanding of CPC from these subjects.

MR CHEUNG KWOK-KWAN (in Cantonese): *President, maybe I should raise my question from another perspective to give people a better understanding of this question.*

To me, paragraph two of the Secretary's main reply is particularly important. In this paragraph, it is stated that "[m]any people from around the world are studying, doing business, working and living in Hong Kong every day. They may have different values, political beliefs or even political affiliations, but all of them must abide by the Basic Law and the laws of Hong Kong".

I note that the main question is primarily about the Mainland judges who come to Hong Kong for further studies in different universities. However, apart from Mainlanders who come to Hong Kong for studies, we also have people from around the world coming here to study, work or do business every day. These people may have their own political affiliation as well.

Secretary, overall speaking, are there any members from the political groups or parties of countries other than the Mainland living in Hong Kong? Have these political groups or parties operated in Hong Kong? If the answer is in the affirmative, can the Secretary assure us that everyone from the Mainland or other parts of the world must abide by the Basic Law and the laws of Hong Kong, as he stated in the main reply? Can he guarantee that he will do this?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): *President, I thank the Member for his supplementary question. Hong Kong, as a metropolis, has hundreds of thousands of people coming in and out through different control points every day. These people, who come from different parts of the world, visit Hong Kong for different activities. As stated in the main reply just cited by Mr CHEUNG, these visitors may have different religions, political judgments and political affiliations, and it is by no means surprising. Most important of all, regardless of political affiliation, they must*

abide by the laws of Hong Kong after entering Hong Kong. If there is any foreign power trying to make use of the freedom to enter and leave Hong Kong to interfere with Hong Kong's affairs, our stance is crystal clear: We are firmly against any foreign interference in Hong Kong's internal affairs. In case anyone has violated our laws during his stay in Hong Kong, the relevant authorities will take appropriate action having regard to the actual circumstances.

MR CHRISTOPHER CHEUNG (in Cantonese): *President, with regard to Dr Helena WONG's main question, I would like to ask the Secretary if he is aware of any foreign power organizing activities in tertiary institutions. In order to prevent foreign powers from organizing political activities in Hong Kong, damaging "one country, two systems" and endangering national security, will the Government expedite the enactment of legislation to implement Article 23 of the Basic Law?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Campus is a place for students to learn and develop. Schools are obliged to ensure that students can study in a peaceful campus which offers a safe, orderly and professional learning environment free from political disputes. Principals and teachers have always been professional in their teaching and will counsel students when necessary. On this issue, the Education Bureau has maintained close communication with schools. If anyone engages in law-breaking activities on campuses in Hong Kong, the authorities will certainly act in accordance with the law.

As for legislating for Article 23 of the Basic Law, the stance of the Government is clear and the Chief Executive has publicly stated on various occasions that we have to assess the circumstances, handle this issue prudently and listen to views.

MR DENNIS KWOK (in Cantonese): *President, just now, Mr WONG Kwok-kin was right to say that we should stop beating around the bush. If anyone in this Chamber is a CPC member, he should openly and frankly stand up to tell the truth. Secretary, when you talked about the state leaders' remarks in the main reply, you missed out one important point, which is, the Sino-British Joint Declaration is actually the origin of "one country, two systems". You did not*

mention anything about the Sino-British Joint Declaration in the main reply, but this Declaration is a legally-binding international convention registered with the United Nations.

May the Secretary please make it clear that the Sino-British Joint Declaration is still a legally-binding international convention, with both the HKSAR Government and the Chinese Government being bound by it.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I am not going to recap how the Basic Law was drafted as we are all clear about that. What I want to emphasize is that the policies of "one country, two systems", "Hong Kong people administering Hong Kong" and "a high degree of autonomy" have been clearly stated in the provisions of the Basic Law to form a kind of protection in our system. We should thus be concerned about how Hong Kong will implement its own laws, which are of course the Basic Law and other relevant ordinances of Hong Kong.

PRESIDENT (in Cantonese): Mr KWOK, which part of your supplementary question has not been answered?

MR DENNIS KWOK (in Cantonese): *Is the Sino-British Joint Declaration still legally binding?*

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I am not a legal expert and I have nothing to add in this respect.

DR JUNIUS HO (in Cantonese): *President, in my view, this question is very straightforward. Dr Helena WONG is just asking whether the branches or organizations established by CPC in Hong Kong are required to apply for*

registration under the Societies Ordinance (Cap. 151). The Secretary only has to answer "yes" or "no". That is it. This question has nothing to do with whether Hong Kong practises socialism, capitalism or communism under the Basic Law. The issue in question is the Societies Ordinance.

My supplementary question is: Can the relevant organizations be exempt from registration under section 5 of the Societies Ordinance? If they can, the Chief Executive may simply include them in the Schedule after receiving their applications for exemption. CPC is the ruling party of China at present; this fact is written in the Constitution. No matter who is a CPC member, he should admit his membership openly and frankly without shame. Yet, please put on record that I am not a CPC member.

I understand that love for the country is not tantamount to love for the party. However, CPC is ruling China now and it is absolutely normal for CPC to exist and operate in Hong Kong. If no registration is required, the Government may simply grant an exemption under section 5 of the Societies Ordinance and state in the Schedule that all organizations established for the activities of CPC members are exempt from registration. This solution is simple and straightforward. If government officials do not know the law, please ask Secretary for Justice Teresa CHENG; if they still do not understand, they may come to me.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, if my understanding is correct, the question of the Member is whether the relevant organizations are required to apply for registration under the Societies Ordinance. According to section 5 of the Societies Ordinance, a local society shall apply to the Societies Officer for registration or exemption from registration within one month of its establishment or deemed establishment. It is a clear requirement which applies to all. All bodies in Hong Kong are required to register unless their exemption is stated in the law.

PRESIDENT (in Cantonese): Second question.

The People's Liberation Army Hong Kong Garrison performing volunteer service

2. **MR CHAN CHI-CHUEN** (in Cantonese): *The Law of the People's Republic of China on the Garrisoning of the Hong Kong Special Administrative Region ("Garrison Law") stipulates that the People's Liberation Army Hong Kong Garrison ("HK Garrison") shall not interfere in the local affairs of the Hong Kong Special Administrative Region ("SAR"), and that the SAR Government may, when necessary, ask the Central Government for assistance from the HK Garrison in the maintenance of public order or in disaster relief. It has been reported that at the invitation of an organization, a group of members of the HK Garrison in uniform went to a country park last month in a volunteer effort to clear fallen trees and broken branches which were left behind after the onslaught of a storm in Hong Kong. As the SAR Government had not sought assistance from the HK Garrison, some members of the public queried whether the aforesaid activity had violated the Garrison Law. In this connection, will the Government inform this Council:*

- (1) *whether it knows the number of occasions in each of the past five years on which members of the HK Garrison in uniform performed volunteer service outside military facilities and sites, as well as the name and nature of the activities concerned;*
- (2) *whether it will urge members of the HK Garrison not to wear uniform when performing volunteer service, so as to avoid being mistaken to be on duty; if so, of the details; if not, the reasons for that; and*
- (3) *whether it will take measures to prevent political groups from inviting members of the HK Garrison to perform volunteer service in name but actually participate in district activities, so as to avoid the HK Garrison being said to support individual political groups; if so, of the details; if not, the reasons for that?*

SECRETARY FOR SECURITY (in Cantonese): President, the Chinese People's Liberation Army Hong Kong Garrison ("HK Garrison") is the military forces stationed by the Central People's Government ("CPG") in the Hong Kong Special Administrative Region ("SAR") to perform defence functions for

maintaining the sovereignty, unity and territorial integrity of the State. Over the years, the HK Garrison has reserved no effort in conducting various defence exercises, focusing on enhancing combat level, and has been serving as a solid back-up for upholding the SAR's long term prosperity and stability. Besides, the HK Garrison is also a member of the Hong Kong community, seeing Hong Kong as its home with strong commitment to protecting it.

The HK Garrison has been performing its functions and responsibilities in the SAR in strict accordance with the Basic Law, Garrison Law and other relevant laws, and actively complementing the SAR Government's law-abiding governance. Since returning to the Motherland, the HK Garrison has always been well-disciplined and law-abiding. These are witnessed and recognized by the people in Hong Kong.

(THE PRESIDENT'S DEPUTY, MS STARRY LEE, took the Chair)

According to Article 14 of the Basic Law, CPG shall be responsible for the defence of the SAR, and the SAR Government shall be responsible for the maintenance of public order in the SAR. Military forces stationed by the CPG in the SAR for defence shall not interfere in the local affairs of the SAR. The SAR Government may, when necessary, ask CPG for assistance from the HK Garrison in the maintenance of public order and in disaster relief. In addition to abiding by national laws, members of the HK Garrison shall abide by the laws of the SAR. Since returning to the Motherland, Article 14 of the Basic Law has never been activated by the SAR Government.

The Garrison Law, listed under Annex III of the Basic Law, are national laws applicable in the SAR. The functions and responsibilities of the HK Garrison are set out in detail in the Garrison Law. According to Article 5 of the Garrison Law, defence functions and responsibilities performed by the HK Garrison include preparing against and resisting aggression, and safeguarding the security of the SAR; carrying out defence duties; controlling military facilities; and handling foreign-related military affairs. According to Article 16 of the Garrison Law, obligations fulfilled by members of the HK Garrison include to be loyal to their Motherland, perform their functions and responsibilities, maintain the security, honour and interests of the Motherland, and safeguard the security of

Hong Kong; to abide by national laws and the laws of the SAR, and observe military discipline; to respect the organs of political powers, the social system and the ways of life of the SAR; to cherish the public prosperity of the SAR and the private property of Hong Kong residents and other persons; and to observe public ethics and cultivate civility and courtesy. It is stated in Articles 9 and 10 of the Garrison Law respectively that the HK Garrison shall not interfere in the local affairs of the SAR, and the SAR Government shall support the HK Garrison in its performance of defence functions and responsibilities and guarantee the lawful rights and interests of the HK Garrison and its members.

Regarding an activity took place in October 2018 which was mentioned in the question, the SAR Government had already publicly pointed out in a clear way that the event concerned was a charitable activity participated by the HK Garrison on invitation. The purpose was to assist in clearing the fallen trees, withered branches and trash brought by typhoon Mangkhut within the country park area. The activity concerned was not related to Article 14 of the Basic Law in respect of the SAR Government seeking assistance from the HK Garrison for disaster relief. In fact, after typhoon Mangkhut, different organizations and volunteers have been assisting in the clearance work of country parks under the arrangements of or after notifying the Agriculture, Fisheries and Conservation Department ("AFCD"). As regards the charitable activity concerned, the coordinating party has made prior notification to AFCD. The participation of the HK Garrison in charitable activities is not inconsistent with any regulation in the Basic Law, Garrison Law and other relevant laws.

My reply to various parts of the question is as follows:

- (1) It is not a requirement nor a restriction under the Basic Law, Garrison Law and the laws in Hong Kong for the HK Garrison to seek the approval of the SAR Government, notify the SAR Government or receive the invitation from the SAR Government prior to conducting any charitable activities.

Having returned to the Motherland for 21 years, the HK Garrison has participated in considerable number of charitable activities. The SAR Government has not maintained a detailed record on such activities. However, according to our understanding, the HK Garrison has organized open days for their military sites and

participated in the organization of the summer camps for youth and tertiary students for many times. Apart from within the military sites, the HK Garrison has also been conducting various charitable activities from time to time in different districts, including taking part in tree planting and blood donation events on invitation, deploying members to visit elderly homes and kindergartens, as well as deploying the military band and cultural troupe to conduct voluntary performance for different organizations on invitation.

- (2) Whether and when members of the HK Garrison would be required to wear uniforms, and under what policies and standards that such decisions are made, are the HK Garrison's management over its members and are under the subject of defence. The HK Garrison has been making decisions on its members' outfits according to the military internal regulations and orders as well as the need of their functions, responsibilities and the activities concerned. According to our understanding, the military internal regulations and orders have provided clear guidelines and basis for servicemen to wear uniform in public. In fact, members of the HK Garrison have been frequently wearing uniforms when conducting charitable activities and attending major festive occasions, prominent celebration and commemorative events, as well as other social activities outside military sites in the past. Uniform signifies the military identity of servicemen. Wearing uniform to attend public events will not only enhance the pride and commitment of the members of the HK Garrison, it will also enable public understanding of the HK Garrison. The law-abiding behaviour and charitable services of the HK Garrison shall be respected and supported.
- (3) The functions, responsibilities, obligations and discipline, etc. in relation to the HK Garrison are strictly regulated by the Garrison Law. According to Article 9 of the Garrison Law, the HK Garrison shall not interfere in the local affairs of the SAR. Article 17 of the Garrison Law provides that members of the HK Garrison shall not join any political, religious or public organizations in Hong Kong. Article 18 of the Garrison Law provides that members of the HK Garrison shall not engage in any other activity incompatible with their functions and responsibilities as servicemen. Since returning

to the Motherland, the HK Garrison has been managing its members in strict accordance with the law and has received the respect, support and affection of the people of the SAR. The SAR Government has been truly grateful to the solid yet low key contributions made by the HK Garrison over the years. We firmly believe that the HK Garrison will continue to follow their excellent tradition to perform their functions and responsibilities according to the law.

MR CHAN CHI-CHUEN (in Cantonese): *Deputy President, the Secretary's main reply covers two pages but he has not answered my main question at all, neither did he intend to allay public concern. In those two pages, he kept singing praises to the HK Garrison. I asked the Secretary to provide the number of occasions on which members of the HK Garrison performed volunteer service but the Secretary has not provided an exact figure but only said that the number of occasions was considerable. Dr Elizabeth QUAT has written an article, saying that 15 000 person-times of the People's Liberation Army ("PLA") have participated in activities such as tree planting, caring for young children, visiting and comforting the elderly and blood donations in the past 21 years since the reunification of Hong Kong. The Secretary did not even provide these figures or did not even bother to ask.*

In part (1) of the main reply, the Secretary pointed out that, "[i]t is not a requirement nor a restriction under the Basic Law, Garrison Law and the laws in Hong Kong for the HK Garrison to seek the approval of the SAR Government, notify the SAR Government or receive the invitation from the SAR Government prior to conducting any charitable activities." His implication is that the SAR Government has neither the power nor the intention to get involved. Is the Secretary aware of the concern of the public? In part (2) of the main question, I mentioned that members of the HK Garrison wore uniform when performing volunteer service. At present, if a film production company is to shoot a group of actors in police uniform discharging duties outside a building, it has to notify the residents of the building, so that they will not get worried when they go out. If members of the public suddenly see uniformed members of PLA in all places when they go out, how will they feel? Do members of the HK Garrison have to wear uniform when they travel to different parts of the city selling flags on Saturdays? Deputy President, my supplementary question is focused ...

DEPUTY PRESIDENT (in Cantonese): Mr CHAN Chi-chuen, please raise your supplementary question.

MR CHAN CHI-CHUEN (in Cantonese): *The Secretary said in part (2) of the main reply that whether members of the HK Garrison were required to wear uniform was a subject of defence. How can charitable activities be considered as a subject of defence? I now ask the Secretary through the Deputy President whether it is possible for the Security Bureau to establish a mechanism, requiring prior notification to the Bureau if members of PLA have to go to public places in uniform, so that the Bureau can then notify the public. Hence, if members of the public report to the Police about the presence of PLA members in their neighbourhood and they wonder what is going on, the authorities will know how to answer. Even though that is not required by law, can such a notification mechanism be set up?*

SECRETARY FOR SECURITY (in Cantonese): Deputy President, I believe the remarks of Mr CHAN Chi-chuen may not truly reflect the views of the public. From what I saw on television, when members of PLA participated in the charitable activity on that day to clear debris and fallen trees, some members of the public wanted to take photos with them and some even gave them a thumbs up to show appreciation. Members of the HK Garrison should be managed by the HK Garrison and this is absolutely a subject of defence.

As regards how to manage members of the HK Garrison, we are not in a position to comment because we are not in the military service. The HK Garrison performs its functions and responsibilities in Hong Kong in strict accordance with the Garrison Law and the Basic Law. Its participation in charitable activities is not only legal but also worthy of our support. I have never heard of any comments about prohibiting some people's participation in charitable activities. In Hong Kong, we encourage people to perform voluntary service and I find it perplexing why participation in voluntary service should be prohibited.

It is stipulated in the internal rules of the HK Garrison and the Garrison Law when members of the HK Garrison are required to wear or not to wear uniform. Mr CHAN might not have noticed the HK Garrison's participation in charitable activities in the past, and hence he found fault with this activity, even though I have no idea what his reasons are. In the past, when members of the

HK Garrison participated in activities such as blood donation, tree planting and visiting the elderly, they also wore uniform. The HK Garrison is in complete charge of and manages the outfits of its members. I support the HK Garrison's participation in charitable activities.

DEPUTY PRESIDENT (in Cantonese): Mr CHAN Chi-chuen, which part of your supplementary question has not been answered?

MR CHAN CHI-CHUEN (in Cantonese): *Deputy President, the Secretary has totally distorted my supplementary question ...*

DEPUTY PRESIDENT (in Cantonese): You only need to point out directly the part of your supplementary question that has not been answered.

MR CHAN CHI-CHUEN (in Cantonese): *He distorted my supplementary question ...*

DEPUTY PRESIDENT (in Cantonese): Please point out directly the part of your supplementary question that has not been answered.

MR CHAN CHI-CHUEN (in Cantonese): *I was not asking for his support. My question is, if members of PLA are seen in all places, no matter what meritorious activities they are engaging in ...*

DEPUTY PRESIDENT (in Cantonese): Mr CHAN Chi-chuen, please point out directly the part of your supplementary question that has not been answered.

MR CHAN CHI-CHUEN (in Cantonese): *... Will a notification mechanism be set up, requiring the HK Garrison to notify the authorities so that if members of the public make inquiries when they see uniformed servicemen on the streets, they can find out if those people are members of PLA ...*

DEPUTY PRESIDENT (in Cantonese): Mr CHAN Chi-chuen, you have clearly pointed out the part of your supplementary question that has not been answered. Please sit down. Secretary, do you have anything to add?

SECRETARY FOR SECURITY (in Cantonese): Deputy President, the more I listen, the more confused I am. Why would the public be worried when members of the HK Garrison participate in charitable activities? Besides, when they participated in such activities in the past, they also wore uniform. Hence, I do not understand the situation described by Mr CHAN ...

(Mr CHAN Chi-chuen spoke loudly in his seat)

DEPUTY PRESIDENT (in Cantonese): Mr CHAN Chi-chuen, please stop speaking. This is the time for the Secretary to respond. Secretary, please continue.

SECRETARY FOR SECURITY (in Cantonese): Deputy President, if Mr CHAN has listened carefully, I have already told Members in my main reply that it was not a requirement for the HK Garrison to seek the approval of the SAR Government prior to conducting any charitable activities ...

(Mr CHAN Chi-chuen stood up and spoke loudly again)

DEPUTY PRESIDENT (in Cantonese): Mr CHAN Chi-chuen, please stop speaking. The question session is not for Members to debate. Please stop speaking immediately and sit down.

MS CLAUDIA MO (in Cantonese): *Seeing the smug look of the Secretary, I am sure that "one country, two systems" has already been deformed and distorted.*

Before 1997, I interviewed a senior official in Beijing and told him that people of Hong Kong were worried about seeing uniformed members of PLA on the streets. The senior official said at that time, "Don't worry. This would not happen." But now Hong Kong officials have changed their position, saying that

as long as PLA is "invited" (anyone can extend an invitation), its members can participate in charitable activities. What is "charitable"? This is open to interpretation. Now it is not right and proper, but in future it can be said that this is a usual practice, and it is right and proper. Has the Government opened the floodgate and as long as someone extends an invitation ...

DEPUTY PRESIDENT (in Cantonese): Ms Claudia MO, please raise your supplementary question directly as 12 Members are waiting for their turn to ask questions.

MS CLAUDIA MO (in Cantonese): *I am now raising my question. My supplementary question is whether the Government is opening the floodgate, hence members of PLA can, upon being invited by anyone, participate in the so-called charitable activities and go anywhere in Hong Kong?*

SECRETARY FOR SECURITY (in Cantonese): Deputy President, the supplementary question raised by Ms MO seems to be finding fault with the HK Garrison as well and I wonder why.

Under the principle of no deformation and distortion of "one country, two systems", we are talking about "one country" and "two systems", but not "no country and two systems". I believe that when Members took the oath to uphold the Basic Law, they should be clear about this principle.

(Ms Claudia MO stood up and spoke loudly)

DEPUTY PRESIDENT (in Cantonese): Ms Claudia MO, please stop speaking. It is now the time for the Secretary to respond to your question. You may stand up later and ask the Secretary to provide additional information on the part of your question that has not been answered.

(Ms Claudia MO continued to speak loudly)

DEPUTY PRESIDENT (in Cantonese): Ms Claudia MO, please stop speaking. Secretary, please continue.

SECRETARY FOR SECURITY (in Cantonese): Deputy President, I solemnly declare that in both the main reply and in my replies to the questions just now, I have made it very clear that it is stipulated in the Garrison Law that the HK Garrison shall not interfere in the local affairs of the SAR. The SAR Government may, in accordance with Article 14 of the Basic Law, ask the HK Garrison for assistance in the maintenance of public order and in disaster relief when necessary.

The activity in question is not concerned with Article 14 of the Basic Law. It is an activity outside the HK Garrison's defence duties but permitted under the Basic Law and the Garrison Law to indicate that the HK Garrison, being a member of Hong Kong community, sees Hong Kong as its home with strong commitment to protecting it.

When performing its defence function, the HK Garrison adheres strictly to the Garrison Law. If Ms MO considers any action undertaken by the HK Garrison to be non-compliant with the Garrison Law, she can bring it up, but I think all its activities are in strict compliance with the Garrison Law.

MR ALVIN YEUNG (in Cantonese): *Deputy President, participation in charitable activities is one thing, but what is meant by "charitable activity" is another thing.*

In part (1) of the main reply the Secretary cited a number of charitable activities, but I believe not all activities listed in part (1) are charitable activities.

May I ask the Secretary if he knows whether the HK Garrison has a clear internal definition of a charitable activity and whether the Hong Kong Government is aware of the relevant internal rules of the HK Garrison?

SECRETARY FOR SECURITY (in Cantonese): Deputy President, I believe the definition of charity is just common sense and I really fail to see which activities I have just listed are not related to charity. If there are any activities of

the HK Garrison that Mr YEUNG considers to be unrelated to charity and also violates the Garrison Law, he can point them out specially, so that I can give a reply.

MR SHIU KA-FAI (in Cantonese): *Deputy President, today's discussion is attributed to typhoon Mangkhut. As we all know, during the onslaught of the super typhoon, large numbers of trees were blown down and many fallen trees are yet to be cleared. The voluntary act of the HK Garrison to clear trees in country parks has won the praise of many people in Hong Kong. Hence, when Mr CHAN Chi-chuen said the Secretary sang praises to them, I think that it is not the case and the Secretary does not have to do so. On the contrary, I think Mr CHAN Chi-chuen has been bad-mouthing PLA.*

I wish to point out that since the reunification, people of Hong Kong have all along praised members of PLA for their dedication to their duties and participation in different kinds of volunteer work; and no adverse comments have been made. In today's meeting, certain Members kept challenging PLA. May I ask the Secretary for his comments regarding the opposition Members' constant challenges to the volunteer work undertaken by PLA in Hong Kong?

SECRETARY FOR SECURITY (in Cantonese): Deputy President, I thank the Member for raising this supplementary question. I also feel disappointed because we should support and appreciate the HK Garrison's strict discipline and solid yet low key contributions to Hong Kong. As regards the divergent views on the HK Garrison's charitable acts, I do not believe they represent the views of the general public. Activities organized by the HK Garrison, such as open days of their barracks, are very popular among the public. People queue for a long time to get the tickets, as they wish to have a better understanding of the work of the HK Garrison. That is the best case in point.

Over the past 21 years, the HK Garrison has strictly adhered to the Garrison Law in discharging its defence functions or in communicating with the SAR Government, and has committed to defending the country and Hong Kong. I am grateful for its efforts.

In retrospect, in times of war when the country was invaded, we had to rely on the military force to protect our home and country, lest families would broke up and people died. The military force would also protect our women against any forms of abuse and defend our dignity.

MR CHAN CHUN-YING (in Cantonese): *Deputy President, Article 7 paragraph 2 of the Garrison Law stipulates: "The Hong Kong Garrison and its members equally enjoy other rights and immunity as prescribed in the laws applied in the Hong Kong Special Administrative Region".*

Will the Government inform this Council: Under this provision, apart from performing the defence functions, do the HK Garrison and its members also enjoy the same rights as those enjoyed by the people and other social organizations in Hong Kong as prescribed in the laws, including opening up barracks to receive members of the public and participating in various charitable activities? Can these activities be regarded as the rights of the HK Garrison?

DEPUTY PRESIDENT (in Cantonese): Secretary, please give a brief reply.

SECRETARY FOR SECURITY (in Cantonese): Deputy President, thank you, Mr CHAN. The answer is in the affirmative. Any person in Hong Kong, disregarding his status, is protected by the law of Hong Kong.

DEPUTY PRESIDENT (in Cantonese): Third question.

Planning for Tung Chung East

3. **MR HOLDEN CHOW** (in Cantonese): *Upon the completion of the Tung Chung New Town Extension project in 2030, Tung Chung will be capable of accommodating an additional population of about 144 000. The population of Tung Chung will ultimately be increased from 80 000 at present to 270 000. Regarding the planning for Tung Chung East under the project, will the Government inform this Council:*

- (1) *as it is anticipated that the first population intake of Tung Chung East will take place in 2023, but the Tung Chung East Station will not be commissioned until 2026, of the measures to be put in place to address the transport needs of the residents concerned in the interim, as well as the latest progress of the Tung Chung West Extension and Tung Chung East Station railway project (including the date(s) for public consultation);*
- (2) *whether it will, by drawing reference from the practice adopted in Copenhagen, promote the use of bicycle as a major mode of transport in Tung Chung East new town, and make road planning (including cycle track networks) accordingly; and*
- (3) *whether it will, by drawing reference from the design of the Gardens by the Bay in Singapore, study the construction of a similar garden in Tung Chung East new town to provide a high quality open space for the residents' enjoyment?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Deputy President, according to the information provided by the Development Bureau, Tung Chung New Town Extension ("TCNTE") project is one of the key measures under the Government's multi-pronged strategy to increase land supply in medium to long term. The project can provide about 49 600 housing units and 877 000 sq m of commercial floor area; the additional population is about 145 000. The TCNTE project includes reclamation of 130 hectares at the Tung Chung East ("TCE") extension. The reclamation and advance works commenced in end-2017. Upon full completion of the extension project in 2030, the total population of Tung Chung will increase to around 270 000.

To develop Lantau into a smart and low-carbon community, we will take TCNTE as the first pilot project that is premised on the planning of a smart and green city that is resilient to environment and climate. In formulating detailed design, we will adopt various urban design principles with a view to providing more accessible greening space, cycle track, pedestrian-friendly environment and waterfront promenade as far as possible, thereby enhancing liveability.

On transport infrastructure, to cater for the eastward and westward expansion of the new town, the Transport and Housing Bureau plans to extend the existing Tung Chung Line to the west, with the addition of Tung Chung East

Station and Tung Chung West Station to enhance internal and external connectivity of Tung Chung.

My reply to the three parts of Mr Holden CHOW's question is as follows:

- (1) The MTR Corporation Limited ("MTRCL") submitted a project proposal for the Tung Chung Line Extension, including Tung Chung West Extension and Tung Chung East Station, in end January 2018. The Transport and Housing Bureau, Highways Department, and the relevant bureaux and departments are reviewing the project proposal. The Government will continue with the liaison with MTRCL, including requesting MTRCL to provide supplementary information and details to ensure that the project proposal will be practically feasible and can bring maximum benefits to the community.

If the proposal submitted by MTRCL is accepted, before finalizing the Tung Chung Line Extension project, the Government will follow the established mechanism to consult the public, including the relevant district councils and stakeholders, on the proposed alignment, locations of stations, and delivery programme. After obtaining the support from the public, the Government will continue with the design, environmental impact assessment, and financial study, etc, having regard to the latest forecast of patronage and financial arrangement.

Railway planning is generally programmed taking into account the traffic demand generated from the population and development along the railway. As Tung Chung East Station will rest on a new reclamation area at Tung Chung East, it is necessary to match the construction of Tung Chung East Station with the reclamation being undertaken by the Civil Engineering and Development Department. If Tung Chung East Station is commissioned after the first population intake, the Government will provide appropriate road-based public transport services to satisfy the need of the community.

- (2) According to the information provided by the Development Bureau, the transport system of the TCNTE would be railway-based and supplemented by new vehicular accesses, pedestrian walkways, cycle track network and bicycle parking facilities. In line with

smart city design, the Development Bureau will provide a walkable environment and comprehensive cycle track network to enhance accessibility within the communal area and improve walking facilities.

The relevant facilities may promote cycling as a green, short commuting facility and facilitate cycling as a tool to connect the "first mile" and "last mile" of travel to/from public transport stations, living places or offices, thus suppressing the need for using mechanized transport and reducing emissions from vehicles.

Specifically, the TCE extension area will provide a new cycle track network of about 10 km long along the waterfront promenade and inland pedestrian walkway. The network will connect most of the residential, commercial, educational and community facilities in the extension area as well as the existing cycle track network in Tung Chung. In particular, there will be a continuous cycle track of about 5 km along the waterfront promenade at TCE leading to the proposed cycle park at Tai Ho Interchange.

- (3) According to the information provided by the Development Bureau, to enable the public to enjoy quality open space, about 27 hectares on the approved Tung Chung Extension Area Outline Zoning Plan ("OZP") have been planned as open space for various active and passive recreational uses to serve the need of local residents and the general public. The approved OZP also includes a landscape master plan, the objective of which is to link the proposed streetscapes, open space, Central Green and waterfront promenade to the town centre. The northern waterfront at TCE will provide a 5 km long waterfront promenade that connects with the existing town centre and the proposed Tai Ho Interchange. Retail and hotel facilities will be offered at the TCE waterfront to increase vibrancy and make it a diversified public open space and leisure hub. Apart from the waterfront promenade, located at the centre of TCE is a 5 hectare Central Green that will provide a north-south corridor. This public open space, which will have retail facilities and connection with the network of linear parks, will be a focal point and activity node of TCE, providing quality living space to the residents.

MR HOLDEN CHOW (in Cantonese): *Deputy President, I am glad to hear that the Secretary has finally discarded the old to establish the new, and admitted for the first time in the main reply that bicycles can be used as short commuting facility. While it is pretty difficult for the Government to make changes on the existing land, the Bureau should, with regard to the future reclaimed land, make better planning for the cycle track network, especially by reserving space in the roads for cycling. Copenhagen has done a good job in this respect. I hope the Bureau can genuinely discard the old to establish the new.*

Deputy President, the TCE Station will not be completed until 2026 at the earliest, but as I pointed out in the main question, residents will move to the newly reclaimed land in 2023. So, if the Government continues to "go slow", residents will have to wait helplessly after they have moved in. My supplementary question is: Can the Government tell us specifically how it will expedite the progress of the relevant project and the completion of the TCE Station, so that the residents will not have to wait till 2026? Can the Secretary provide a specific timetable?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Deputy President, Mr CHOW mentioned earlier that the first population intake of TCE will take place in 2023 and the TCE Station will not be commissioned until 2026 at the earliest. I would like to make it clear that the relevant dates are only estimates and the related railway projects have to go through a long process starting from planning. First of all, after MTRCL submitted its proposals to the Government, we have to examine the alignment, actual operation and financial arrangements. At present, the relevant bureaux and departments of the Government are making every effort to carry out the relevant work. Upon completion of the relevant work, we will kick off public consultation and the statutory procedures, to be followed by design, construction and the relevant work. All these take quite a long period of time. The government team certainly hopes that the construction of the relevant railway lines and stations will be completed as soon as possible, so that the residents can enjoy fast and convenient railway services after moving in. However, judging from the present situation, there may be a time gap between the first population intake and the commissioning of the railway. During this time gap, the government team will provide appropriate road-based transport services to satisfy the needs of the commuters concerned.

DR KWOK KA-KI (in Cantonese): *Deputy President, it can be said that the Secretary's reply is totally irrelevant. While the first population intake will take place in 2023, the TCE extension will not be commissioned until 2026. Just now, the Government attributed this gap to three reasons, namely the feasibility study has yet to be conducted, public consultation has yet to commence and financial arrangements have yet to be made. Before carrying out these three tasks, the Government has already applied to the Legislative Council for funding for the new reclamation projects. Are you kidding me? The Secretary should undertake these three essential tasks. An application to the Legislative Council for funding indicated that he was well aware that an additional population intake of 270 000 people would take place in the future, so how could we start constructing the relevant railway lines after the area is fully inhabited?*

I would like to ask the Secretary how many more years the residents would have to endure after moving into TCE? In fact, it is likely that they may have to endure beyond 2026 as it is likely that government works may be delayed for one to three years. I would like to hear an honest reply from the Secretary. Why does the Government not properly complete the above mentioned three tasks before implementing the reclamation projects and allowing people to move in?

DEPUTY PRESIDENT (in Cantonese): Which Secretary will reply? Under Secretary for Development, please reply.

UNDER SECRETARY FOR DEVELOPMENT (in Cantonese): Deputy President, I thank Dr KWOK for his supplementary question and would like to reiterate the main objectives of the expansion of the TCE new town through reclamation. As we all know, and according to our explanation when we applied for funding for the reclamation projects, the TCNTE project is one of the key measures under the Government's multi-pronged strategy to increase land supply on all fronts in the medium to long term. The total area of TCNTE is 250 hectares, including a reclamation of 130 hectares at the TCE extension, and an overall additional population of about 145 000. It is estimated that the total population of Tung Chung will rise to about 270 000.

In planning the TCNTE project, we have certainly taken into account traffic development and requirements. At that time, there were proposals to construct the Tung Chung Line Extension by building two new railway stations,

namely the TCE and Tung Chung West Stations, so as to enhance external transport links and improve the existing networks of roads, footways and cycling tracks, with a view to improving the traffic in the area. We will also adopt sound urban design principles to provide more accessible greening space, cycle track as well as pedestrian-friendly environment and waterfront promenade as far as possible, thereby providing a walkable and convenient environment.

Therefore, in planning the TCE extension project, we have already taken transportation into consideration. As for the implementation timetable, the Policy Bureaux concerned have already made every effort to dovetail with it. Therefore, even if there is any delay in the commissioning of certain stations, it does not mean that reclamation cannot commence right away for the construction of TCENT as early as possible.

DR KWOK KA-KI (in Cantonese): *Deputy President, just now I have put my question very clearly ...*

DEPUTY PRESIDENT (in Cantonese): Dr KWOK Ka-ki, please point out directly the part of your supplementary question that has not been answered.

DR KWOK KA-KI (in Cantonese): *I asked the Secretary about the project's feasibility study, public consultation and financial arrangements, which are the pretexts given by the Secretary for commissioning the railway extension in 2026. My question is why the Government does not first complete these three tasks so that the TCE extension will be commissioned when the residents move into Tung Chung, but the Under Secretary for Development has not answered my question.*

DEPUTY PRESIDENT (in Cantonese): You have clearly pointed out the part of your supplementary question that has not been answered. Please sit down.

Which Secretary will reply? Secretary for Transport and Housing, please reply.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Deputy President, please allow me to give a brief explanation concerning the transport issue. In Hong Kong as a whole, 90% of the people take public transport for commuting every day. Among the 12 million passenger trips, railway service only carry over 5 million passenger trips, and the remaining 7-odd million passenger trips are carried by buses, minibuses, taxis and buses providing residents' services and employees' services.

Therefore, as I mentioned in my main reply earlier, though the government team will strive to speed up the pace by all means, the possibility of a time gap between the first population intake of Tung Chung and the commissioning of the TCE extension has been foreseen. During this time gap, we will provide appropriate transport services to the residents of TCE by means of road-based public transport services, including buses, minibuses and shuttle buses. In fact, similar cases are also found on Hong Kong Island, Kowloon and the New Territories. I hope Members will understand that railway is only one of the major modes of transport, and as many as 4-odd million and nearly 2-odd million passenger trips are carried by buses and minibuses respectively in Hong Kong every day. Therefore, the Government will basically make use of other road-based transport modes to provide appropriate transport services for the residents during this time gap.

DR KWOK KA-KI (in Cantonese): *Deputy President, I have asked very clearly which of those three tasks ...*

DEPUTY PRESIDENT (in Cantonese): Dr KWOK Ka-ki, Members should not keep on asking questions and debate with the Secretary.

DR KWOK KA-KI (in Cantonese): *No, the Secretary has not answered my supplementary question.*

DEPUTY PRESIDENT (in Cantonese): Members may not necessarily feel satisfied with the Secretary's reply to their questions. Dr KWOK, please follow up the matter on other occasions.

MR LEUNG CHE-CHEUNG (in Cantonese): *Deputy President, transport is an essential ancillary service to the development of any new town. As a matter of fact, insofar as the TCNTE project mentioned by Mr Holden CHOW is concerned, we can see that there is actually a time gap in the work of the Government, resulting in the residents having to travel by other means of transport to the urban area for one year or even more than one year after they have moved into Tung Chung. This will cause difficulties to the residents.*

With the commissioning of the Hong Kong-Zhuhai-Macao Bridge ("HZMB"), many visitors are attracted to go to Tung Chung for shopping and the community is overflowing with people. As visitors going to Tung Chung must via HZMB before they can reach the nearest small urban area and the adjacent tourist attractions, such as Hong Kong Disneyland, Po Lin Monastery and Ngong Ping 360, this is conducive to the long-term development of Tung Chung and other tourist districts.

I would like to ask the Government whether it has considered how to make use of the new town to attract tourists to go there for consumption?

DEPUTY PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Transport and Housing, please reply.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Deputy President, the whole government team is very concerned about the visitor flow and traffic flow after the commissioning of HZMB, and will make improvements on all fronts. As regards visitors travelling to Hong Kong via HZMB, we have made considerable diversion and receiving arrangements, including arranging transport to take visitors directly from the Passenger Clearance Building to the tourist attractions or locations they intend to visit, with a view to minimizing the nuisance caused to the residents of Tung Chung. In addition, we have also diverted passenger flow by providing the "A" route buses and "B" route buses. This has not only relieved the overcrowdedness of the Passenger Clearance Building, but has also minimized the nuisance caused to Tung Chung residents.

In the past few weeks, there were some figures that merit our consideration. The Administration has provided two bus routes, namely B5 and B6, at the Passenger Clearance Building of HZMB and as of last week, the visitor flow from

the Passenger Clearance Building to Tung Chung has been even out to 50:50, indicating that the initial influx of the majority of visitors to Tung Chung has been greatly reduced. On the other hand, the arrangement of advance ticket purchases introduced by the Golden Bus (the shuttle bus for HZMB) has limited the number of cross-boundary visitors during the peak period. We noticed that the situation has improved. The visitor flow has become more even spread. In the past, there was an influx of visitors within a short period after 10 o'clock, but now there is a more even distribution starting from 8:00 am onwards. This change will relieve the congestion at HZMB, the Passenger Clearance Building as well as the overall transport system.

Furthermore, we will provide some shopping facilities at the Passenger Clearance Building so that visitors who do not intend to go to the urban area will not be taken there. According to the latest information, it is likely that some pop-up stores will come into operation at the Passenger Clearance Building this weekend. We hope that the relevant arrangement will help allay the concerns of Tung Chung residents.

Mr LEUNG just now asked whether the Government would arrange transport to take visitors to other communities. I would like to reiterate that our top priority is to take visitors directly to tourist attractions and shopping centres. We will try our best to keep visitors away from the residential community so as not to disrupt people's living.

DEPUTY PRESIDENT (in Cantonese): Members please raise supplementary questions that are relevant to the main question. The subject of this main question is related to the transport facilities necessary for the future development of Tung Chung.

MR MICHAEL TIEN (in Cantonese): *Deputy President, the Secretary has advertised TCNET as a livable town, and the most basic requirement of a livable town is that the additional population of 144 000 can get employment nearby. In the future, the adjacent third runway, the North Commercial District on the airport island, the AsiaWorld-Expo ("AWE") and the topside development of the artificial island will altogether provide an additional 140 000 jobs, which is definitely a perfect match. Deputy President, the only remaining problem to be solved is how the residents go to work every day.*

Deputy President, earlier on, the Airport Authority Hong Kong ("AA") and MTRCL conducted a study on utilizing the tracks of the Airport Railway to ultimately increase the frequency of trains to eight minutes, and deploy a train to run during the interval between the TCE Station and the AWE Station. It is already known that this arrangement is technically feasible. The selling point of this proposal is that investment is only required for additional trains and the signalling system because other hardware, such as platforms, tracks and stations are already available under the existing Airport Express and the newly built TCE Station. Experts estimated that the expenses to be incurred should be no more than \$3 billion, and operation on a self-financing basis is possible even if the fare level is set between \$6 and \$7. Notwithstanding that, one fundamental premise is how to prevent passengers of the Airport Express from switching to the Tung Chung Line and then make an interchange at the TCE Station to take the shuttle line charged between \$6 and \$7 in order to save dozens of dollars? The solution is simple enough. The fare level of this shuttle line should be set at \$70. Tung Chung residents can, upon production of a residence card, apply for a special Octopus card and ride on the shuttle line at a fare between \$6 and \$7. Only in so doing can we achieve efficient use of resources. I would like to ask the Secretary whether he will turn down this creative proposal put forward by me.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): I thank the Deputy President for naming me to give a reply and I also want to thank Mr TIEN for his supplementary question. As we all know, in relation to the Lantau Tomorrow Vision, many planning are now under way, including a number of traffic proposals. We have invited AA to conduct a study on the topside development of HZMB and the future operation of the airport. Therefore, a considerable number of studies and analyses are being conducted at present.

Mr TIEN just now also mentioned that by 2030, the passenger volume of the airport would be increased from some 70 million to 100 million whereas the cargo volume would also be increased from 5 million tonnes to 9 million tonnes. This will basically create considerable employment opportunities. The Development Bureau will certainly deal with this issue when it applies to the Legislative Council for funding for the Lantau Tomorrow Vision later on, and we will respect and consider any view.

DEPUTY PRESIDENT (in Cantonese): Fourth question.

Diagnoses and treatments for eczema patients

4. **DR CHIANG LAI-WAN** (in Cantonese): *At present, the Hospital Authority ("HA") does not provide specialist outpatient service on dermatology, and the waiting time of new cases for dermatology outpatient service under the Department of Health ("DH") is over a year. Moreover, an eczema patient confirmed of having been infected with methicillin-resistant Staphylococcus aureus has indicated that his doctor has suggested that he receive biologic therapy, but he cannot afford the expensive fees for the medical treatment. In this connection, will the Government inform this Council:*

- (1) *whether it will compile statistics on the number of eczema patients in Hong Kong, their attendances at clinics, etc.; if so, of the details; if not, the reasons for that;*
- (2) *whether it will allocate additional resources for DH to provide more consultation quotas under its dermatology outpatient service, and for HA to set up specialist outpatient clinics on dermatology; if so, of the details; if not, the reasons for that; and*
- (3) *whether it will provide drug subsidies for patients with severe eczema (particularly those patients infected with methicillin-resistant Staphylococcus aureus) who are in financial distress; if so, of the details; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, eczema, also known as dermatitis, is a common skin disease. It is an inflammatory skin reaction, and it is not contagious. Eczema is classified into two categories, namely endogenous and exogenous eczema. Common types of endogenous eczema include atopic eczema, seborrhoeic dermatitis and asteatotic eczema (also known as xerotic eczema). Exogenous eczema covers allergic contact dermatitis and irritant contact dermatitis, with hand eczema being one of the examples. Eczema can present as acute, subacute or chronic eczema. Having consulted the Department of Health ("DH") and the Hospital Authority ("HA"), our reply to the three parts of the question raised by Dr CHIANG Lai-wan is as follows:

- (1) Eczema is a common skin disease and in most cases, the conditions are mild and do not warrant referral to specialist dermatology clinics

for further treatment. In 2016, the number of new cases of eczema and dermatitis handled by the specialist dermatology clinics of DH was 1 138.

- (2) At present, public specialist dermatology services are mainly provided by the Social Hygiene Service of DH. It has an annual attendance of over 300 000, of which over 200 000 are patients with skin diseases. Moreover, DH provides visiting consultation service for five major regional hospitals of HA. In 2018-2019, the Government has allocated additional resources to DH to create two posts of Medical Officer, two posts of Nursing Officer and seven posts of Registered Nurse in order to improve the existing service delivery.

Clinical departments of the two teaching hospitals (namely Prince of Wales Hospital and Queen Mary Hospital) under HA have previously supported inpatient dermatology services and post-discharge specialist outpatient services. In its 2018-2019 annual plan, HA allocated a total of two Associate Consultant and two Resident posts of dermatology to the Hong Kong West Cluster and New Territories East Cluster to support inpatient dermatology services at HA hospitals. The recruitment for two Associate Consultant and one Resident posts has been completed. HA and DH will review the specialist dermatology services provided by public hospitals from time to time, continue to explore feasible ways to strengthen dermatology specialist training and service provision in public hospitals.

- (3) It is not uncommon to positively culture *Staphylococcus aureus* ("S. aureus") from the skin surface of eczema patients. The mere presence of S. aureus in skin cultures does not necessarily indicate an infection. S. aureus is a bacterium that may be carried on the skin of healthy people. These carriers show no signs or symptoms of infection. Yet, the bacteria may sometimes cause diseases such as skin infection.

Most S. aureus infections can effectively be treated by antibiotics. However, drug-resistant S. aureus (i.e. methicillin-resistant S. aureus) is a strain of S. aureus that is resistant to methicillin and other commonly used antibiotics. Like the usual strains of

S. aureus, drug-resistant *S. aureus* can also be commonly carried on the skin of healthy people, and may sometimes cause diseases. Doctors will prescribe appropriate treatments in the light of prevailing condition of patients and clinical assessments. If necessary, the doctor will prescribe antibiotics or anti-septic drugs.

In general, specialist dermatology clinics of DH will prescribe medications, according to the condition, to treat those eczema patients infected with methicillin-resistant *S. aureus*. Fee remission is available for patients attending such clinics who are in financial difficulty under the existing social security schemes: charges for public medical services are waived for recipients of Comprehensive Social Security Assistance, holders of Level 0 Voucher of the Pilot Scheme on Residential Care Service Voucher for the Elderly, and persons who are exempted from payment of medical fees under the waiving mechanism of public hospitals and clinics, etc.

DR CHIANG LAI-WAN (in Cantonese): *Deputy President, the Secretary said that eczema is a common skin disease; thus I believe she knows that it is estimated that more than 10% of the people in Hong Kong suffer from eczema. If their conditions are not serious, the problem is certainly not serious; but some patients actually suffer from serious conditions. Deputy President, I believe you also remember that a tragedy happened last month in which an eczema patient with serious conditions was greatly distressed. The illness can actually make a person feel like living in hell. Finally, the patient killed her parents and committed suicide, blaming them for her birth and hence her sufferings from eczema. As we do not suffer from eczema, we may not be able to empathize with the patients. If the Secretary spends some time outdoors and is bitten by mosquitoes, the bites will make her feel very itchy. Thus, I very much hope that the Secretary ...*

DEPUTY PRESIDENT (in Cantonese): Dr CHIANG, please raise your supplementary question.

DR CHIANG LAI-WAN (in Cantonese): *Let me raise my supplementary question. The Secretary said earlier that doctors of the two teaching hospitals have provided inpatient and post-discharge outpatient dermatology services, but*

most of these patients suffer from burns and there are no specialty services for eczema patients. If the Policy Bureau does not provide special funding, no specialty studies can be conducted. People are likely to suffer from eczema in Hong Kong because weather changes rapidly with the four seasons. I would like the Secretary to conduct specialty studies on eczema in Hong Kong ...

DEPUTY PRESIDENT (in Cantonese): Dr CHIANG, please raise your supplementary question directly.

DR CHIANG LAI-WAN (in Cantonese): *It is my earnest hope and request that the Secretary considers how she can help eczema patients in Hong Kong.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank Dr CHIANG for her supplementary question. Deputy President, at present, public specialist dermatology services are mainly provided by the Social Hygiene Service of DH. The two teaching hospitals I mentioned earlier mainly provide inpatient dermatology services and post-discharge specialist outpatient services, and other specialist service of HA which provides services to other patients has an annual attendance of over 300 000. In fact, we have already provided additional funding to create two posts of Medical Officer, two posts of Nursing Officer and seven posts of Registered Nurse in HA to improve the existing service delivery. As the demand for such services in the two teaching hospitals is huge, HA has planned to create two Associate Consultant and two Resident posts of dermatology to improve the existing service delivery.

DEPUTY PRESIDENT (in Cantonese): Dr CHIANG, which part of your supplementary question has not been answered?

DR CHIANG LAI-WAN (in Cantonese): *Will the Secretary establish a specialist dermatology service in each public hospital?*

DEPUTY PRESIDENT (in Cantonese): You have clearly pointed out the part of your supplementary question which has not been answered. Secretary, do you have anything to add?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Currently, DH is supporting various hospitals. Dermatology patients at hospitals can be referred to DH for consultation. We will give prompt attention to any needs outside the scope of the two teaching hospitals and provide manpower support with a view to providing better services.

PROF JOSEPH LEE (in Cantonese): *Deputy President, Dr CHIANG Lai-wan's main question is very direct, but her fails to follow up on the main question in her supplementary question. Secretary, in the main question, Dr CHIANG Lai-wan directly asked whether the Government has injected resources to help eczema patients who have also been infected with drug-resistant S. aureus. There are doctors who suggest that patients can receive biologic therapy, but the Secretary has not mentioned this point in the entire main reply. A detailed technical explanation is given in the second paragraph of part (3) of the main reply, but can the antibiotics effectively treat eczema patients who have also been infected with drug-resistant S. aureus? Is it that the Secretary will not consider biologic therapy at all? Is the doctor mentioned by Dr CHIANG Lai-wan in her question who introduced biologic therapy to patients not a doctor working in DH but a private doctor?*

Finally, since the Government has formulated a policy of providing subsidies for patients to buy expensive drugs, may I ask the Secretary whether she will pledge to include biological agents in the formulary of expensive drugs to help eczema patients who have also been infected with drug-resistant S. aureus to meet their special needs.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank Prof Joseph LEE for the question. After clinical assessment of the patient, Medical Officers of DH may consider that there is a need to use biological agents because other medication may not be effective. According to DH's information, there is a biological agent registered in Hong Kong which can treat serious atopic eczema. The Social Hygiene Service of DH has been paying close attention to the clinical outcome and latest development in scientific research of that biological agent. Besides, the Social Hygiene Service will promptly collaborate with HA under the existing mechanism and refer patients to HA so that they can obtain appropriate public medical services.

At present, fast and direct referrals can be offered to serious psoriasis patients for appointments for the biologic therapy outpatient service at the Prince of Wales Hospital. Furthermore, we have made active preparations to provide biologic therapy outpatient service at the Pamela Youde Nethersole Eastern Hospital.

DR FERNANDO CHEUNG (in Cantonese): *Deputy President, the Secretary is evading the question. Biological agent is a relatively new type of drug which must be used by some patients, but DH has not included it in the Drug Formulary. Thus, when a patient needs to use the drug, a referral has to be made to HA.*

As the Secretary mentioned earlier, there is currently only one outpatient clinic at the Prince of Wales Hospital. It provides outpatient consultation services only once a month for 1.5 hours to three patients. As estimated by a group, currently, biologic treatment is suitable for more than 3 000 patients. Members can imagine that many patients are now on the waiting list. As shown in the cases we handle at the Public Complaints Office, the waiting time is several years.

According to the Secretary, services are provided under the existing mechanism, but the consultation quota is very small. I think there are two feasible solutions to this problem. First, bring the entire dermatology services under DH; and second, let HA take over the management of dermatology outpatient services from DH. The present arrangement is neither fish nor fowl. Are the services provided only to protect those with vested interests under the existing mechanism, or are they provided for the benefit of patients?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank Dr Fernando CHEUNG for the question. Certainly, we will definitely endeavour to provide services for the benefit of patients. Under the existing mechanism, if a patient needs a drug which is not included in DH's Drug Formulary, DH can refer the patient to HA. The most important thing is that after clinical assessment, the Medical Officer considers that the patient needs to use the drug.

Earlier, we have heard the view that this service could be enhanced. Thus, we started to increase the manpower of DH two years ago in the hope that

we could do better in providing dermatology outpatient services as well as referral services. In addition, we have created two posts of Medical Officer, two posts of Nursing Officer and seven Registered Nurses to enhance the service. Patients certainly have to wait to obtain services, but most importantly, under the existing mechanism of HA, patients can have access to the service if they have such a need.

In the past, the service was only available at the Prince of Wales Hospital. After HA's planning, however, the specialist services provided by DH formally commenced operation in June 2018. If a patient needs biologic treatment, it is now available at both the Prince of Wales Hospital and the Pamela Youde Nethersole Eastern Hospital. We will certainly continue to review the situation. Furthermore, HA has planned to recruit four Medical Officers, including two Associate Consultant and two Resident posts of dermatology. The recruitment procedure is about to be completed. When manpower supply is more adequate, we will review the provision of services again.

DR FERNANDO CHEUNG (in Cantonese): *Will the Secretary tell us how many times a month the clinic of DH provides consultation, so that these patients ...*

DEPUTY PRESIDENT (in Cantonese): Dr CHEUNG, you have just raised a new supplementary question. You can only point out the part of your supplementary question which has not been answered. Please enquire about other issues on other occasions.

DR FERNANDO CHEUNG (in Cantonese): *I request the Secretary to provide the information after the meeting.*

IR DR LO WAI-KWOK (in Cantonese): *Deputy President, it seems that the number of children eczema patients in Hong Kong is rather significant. Some children of my relatives and friends have also suffered from eczema. Those who are more fortunate will become better or even recover with age, but others will be troubled by eczema in their entire growing up process. One can imagine that if a child is troubled by eczema in his growing up process, it will actually affect his learning and social interactions with other children. May I ask the Secretary*

whether she fully comprehends the situation of children and adolescent eczema patients in Hong Kong? Will she provide special alleviation or support measures for these patients?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank Ir Dr LO Wai-kwok. According to the information of DH for the past three years, in 2017 for example, the attendance of dermatology patients was 236 200; and DH has not compiled statistics of the number of dermatology patients. All patients, be they adults or children, can obtain services from the Social Hygiene Service of DH. If a Medical Officer considers that there is a need to use a drug that is not included in the Formulary of DH after clinical assessment, he needs to obtain it from HA. In fact, there is a mechanism under which patients can be referred to hospitals of HA to obtain such treatment or drugs. Perhaps I will also provide some more information. As at the end of October 2018, the dermatology services of DH have identified 35 patients with serious atopic eczema suitable for receiving biologic therapy and referred them to the biologic therapy outpatient clinic at the Pamela Youde Nethersole Eastern Hospital. The clinic has provided services to 17 patients and 7 of them have started biologic therapy.

DEPUTY PRESIDENT (in Cantonese): Ir Dr LO Wai-kwok, which part of your supplementary question has not been answered?

IR DR LO WAI-KWOK (in Cantonese): *I would like to seek information on children and adolescent patients in particular. If the Secretary does not have the information with her today, can she provide supplementary information in writing after the meeting?*

DEPUTY PRESIDENT (in Cantonese): You have clearly pointed out the part of your supplementary question which has not been answered. Secretary, please provide the supplementary information in due course.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Yes. (Appendix I)

MR ABRAHAM SHEK (in Cantonese): *Deputy President, after hearing the replies of the Secretary today, I would like to thank her on behalf of eczema patients, particularly children patients. I have a very humble request. I hope the authorities will not only provide special drugs to patients with special conditions. After assessment, doctors should also provide special drugs to children or elderly eczema patients; they should not provide special drugs to patients only if they have special conditions or ask them to purchase the drugs at their own expenses. I have received complaints in this regard from many patients. Will the authorities put in more resources on drugs so that doctors will not give good drugs only to patients with special conditions? Will the Secretary consider this point?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank Mr Abraham SHEK for the supplementary question. In fact, the special conditions, so to speak, must be based on clinical assessment. If a doctor considers, after clinical assessment, that a patient needs to use a special drug, he will make the referral. Certainly, we can always continue to enhance the existing mechanism; but most importantly, as with any drug, we must first review its safety, efficacy and quality. Under the existing mechanism, if a new drug satisfies these three criteria, we will try our best to include it in the Drug Formulary. If a doctor considers, after clinical assessment, that a patient has the need to use a drug, he will make a referral to HA to provide the drug.

DEPUTY PRESIDENT (in Cantonese): Mr Abraham SHEK, which part of your supplementary question has not been answered?

MR ABRAHAM SHEK (in Cantonese): *The Secretary has not answered my supplementary question. Since many eczema patients are chronic patients, if each time only those who suffer special conditions can ...*

DEPUTY PRESIDENT (in Cantonese): Mr Abraham SHEK, I think you are raising a new issue now.

MR ABRAHAM SHEK (in Cantonese): *I hope the Government can change the policy concerned.*

DEPUTY PRESIDENT (in Cantonese): That is a new issue; please follow it up on other occasions.

Fifth question. Mr AU Nok-hin, please put your question.

Provision of legal services and legal aid to unlawful societies and their members

5. **MR AU NOK-HIN** (in Cantonese): *Deputy President, a point of order. Chief Secretary for Administration has not yet arrived at the Chamber, can we continue to deal with this question?*

DEPUTY PRESIDENT (in Cantonese): Secretary WONG Kam-sing is also the Chief Secretary for Administration today, so the Chief Secretary is already present.

MR AU NOK-HIN (in Cantonese): *All right. Under section 8 of the Societies Ordinance, the Secretary for Security may, on the recommendation by the Societies Officer, prohibit the operation or continued operation of any society in Hong Kong ("prohibited society") by order published in the Gazette. A prohibited society and its office-bearer(s) or member(s) may appeal to the Chief Executive in Council against the making of the order and may also lodge a judicial review with the court against the outcome of the appeal. In this connection, will the Government inform this Council:*

(THE PRESIDENT resumed the Chair)

- (1) *as section 20(1) of the Societies Ordinance stipulates that any person who gives any aid to an unlawful society shall be guilty of an offence, whether the Government has assessed if a legal practitioner who renders legal service to a prohibited society or its*

office-bearer(s) or member(s) in respect of an appeal or judicial review lodged by the latter contravenes the said provision; if it has assessed and the outcome is in the affirmative, whether it has assessed if the said provision is in conflict with Article 35 of the Basic Law, which stipulates that Hong Kong residents have the right to access to legal advice and choice of lawyers for representation in the courts, etc.; and

- (2) *whether the Legal Aid Department will, upon receipt of a legal aid application in respect of a judicial review case involving a prohibited society, consider factors other than the "means test" and "merits test"; whether it has assessed if the Director of Legal Aid will contravene section 20(1) of the Societies Ordinance by granting of legal aid to such type of cases?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, on 24 September 2018, the Secretary for Security made an order in accordance with section 8(2) of the Societies Ordinance to prohibit the operation or continued operation of the Hong Kong National Party in Hong Kong. The decision was necessary in the interests of national security or public safety, public order or the protection of the rights and freedoms of others. The society lodged an appeal to the Chief Executive in Council on 24 October. As the appeal proceedings are ongoing, the HKSAR Government will not comment further on the case. I am going to respond to general questions only, and the reply should not be regarded as response to individual cases.

In response to the various questions raised by the Honourable Member, our consolidated reply is as follows:

- (1) Section 20(1) of the Societies Ordinance states that "any person who is or acts as a member of an unlawful society or attends a meeting of an unlawful society or who pays money or gives any aid to or for the purposes of an unlawful society shall be guilty of an offence".

The question of the Honourable Member concerns if a lawyer provides legal services to an unlawful society in relation to the statutory appeal process or a judicial review ("JR"), whether this will be regarded as giving aid for the purposes of an unlawful society, thereby contravening the Societies Ordinance.

Article 35 of the Basic Law stipulates that "Hong Kong residents shall have the right to confidential legal advice, access to the courts, choice of lawyers for timely protection of their lawful rights and interests or for representation in the courts, and to judicial remedies". Article 10 of the Hong Kong Bill of Rights also stipulates that "all persons shall be equal before the courts and tribunals. In the determination of any criminal charge against him, or of his rights and obligations in a suit at law, everyone shall be entitled to a fair and public hearing by a competent, independent and impartial tribunal established by law".

When a society becomes an unlawful society by virtue of an order made by the Secretary for Security in accordance with section 8 of the Ordinance, it may appeal to the Chief Executive in Council in accordance with section 8(7) of the same Ordinance. Section 8(7) provides a statutory channel for appeal. Besides, the society also has the right to seek JR. The society's seeking of legal advice or legal representation in the process of the appeal or JR in principle does not conflict with what is stated in section 20(1) of the Societies Ordinance.

Furthermore, Article 63 of the Basic Law states that "the Department of Justice of the Hong Kong Special Administrative Region shall control criminal prosecutions, free from any interference". Prosecutors within the Department of Justice always uphold the constitutional duty under the Basic Law in handling all prosecution work in a fair, impartial and open manner. If any person is suspected of committing a criminal offence, including the criminal offences under the Societies Ordinance, the law enforcement agency will commence investigation of the case and will pass the evidence and information gathered to the Department of Justice. The Department of Justice will, with regard to what has taken place and the case facts and in accordance with the applicable laws, Prosecution Code and evidence, consider whether to make a criminal prosecution. A prosecutor must act in accordance with the guidelines set out in the Prosecution Code in making a decision to prosecute or not to prosecute. The fundamental principle is that unless there is sufficient admissible evidence so that the case has a reasonable prospect of conviction, and that it is in the public interest to prosecute, no prosecution should be commenced or continued.

In the process of discharging its duties, the Department of Justice will ensure that Hong Kong residents enjoy the various rights protected under the Basic Law.

As regards whether individual cases contravene the law, the circumstances of every case are different and cannot be generalized.

- (2) The policy objective of legal aid is to ensure that all those who meet the criteria set out in the Legal Aid Ordinance ("LAO") (Cap. 91) and have reasonable grounds for pursuing or defending a legal action in the courts of Hong Kong will not be denied access to justice due to a lack of means. To qualify for legal aid, a person, irrespective of residence and nationality, is required to satisfy both the means test and merits test as provided by LAO.

At present, a person whose financial resources do not exceed \$307,130 is financially eligible for legal aid under the Ordinary Legal Aid Scheme ("OLAS"), which covers committal proceedings in the Magistrates' Courts, as well as civil and criminal proceedings in the District Court or higher courts. Those with financial resources exceeding the statutory limit of OLAS but are below \$1,535,650 may apply for legal aid under the self-financing Supplementary Legal Aid Scheme.

In conducting the merits test, the Legal Aid Department ("LAD") will consider the background, evidence available and legal principles applicable to the case so as to determine whether legal aid should be granted. Before issuing a legal aid certificate, LAD must, in assessing the merits, be satisfied that there are reasonable grounds or points of law involved for which it is desirable to grant legal aid. The criteria for conducting the merits test for legal aid applications involving JR are the same as those for other civil legal aid applications. That is, according to section 10(3) of LAO, legal aid would only be granted to applicants who can show that their cases have reasonable grounds for conducting JR proceedings.

According to section 26 of LAO, if an application for legal aid is refused, the applicant may appeal to the Registrar of the High Court whose decision is final.

Regarding the question on whether the Government has assessed if the Director of Legal Aid will contravene section 20(1) of the Societies Ordinance by granting legal aid to an application relating to JR involving a prohibited society, we do not comment on hypothetical questions.

MR AU NOK-HIN (in Cantonese): *Mr LEUNG, I think the Chief Secretary's main reply has not responded to some parts of my question. I asked if the Government has assessed whether a legal practitioner who renders legal service to a prohibited society contravenes section 20(1) of the Societies Ordinance. The Chief Secretary stated in paragraph 4 of part (1) of his main reply: "The society's seeking of legal advice or legal representation in the process of the appeal or JR in principle does not conflict with what is stated in section 20(1) of the Societies Ordinance".*

My follow-up question is: Does this mean that the Government agrees with my question that the legal practitioner may have contravened the Societies Ordinance? This is a right or wrong question. Will the Chief Secretary please answer "yes" or "no"?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, I believe that the main reply has already answered the Member's question but I would like to reiterate some key points. Article 35 of the Basic Law stipulates that "Hong Kong residents shall have the right to confidential legal advice, access to the courts, choice of lawyers for timely protection of their lawful rights and interests or for representation in the courts, and to judicial remedies". When a society becomes an unlawful society because of an order made by the Security Bureau under section 8 of the Societies Ordinance, it may appeal to the Chief Executive in Council under section 8(7) of the Ordinance. Section 8(7) provides a statutory appeal channel and the society concerned has the right to seek JR. As mentioned in the main reply, "The society's seeking of legal advice or legal representation in the process of the appeal or JR in principle does not conflict with what is stated in section 20(1) of the Societies Ordinance". The Member asked if individual cases have been assessed but we are not in a position to respond to individual cases or hypothetical questions.

PRESIDENT (in Cantonese): Mr AU, which part of your supplementary question has not been answered?

MR AU NOK-HIN (in Cantonese): *The Chief Secretary has not answered whether the legal practitioner may be prosecuted. This is a right or wrong question. Will the Chief Secretary please answer "yes" or "no"?*

PRESIDENT (in Cantonese): I think the Chief Secretary has answered your supplementary question.

DR KWOK KA-KI (in Cantonese): *Someone asked Carrie LAM if it was necessary to legislate for Article 23 of the Basic Law and she said that it was not necessary because she had all the tools and weapons in hand. Therefore, the Secretary for Security cited the Societies Ordinance to ban a society, using a legally permitted method. Someone later warned that if any person assisted these societies ...*

PRESIDENT (in Cantonese): Dr KWOK Ka-ki, please ask a supplementary question on Mr AU Nok-hin's main question, it is not time for your comments.

DR KWOK KA-KI (in Cantonese): *I am asking ...*

PRESIDENT (in Cantonese): Dr KWOK, please put your supplementary question.

DR KWOK KA-KI (in Cantonese): *President, I am asking a question. If any person assists these societies, he will be regarded as contravening the Societies Ordinance. This is white terror because any person, including a lawyer, may contravene the Societies Ordinance for assisting a society in appealing or taking legal actions. Therefore, Mr AU Nok-hin asked if the Government thought that a lawyer or legal representative would contravene the Societies Ordinance if he*

assisted certain groups, including the Hong Kong National Party or other groups involved in litigations in future. The Government has successfully created white terror.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, I thank Dr KWOK Ka-ki for his question. I have pointed out in the main reply that the Basic Law and the related legislation protect basic civil rights. In principle, the contents of section 20(1) of the Societies Ordinance do not conflict with Members' concerns.

DR KWOK KA-KI (in Cantonese): *Will the lawyer concerned be prosecuted in future?*

PRESIDENT (in Cantonese): Dr KWOK, you should only point out which part of your supplementary question has not been answered.

DR KWOK KA-KI (in Cantonese): *The Chief Secretary has not answered whether this would create white terror and whether the lawyer concerned would be prosecuted.*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, I believe that I have already answered the Member's question. Since every case involves different circumstances, I am not in a position to comment.

MR CHEUNG KWOK-KWAN (in Cantonese): *President, if the HKSAR Government bans any unlawful societies or triad societies under the Societies Ordinance, I think this act is worth supporting because this will help maintain social order.*

President, the main reply refers to section 20(1) of the Societies Ordinance. It would be a good thing for the Government to ban certain societies under this provision. However, I note that if a member of a banned unlawful society takes certain action not in the capacity as a member of that society but in his personal capacity, such as distributing unlawful leaflets at school gates or even promoting

certain inappropriate ideas on campus, does the HKSAR Government have the right to prohibit such activities under section 20 of the Societies Ordinance? Can the provisions of the Societies Ordinance eliminate such circumstances? If not, will the Government amend the relevant provisions to plug the relevant legal loopholes?

PRESIDENT (in Cantonese): Mr CHEUNG, I think that the content of your supplementary question is not related to the theme of the main question. Chief Secretary, do you have anything to add?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, as each case involves different circumstances, we have to consider the specific circumstances and evidence on a case-by-case basis. While I have just mentioned that we will not comment on individual cases, the stance of the HKSAR Government on "Hong Kong independence" is clear and unambiguous. "Hong Kong independence" does not comply with the constitutional and legal status of Hong Kong as stipulated in the Basic Law of the Special Administrative Region and contradicts the state's basic principles and policies on Hong Kong. Advocating "Hong Kong independence" is a serious issue and challenges the bottom line of national sovereignty and territorial integrity. As regards whether individual cases have contravened the law, the circumstances of every case are different and cannot be generalized. However, if the act of any person violates the laws of Hong Kong, the Administration will follow up on the case as appropriate on the basis of the actual circumstances.

MR PAUL TSE (in Cantonese): *President, the Chief Secretary has repeatedly referred to the provisions of Article 35 of the Basic Law. The Basic Law certainly overrides local legislation, so the Chief Secretary's reply is good enough. In fact, the provision of section 20(2) of the Societies Ordinance on triad societies provides a better answer. In the past, many law firms had represented and defended countless individuals who violated the Societies Ordinance and I also believe that LAD might have handled such cases. Therefore, the Societies Ordinance and its actual operation illustrate that there is no problem at all. I would like the Chief Secretary to confirm whether this is the case. Is there any information showing that LAD has provided legal aid in the past to assist people who acted in the capacity as triad members?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, I thank Mr TSE for his supplementary question. I believe that we may not have such a breakdown, but I would like to reiterate that legal practitioners are properly protected under the Basic Law and the relevant legislation.

PRESIDENT (in Cantonese): Mr Paul TSE, which part of your supplementary question has not been answered?

MR PAUL TSE (in Cantonese): *Sorry, President, I seldom ask follow-up questions. Apart from the Basic Law, the content of section 20(2) of the Societies Ordinance on "giving aid to" is the same as the relevant content under section 20(1). Lawyers handled countless cases related to triad societies in the past, were they giving aid to unlawful societies?*

PRESIDENT (in Cantonese): Chief Secretary, do you have anything to add?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, I have nothing to add.

MR AU NOK-HIN (in Cantonese): *The Chief Secretary's reply reflected that he seems to be very worried. I notice that Mr CHEUNG Kwok-kwan has only referred to some unlawful acts, but the Chief Secretary made such a fuss and referred to acts of "Hong Kong independence". The Administration has stated in the last paragraph of part (1) of the main reply that "[a]s regards whether individual cases contravene the law, the circumstances of every case are different and cannot be generalized". My understanding is that lawyers may break the law in some cases. I have just raised a right and wrong question but the Chief Secretary has refused to answer; can the Chief Secretary give an example to illustrate the circumstances under which lawyers may break the law?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, in principle, the main reply has stated that every case involves different circumstances. I believe this is not an appropriate occasion to briefly answer a hypothetical question.

PRESIDENT (in Cantonese): Mr AU, which part of your supplementary question has not been answered?

MR AU NOK-HIN (in Cantonese): *I am not asking the Chief Secretary to answer a hypothetical question; I am just asking if he can give an example.*

PRESIDENT (in Cantonese): Chief Secretary, do you have anything to add?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, I have nothing to add.

PRESIDENT (in Cantonese): Last oral question.

Restrictions on carrying and posting dried seafood into the Mainland

6. **MR SHIU KA-FAI** (in Cantonese): *President, according to the Catalogue of Animals and Plants, and Animal and Plant Products Prohibited from being Carried or Posted into the People's Republic of China ("the Catalogue"), aquatic animal products are prohibited from being carried or posted into the Mainland. It is learnt that business turnover of the local dried seafood industry has dropped in recent years, with the spending of Mainland travellers at local dried seafood shops during this year's National Day long holidays dropping by more than 30% as compared with that in the same period of last year. This is reckoned to be related to the enforcement of the Catalogue at Mainland ports. In this connection, will the Government inform this Council:*

- (1) *given that dried seafood, being dried food that has gone through work processes such as sun-drying, oven-drying, cooking and dehydration, is completely different from fresh and live seafood in nature, whether the Government has gained an understanding from the Mainland authorities as to whether the Catalogue only restricts the entry of fresh and live seafood but not dried seafood;*
- (2) *whether the Government discussed with the Mainland authorities in the past three years the setting up of a quarantine system to be implemented in Hong Kong which is recognized by the Mainland*

authorities, so that quarantine dried seafood sold in Hong Kong are exempted from the restrictions of the Catalogue; if so, of the details; if not, the reasons for that; and

- (3) *as some members of the industry have pointed out that quite a lot of local dried seafood comes from the Mainland and is thus believed to be able to meet the Mainland quarantine and hygiene requirements without difficulties, whether the Government will discuss with the Mainland authorities allowing travellers to carry into the Mainland a reasonable quantity of dried seafood for personal use?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, my reply to the various parts of the question raised by Mr SHIU Ka-fai is as follows:

- (1) According to the Catalogue of Animals and Plants, and Animal and Plant Products Prohibited from being Carried or Posted into the People's Republic of China ("the Catalogue") revised by the Mainland authorities in 2012, an array of animals and plants and their products are prohibited from being carried or posted into the Mainland. The Catalogue mainly covers three types of products, namely "animals and animal products", "plants and plant products" and "others". "Animals and animal products" include live animals (except cat and dog), bird's nests (except canned ones) and aquatic animal products, etc. We are given to understand that aquatic animal products prohibited from being carried or posted into the Mainland include dried seafood products.

The restriction laid down in the Catalogue aims at preventing animal and plant diseases and pests from spreading into the Mainland, and protecting the production of agriculture, forestry, animal husbandry and fishery as well as public health and safety on the Mainland. The restriction applies to all exporting places, including Hong Kong.

- (2) and (3)

Over the years, local dried seafood industry has been exporting dried seafood products to the Mainland and other places. The Agriculture, Fisheries and Conservation Department ("AFCD") has communicated with the relevant Mainland authorities regarding the

carrying and posting of dried seafood products into the Mainland by travellers. Since dried seafood products involve various types of aquatic animal products, there is no common quarantine system applicable to all these products. Members of the industry may provide AFCD with specific details of those dried seafood products they intend to sell to travellers for carrying or posting into the Mainland, so as to facilitate AFCD's liaison with the Mainland authorities.

The local trade of bird's nests has also raised the concern that the Mainland authorities' inclusion of bird's nest in the Catalogue has caused certain impact on the trade. In this connection, we have been relaying to the relevant authorities the trade's appeal for exporting bird's nest products to the Mainland. The Special Administrative Region ("SAR") Government and the Mainland have been following up on the arrangements on inspection and quarantine for the importation of bird's nest products from Hong Kong, initialled last December. The formal signing of the agreement on the implementation of the above arrangements with the General Administration of Customs during my visit to Beijing at the end of October this year will foster the trading of bird's nests between the Mainland and the SAR. We will continue to maintain liaison with the relevant Mainland authorities and the trade on this matter.

MR SHIU KA-FAI (in Cantonese): *President, first of all, I thank the Secretary for helping to clear the way for importing bird's nest products into the Mainland.*

In respect of the dried seafood industry, will the authorities set up a special task force to enhance communication with the dried seafood industry and explore strengthening communication with the Mainland authorities in order to expedite the importation of dried seafood into the Mainland?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank Mr SHIU for his supplementary question.

As I mentioned just now, dried seafood products involve various types of aquatic animal products; and according to the guidelines of the World Organization for Animal Health ("OIE"), different aquatic animals may carry

different pathogens. Therefore, there may not be a common quarantine system universally applicable to all types of products.

Of course, members of the trade may provide AFCD with information setting out the specific details of those dried seafood products they intend to sell to travellers for carrying or posting into the Mainland. We can communicate with the trade, and AFCD can also liaise with the Mainland authorities. Therefore, the suggestion of Mr SHIU is absolutely worth considering. However, we are given to understand that the products currently prohibited from being carried or posted into the Mainland by the Catalogue include dried seafood products.

MS STARRY LEE (in Cantonese): *President, earlier on, some members of the dried seafood industry have strongly relayed to me that they considered the arrangement of the Mainland to be preposterous.*

In fact, it used to be very common for people to buy gifts while returning to the Mainland. However, at present, dried seafood products, even a bag of dried oysters, cannot be carried into the Mainland. Hence, I strongly concur with the suggestion put forward by Mr SHIU Ka-fai just now. The Secretary has also indicated that the suggestion is problem-free and feasible. Will the Secretary please undertake to conduct a study at the task force as to whether it is necessary to revise the current policy of a total importation ban? The policy appears to run counter to the common belief of the Chinese people in buying gifts. Should the Mainland authorities allow the purchase of one packet for personal use?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I thank Ms LEE for her supplementary question.

In fact, the Catalogue of the Mainland prohibits the relevant products from being carried or posted into the Mainland mainly due to quarantine considerations. The relevant animal products may possibly carry pathogens. According to the guidelines of OIE, various products or seafood may also possibly carry different pathogens. Although the Mainland authorities have expressly prohibited the relevant animal products from entering the Mainland, we are still willing to continue to seek approval from the Mainland authorities.

The Mainland authorities have also stated clearly that the general trade in animal products will not be prohibited despite the ban on the carrying and posting of prohibited articles as gifts, etc. As I said just now, there is currently no common quarantine system in place. Members of the trade may propose to AFCD any particular type of product they particularly hope to be discussed so that we can bring it up in our discussion with the Mainland authorities.

Under the current situation, when I recently went to the Mainland to discuss the matters relating to bird's nests, the Mainland authorities indicated their main concern over the prevention of infection of humans by animal diseases or pests. We respect the considerations of the authorities. However, we will also relay the questions which may be raised by Members to the Mainland authorities.

MR CHUNG KWOK-PAN (in Cantonese): *In part (3) of his main question, Mr SHIU Ka-fai has clearly stated that quite a lot of dried seafood products have been produced in the Mainland and then exported to Hong Kong. After being exported from the Mainland to Hong Kong for processing, why are these products prohibited from re-entering the Mainland? This arrangement is contradictory.*

Will the Secretary discuss with the Mainland authorities concerned and seek approval for products originating from the Mainland to be carried from Hong Kong into China?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank the Member for the supplementary question.

AFCD will definitely relay any problems identified by the trade to the Mainland authorities. However, the products prohibited from being carried and posted into the Mainland as clearly set out in the Catalogue revised by the Mainland authorities in 2012 include dried seafood products. Even products for personal use have been prohibited from entry. The restriction applies to not only Hong Kong but also all seafood exporting places. Of course, we can relay the question raised by the Member just now to the Mainland authorities.

MR CHEUNG KWOK-KWAN (in Cantonese): *President, in my view, the work of the Administration and the Secretary in this aspect deserves our recognition. The work to promote the importation of bird's nest products into the Mainland as mentioned in the main reply just now has achieved remarkable results.*

In respect of dried seafood products, the Secretary stated in her reply just now that there is currently no common quarantine system in place given the great variety and diversity of dried seafood products. However, AFCD is ready to liaise with the Mainland authorities, and the Secretary also hopes that the trade will provide a product checklist to facilitate the discussion with the Mainland authorities. I would like to offer my view in this regard. At the dried seafood shops in Hong Kong, local people or tourists usually buy such dried seafood products as dry scallops, dry mushrooms, etc. for gift or personal use. In the main reply, the Secretary has also stated that the dried seafood industry has been exporting the above mentioned products. We should be well aware of the types of dried seafood products which had been exported from Hong Kong in the past. Will the Secretary accord priority to the several types of dried seafood products which have been recognized as the best-sellers in her discussion with the Mainland authorities? President, this will be vital to the trade.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): *President, I thank Mr CHEUNG for his supplementary question. As I said just now, Hong Kong has been exporting dried seafood products. At present, to facilitate the normal trade of dry seafood products, AFCD has been issuing the Sanitary Certificate for Products of Animal Origin ("the Sanitary Certificate") for local dried seafood exporters to export their products to the Mainland or other places in the form of trade. At present, we mainly focus on the restriction on the carrying or posting of animals and plants or other products. The Food and Health Bureau will definitely hold further discussions with the Mainland authorities if the trade so wishes.*

MR PAUL TSE (in Cantonese): *President, the Secretary certainly deserves recognition for her work in promoting the export of bird's nest products. However, what we are discussing now seems to be neither the problems with bird's nest or a few types of dried seafood nor the free trade issue—Hong Kong itself is already an excellent free port. Instead, we are discussing the quarantine issue. Given that the Mainland authorities revised the Catalogue based on the*

standards of the World Health Organization or international standards in 2012, is it necessary to establish an additional "line of defence" for Hong Kong? Under the "one country" principle, Hong Kong should have been incorporated within the line of defence of the Country. With regard to the inspection of imports, it is basically unnecessary for a line of defence to be drawn between Hong Kong and the Mainland. By adopting the same quarantine standards, the two places can tackle all issues in a more holistic manner. This approach is more appropriate than discussing the products with the Mainland on an item-by-item basis, isn't it?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Secretary, I thank Mr TSE for his supplementary question. The line of defence has already been drawn up. Basically, the revised Catalogue, which prohibits the carrying of dried seafood products, should be the so-called line of defence. The free trade of dried seafood products has been permitted by the Mainland authorities. AFCD assists exporters by issuing the Sanitary Certificate to facilitate their export of dried seafood products to the Mainland. At present, the Catalogue only prohibits the carrying and posting of certain products into the Mainland, not even products for personal use. The restriction also applies to all exporting places, including Hong Kong. Therefore, the line of defence has already existed. I understand the current views of the trade. They may wonder if it is possible to carry and post dried seafood products into the Mainland in addition to trading those products. Based on the SAR Government's experience in the negotiation on the export of bird's nest products, we can actually relay the current general situation to the Mainland authorities.

IR DR LO WAI-KWOK (in Cantonese): *President, this issue actually has a bearing on people's livelihood. Members of the trade engaging in the relevant trade should certainly grasp the details of the restriction. However, the general public who do not know about the restriction may break the law inadvertently.*

President, the current issue covers edible dried seafood, but in fact the case of Chinese herbal medicines is very similar. For example, syngnathus and seahorse are aquatic animals for producing Chinese herbal medicines. Can members of the public carry these products into the Mainland? In addition, more Chinese herbal medicines are plant products. In respect of the use of animal and plant products as medicines, I hope to ask the Secretary via the

President: Will this issue be included in the study as well; and in what ways will the Government conduct publicity properly to enable the public to understand and follow the policy?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank Ir Dr LO for his supplementary question. The SAR Government has been communicating with the Mainland authorities responsible for inspection and quarantine and the General Administration of Customs at various levels on quarantine-related matters. During my visit to Beijing, I would also express our concerns and relay the problems of the trade to the Mainland authorities. Regarding the inspection and quarantine arrangements, according to the guidelines of OIE, since animal products may carry pathogens which may affect other creatures, they need to be put under inspection and quarantine so as to avoid the harmful effect of pathogens on health. This is the major consideration.

As for other products, we certainly have to handle them in accordance with various legislations or refer them to various responsible Mainland authorities. We will continue to monitor the work in this respect and maintain communication with the various authorities concerned.

PRESIDENT (in Cantonese): Ir Dr LO, which part of your supplementary question has not been answered?

IR DR LO WAI-KWOK (in Cantonese): *President, the Secretary has not answered my supplementary question. I am very concerned about how to enable the public to understand and follow the policy. In my opinion, this point has a significant impact.*

PRESIDENT (in Cantonese): You have already pointed out the unanswered part of your supplementary question. Please sit down. Secretary, do you have anything to add?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank Ir Dr LO for his follow-up question. Generally speaking, we will maintain communication not only with the Mainland but also with the Hong Kong people

and the trade. Of course, under normal circumstances, dried seafood products carried and posted by members of the public into the Mainland may be confiscated by the Customs. We will closely monitor the situation. In the event of any further amendments to the Catalogue or other legislations in the Mainland, we will inform the public and endeavour to ensure that we do a better job.

MR AU NOK-HIN (in Cantonese): *Based on my overall understanding of the main question, Mr SHIU Ka-fai queried why dried seafood products could be exported from the Mainland but not be carried or posted into the Mainland, resulting in what appears to be an "unequal treaty" signed between the Mainland and Hong Kong. As the Secretary has stated, they have signed an agreement on the trade of bird's nest products with the General Administration of Customs during a visit to Beijing in October this year, will it be possible for a bilateral, reciprocal quarantine agreement covering all dried seafood products be signed in the future? I believe that the Secretary is capable of handling the bilateral and reciprocal arrangement.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank the Member for the supplementary question. Under the current Mainland regulations, the normal trade in bird's nest products is allowed. After AFCD issues a Sanitary Certificate, the normal trade in dried seafood products can also be conducted. In fact, the statistics provided by the parties concerned show a high volume of normal trade. Between 2015 and the end of October 2018, AFCD has issued Sanitary Certificates for 127 batches of dried seafood products, with a total weight of about 430 tonnes; among them, 49 batches of products weighing 210 tonnes have been exported to the Mainland.

We will maintain communication with the Mainland authorities on bird's nest products. In respect of dried seafood products, after we have an understanding of the product types of most concern to the trade, we will further communicate with the Mainland authorities.

PRESIDENT (in Cantonese): Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS**Re-commissioning of the Central-Hung Hom ferry route**

7. **DR PRISCILLA LEUNG** (in Chinese): *President, due to a continuous decline in patronage, the Central-Hung Hom ferry route ceased operation in March 2011. The Government indicated last month that it intended to re-commission the ferry route in the second quarter of next year. In this connection, will the Government inform this Council:*

- (1) *whether it will adopt measures (e.g. lowering pier rentals or providing other concessions) to enhance the financial viability of the ferry route so as to attract more operators to submit bids for tender; if so, of the details; if not, the reasons for that;*
- (2) *whether it will provide financial incentives (e.g. installing "MTR Fare Saver" readers at the piers or providing interchange discounts) to attract more members of the public to take the ferries of the route; if so, of the details; if not, the reasons for that; and*
- (3) *whether it will adopt measures to enhance the land transport connectivity with and pedestrian accessibility to the relevant ferry piers so as to facilitate members of the public to take the ferries of the route; if so, of the details; if not, the reasons for that?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, the "Star" Ferry Company, Limited ("Star Ferry") started to operate the "Hung Hom—Central" and "Hung Hom—Wan Chai" licensed ferry services on 1 April 1999. In tandem with the enhancement of the public transport network and the relocation of the ferry pier in Central in 2006, the average daily patronage of the "Hung Hom—Central" route kept dropping and the patronage of the "Hung Hom—Wan Chai" route was also on the low side. Given the prolonged operating deficits of the two routes, and in anticipation of a lack of significant growth in patronage, Star Ferry ceased operating the two routes upon licence expiry on 31 March 2011.

Between September and December 2010, the Transport Department ("TD") conducted two tender exercises in a row with a view to selecting suitable ferry service operators to continue the services of the two routes. Prior to the second

tender exercise, TD consulted District Councils and locals of the concerned districts on how to enhance the viability of the two routes so as to attract operators to bid for the operation. Subsequently, the service requirements for the two routes were relaxed. Nevertheless, no tender submission was received by TD when the two tenders closed.

The Government has noticed that in recent years, there are views among the community suggesting that more in-harbour ferry routes should be explored. TD is making preparation for recommissioning the "Central—Hung Hom" ferry route. Meanwhile, in view of the recommendations made in the Development Blueprint for Hong Kong's Tourism Industry, TD is preparing for launching a pilot "water taxi" service plying between Kai Tak, Hung Hom, Tsim Sha Tsui East, West Kowloon and Central. The Government expects that this will inject commercial elements into the Hung Hom (South) Ferry Pier, thereby enhancing vibrancy of the Hung Hom harbourfront.

My responses to the various parts of the question raised by Dr Priscilla LEUNG are as follows:

(1) and (2)

Between 27 August and 27 September 2018, TD invited interested parties to submit Expression of Interest for operating the "Central—Hung Hom" ferry route and the "water taxi" service. Having received two submissions during the specified period, TD is reviewing the submissions and will consult relevant stakeholders so as to formulate more specific ferry service proposals. Subject to progress of the consultation, TD is working towards carrying out a tender exercise for the two ferry services in early 2019, with a view to commencing the services of the "Central—Hung Hom" route and "water taxi"⁽¹⁾ in the second quarter of 2019 and the first quarter of 2020 at the earliest respectively.

It is the Government's established policy that public transport services should be run by the private sector in accordance with commercial principles to enhance efficiency and cost-effectiveness. The established policy is that, basically, in-harbour routes are not

(1) The operator's gearing up time required (and hence the commencement time frame) of the "water taxi" service might vary depending on the specific features of the new service.

subsidized⁽²⁾ as there are a variety of land (and railway) transport alternatives available. That said, to help reduce the operating costs of ferry services, the Government has implemented various measures in recent years as and when needed, such as reimbursing pier rental and exempting vessel licence fees under the Elderly Concessionary Fares Scheme, taking up the responsibility of pier maintenance and waiving fuel duty, etc. The Government also allows ferry operators to sublet premises at piers for commercial purposes to generate non-fare box revenue for cross-subsidizing the ferry operation so as to alleviate the pressure for fare increases. On the other hand, licensed ferry operators can be reimbursed for the difference between the full fare and the concessionary fare of \$2 for elderly and disabled persons under the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities. The above measures will be applicable to the "Central—Hung Hom" ferry route being operated in the form of licensed ferry service.

In addition, the Government will implement the non-means-tested Public Transport Fare Subsidy Scheme ("PTFSS") with effect from 1 January 2019 to relieve the fare burden of commuters who travel on local public transport services for daily commuting and whose public transport expenses are relatively high. Ferry services are among the public transport services covered under PTFSS. Commuters may collect the public transport fare subsidy for January 2019 starting from 16 February 2019. As for the operator and fare levels (including whether and how fare concessions are offered) of the "Central—Hung Hom" ferry route, these will be subject to the outcome of the tender exercise.

Regarding the "MTR Fare Saver" mentioned in the question, it is a business promotion scheme launched by the MTR Corporation Limited ("MTRCL") based on commercial considerations. Its objective is to encourage more people to opt for walking from places farther away from MTR stations to nearby MTR stations for using

- (2) There is basically no subsidy for public transport services save for the six major outlying ferry routes. Special Helping Measures ("SHM") are provided to these routes by the Government because for the islands in question there is basically no alternative to the ferry services as a means of public transport, and short of SHM, the ferry services will not be commercially viable without periodic hefty fare increases. SHM is provided to keep fare increases moderate, while keeping the ferry services commercially viable.

railway services. By offering passengers with promotional concessions, it helps expand the MTR's passenger base, leading to a win-win situation. To set up a Fare Saver, MTRCL will consider several factors including the distance between the proposed location and the nearest MTR station, whether new passengers can be attracted, and whether there are already discounts offered by other means of connecting public transport to MTR stations, etc. As for interchange discounts, it is the commercial decision of individual operators. Nevertheless, to alleviate the burden of public transport expenses on members of the public, the Government will continue to encourage public transport operators to provide fare concession schemes as far as practicable, having regard to their individual operational and financial positions, the market situation and passenger demands, etc.

- (3) The proposed "Central—Hung Hom" ferry route will berth at the Central Pier No. 8 (western berth) and Hung Hom (South) Ferry Pier (eastern berth). To meet operational needs of the ferry service, TD is coordinating with the works departments concerned to conduct basic maintenance works for these piers. Such works include renovation works for the interior and exterior walls of the piers, waterproofing works for their roofs, lift and ramp system maintenance works, and retrofitting for addition of breastfeeding rooms at the piers, etc. Enhancement to the Hung Hom (South) Ferry Pier in the long run will be subject to recommendations, and their feasibility, to be made by the ferry service operator to be selected through the tender exercise mentioned in part (1) above. By then, TD and relevant government departments will study the operator's recommendations in detail. TD will duly consult stakeholders such as relevant District Councils and the Harbourfront Commission when preparing for the tender exercise, and when a more concrete pier enhancement proposal is available.

Currently, access to the Hung Hom (South) Ferry Pier is easy and convenient. The pier is within 5 to 10 minutes' walk from the major housing estates in Whampoa. In future, ferry passengers may use the nearby Hung Hom (Hung Luen Road) Public Transport Interchange, to be in service soon, to interchange for various routes of franchised bus and green minibus for direct access to Wong Tai Sin, Kwun Tong, Sha Tin, Yuen Long and Tseung Kwan O, etc. Ferry passengers may also walk for a few minutes to the Whampoa

MTR Station to go to places in Kowloon and the New Territories by rail. TD will continue to keep in view the region's development and consider transport measures and adjustments to public transport services as necessary in a timely manner.

Income limits for applying for Working Family Allowance and public rental housing

8. **MR ANDREW WAN** (in Chinese): *President, at present, when the authorities calculate the family incomes of applicants for public rental housing ("PRH"), the Old Age Allowance, Old Age Living Allowance, Disability Allowance and School Textbook Assistance received by them are excluded from but the Working Family Allowance ("WFA") received by them is included in the calculation. In this connection, will the Government inform this Council:*

- (1) *given that some PRH applicants' family incomes, as calculated with WFA included, have exceeded the relevant income limits, rendering such applicants ineligible to apply for PRH, whether the authorities will review the method for calculating the family incomes of PRH applicants, and consider excluding WFA from the calculation of family incomes of PRH applicants; if so, of the details; if not, the reasons for that; and*
- (2) *given that the current income limits set by the authorities for applying for WFA and PRH are different, rendering some applicants who are eligible to apply for half-rate WFA ineligible to apply for PRH, whether the authorities will consider adjusting upward the income limits for PRH applicants to make them on a par with the relevant limits for WFA applicants, so that families with financial needs may benefit from both measures concurrently?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, it is the Hong Kong Housing Authority ("HA")'s objective to provide public rental housing ("PRH") to low-income families who cannot afford to rent private accommodation. The PRH income and asset limits mainly estimate the total household income required to rent private accommodation comparable to PRH as well as to meet other non-housing expenditure. Households with income and assets below the prescribed limits are deemed to be low-income families who are unable to afford renting private accommodation, and hence are eligible for

PRH.⁽¹⁾ HA's Subsidised Housing Committee ("SHC") reviews the relevant limits annually to keep them in line with the prevailing socio-economic circumstances. The PRH income limits for 2018-2019 are at Annex 1.

As for the Working Family Allowance ("WFA") Scheme, its purpose is to provide financial support to working households not receiving Comprehensive Social Security Assistance ("CSSA"). The amount of subsidy is pegged to the income and working hours of the household to encourage self-reliance, with the provision of Child Allowance to ease intergenerational poverty. The major design and prevailing income limits of the WFA Scheme are at Annex 2.

Responses to individual questions raised by Mr Andrew WAN are as follows:

- (1) Currently, income that must be declared by PRH applicants and all family members include income from employment, income from self-employment, rental income and other income, etc. Other income refers to income received by means other than employment/self-employment, such as pensions, interest/bonus/dividends from deposits and various kinds of investment, and CSSA, etc. Since the Government's implementation of the Low-income Working Family Allowance Scheme (subsequently renamed as the WFA Scheme) in 2016, WFA has been regarded by HA as other income of PRH applicants and their family members in assessing their total household income. The key consideration is that the nature of WFA is similar to that of CSSA and other income, all of which form part of the household income. HA thus takes into account WFA when assessing the income level of PRH applicants.
 - (2) As pointed out above, HA's objective is to provide PRH to low-income families who cannot afford to rent private accommodation; whereas the WFA Scheme aims to encourage self-reliance among working households and ease intergenerational poverty. PRH income limits are derived using a household expenditure approach, which consists of housing costs and
- (1) Applicants also need to meet other eligibility criteria for PRH (e.g. applicants and their family members must not possess any domestic properties in Hong Kong; at least half of the family members included in the application must have lived in Hong Kong for seven years and are still living in Hong Kong at the time of allocation, etc.)

non-housing costs, plus a contingency provision;⁽²⁾ whereas the various income limits for WFA are set at specific percentages of the median monthly domestic household income ("MMDHI") of economically active households in Hong Kong. Given their different policy objectives, the mechanisms of deriving the income limits for PRH and WFA are also different. Therefore, it is necessary to consider whether it is appropriate, in terms of policy principles, to align the income limits under the two schemes.

When SHC reviews the PRH income and asset limits annually, apart from considering the household expenditure and other latest relevant data, it also takes into account views from various sectors of the community. When SHC conducts the next review (i.e. for 2019-2020) of PRH income and asset limits, it will also consider whether WFA should be regarded as household income and other relevant suggestions.

Annex 1

PRH Income Limits for 2018-2019

<i>Household size</i>	<i>PRH income limits*</i>	
1 person	\$11,540	(\$12,147)
2 persons	\$17,600	(\$18,526)
3 persons	\$22,390	(\$23,568)
4 persons	\$27,920	(\$29,389)
5 persons	\$33,920	(\$35,705)
6 persons	\$37,330	(\$39,295)
7 persons	\$42,700	(\$44,947)
8 persons	\$47,740	(\$50,253)

- (2) Housing costs measure the costs of renting a private flat comparable to PRH, and these depend on the unit rents of private accommodation and reference flat sizes. The non-housing costs are determined with reference to the latest Household Expenditure Survey regularly conducted by the Census and Statistics Department ("C&SD") with adjustments made according to the latest movement in the Consumer Price Index (A)(excluding housing costs), or the change in the nominal wage index obtained through the Labour Earnings Survey conducted by C&SD as the income factor, whichever is higher. The PRH income limits for different household sizes are the respective sums of the above two major cost items, plus a 5% contingency provision.

<i>Household size</i>	<i>PRH income limits*</i>	
9 persons	\$52,650	(\$55,421)
10 persons or above	\$57,450	(\$60,474)

Note:

- * Figures in brackets denote the effective income limits inclusive of the statutory Mandatory Provident Fund ("MPF") contribution for household contributing 5% of their income under MPF.

Annex 2

Major design of the WFA Scheme

	<i>Full-rate Monthly Allowance (monthly household income not higher than 50% MMDHI of economically active households)</i>	<i>3/4-rate Monthly Allowance (monthly household income of more than 50% but not higher than 60% MMDHI of economically active households)</i>	<i>Half-rate Monthly Allowance (monthly household income of more than 60% but not higher than 70% MMDHI of economically active households)</i>
Basic Allowance: monthly working hours of at least 144 hours (single-parent households: 36 hours)	\$800	\$600	\$400
Medium Allowance: monthly working hours of at least 168 hours (single-parent households: 54 hours)	\$1,000	\$750	\$500
Higher Allowance: monthly working hours of at least 192 hours (single-parent households: 72 hours)	\$1,200	\$900	\$600
Child Allowance (every child or youth)	\$1,000	\$750	\$500

Monthly Household Income Limits of the WFA Scheme
(applicable to claim months from April 2018 to March 2019)

<i>Number of household members</i>	<i>Full-rate Allowance (\$)</i>	<i>3/4-rate Allowance (\$)</i>	<i>Half-rate Allowance (\$)</i>
1 person	9,000	10,800	12,600
2 persons	13,700	16,400	19,200
3 persons	16,100	19,300	22,500
4 persons	20,100	24,100	28,100
5 persons	21,100	25,300	29,500
6 persons or above	23,100	27,800	32,400

Measures to assist Hong Kong enterprises in weathering the Sino-US trade conflicts

9. **MR JEFFREY LAM** (in Chinese): *President, since July this year, the authorities of the United States ("US") have imposed, one after another, additional tariffs of 10% or 25% on imports from China of a total worth of US\$250 billion. They have also indicated that the rates of the additional tariffs will be raised to a flat rate of 25% with effect from 1 January next year. In response, the authorities of China have concurrently imposed additional tariffs of 5% to 25% on imports from US of a total worth of US\$110 billion. Among the goods affected by the additional tariffs, those from China and re-exported to US via Hong Kong were worth over HK\$130 billion in total, accounting for about 3.5% of the value of Hong Kong's total exports of goods last year. The Government anticipates that the Sino-US trade conflicts will have significant impacts on Hong Kong's economy next year. Some members of the business sector hope that the Government will step up its efforts to support Hong Kong enterprises to weather the difficult time. In this connection, will the Government inform this Council:*

- (1) *as the special enhanced measures, introduced this year by the Hong Kong Export Credit Insurance Corporation in response to the Sino-US trade conflicts to support exporters, will expire on 30 June next year, whether the authorities will (i) regularize these measures, (ii) raise the limit for the insured amount and increase the*

pre-shipment cover, and (iii) expand the scope of coverage to include exporters with annual sales turnover of \$50 million or more and goods exported to overseas markets other than US;

- (2) *as quite a number of enterprises have relayed that financial institutions have recently kept lowering the credit facilities granted to them, thereby seriously affecting their cash flow, whether the authorities will consider re-launching the Special Loan Guarantee Scheme under which the Government will provide a loan guarantee of \$100 billion so as to assist Hong Kong's manufacturers and exporters in their financing; and*
- (3) *regarding the impacts on the economy of Hong Kong brought about by the US authorities' measure of raising across the board the rates of the additional tariffs on imports from China with effect from 1 January next year, of the outcome of the authorities' latest assessment, and whether they have formulated further measures to assist Hong Kong enterprises in weathering the challenges concerned?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, our consolidated reply for the three parts of the question is as follows:

Since the beginning of this year, the United States has, in tranches, imposed additional tariffs at 10% or 25% on a total of US\$250 billion worth of Mainland imports. In response, the Mainland has imposed additional tariffs at 5%, 10% or 25% on US\$110 billion worth of the United States imports. In respect of the United States and Mainland's tariff lists, a total of HK\$185.7 billion of the concerned products were re-exported via Hong Kong, accounting for 4.8% of Hong Kong's total exports of goods in 2017. Apart from re-export trade, the tariff measures also affect Hong Kong's offshore trade involving Mainland products destined to the United States as well as other economic activities that support China-United States trade.

In addition, the China-United States trade conflict has also affected international trade and investment activities, the global financial market and the overall economic sentiment, indirectly affecting all aspects of the Hong Kong

economy, and the impact has begun to emerge. If the United States raises the tariff level on the US\$200 billion worth of Mainland imports from the current 10% to 25% from January 2019 as it announced earlier, the negative impact on the global economy, financial market as well as Hong Kong's economy would be more significant.

The Government has been closely monitoring developments of the China-United States trade conflict and their impact on Hong Kong economy, maintaining close communication and exchanging information with the trade, and discussing with them on how to respond. The Commerce and Economic Development Bureau and the Trade and Industry Department ("TID") have met with major local chambers and associations of small and medium enterprises ("SMEs") many times to gauge their views on the tariff measures and jointly assess their impact on the trade. TID has also set up a dedicated liaison platform for better communication with and dissemination of information to the trade.

In the short term, the Government understands that the trade is particularly concerned about export credits and financing, especially for SMEs which are more susceptible to external factors. Therefore, the Government has promptly responded to the trade's need and introduced a number of short-term measures, including:

- (i) The Hong Kong Export Credit Insurance Corporation has introduced in phases special enhanced measures to strengthen protection for Hong Kong exporters affected by the United States tariff measures, including providing six free buyer credit assessments for each Hong Kong exporter; providing 30% discount on premium for "Small Business Policy" ("SBP") holders (i.e. Hong Kong exporters with annual sales turnover less than \$50 million); increasing the credit limit for SBP holders by 20% to a maximum of \$5 million; and providing free pre-shipment cover for SBP holders affected by the United States tariff measures;
- (ii) The application period for the special concessionary measures under the SME Financing Guarantee Scheme operated by the HKMC Insurance Limited has been extended to 30 June 2019. In addition, to further alleviate the financing burden of local enterprises and assist them to obtain financing from lending institutions, three additional support measures have been launched from 19 November

2018, i.e. reducing the annual guarantee fee rate by 50%; increasing the maximum facility amount from \$12 million to \$15 million; and lengthening the maximum guarantee period from five years to seven years;

- (iii) TID has been strengthening the dissemination of information in respect of the Hong Kong rules of origin to the trade and following up with the trade on the related review; and
- (iv) The Hong Kong Trade Development Council ("TDC") organizes free seminars to help the trade understand the relevant trade measures and possible responses, and will also continue to help the trade develop emerging markets and transfer production base through organizing trade missions, business matching services, etc.

In addition, the Government has also strengthened support to the trade in developing markets. The Government has advanced the launch of the ASEAN Programme under the Dedicated Fund on Branding, Upgrading and Domestic Sales ("BUD Fund") to 1 August 2018 to provide funding support to individual non-listed Hong Kong enterprises to undertake projects for enhancing their competitiveness and furthering business development in the ASEAN market. Enterprises can obtain a maximum funding of \$1 million on a matching basis for carrying out up to 10 ASEAN projects, with the funding ceiling per project being \$1 million. In addition, to strengthen support to SMEs in exploring new markets and new business opportunities, the cumulative funding ceiling per enterprise for the current SME Export Marketing Fund and the Mainland Programme under BUD Fund has been doubled, i.e. from \$200,000 and \$500,000 to \$400,000 and \$1,000,000 respectively.

In the medium to long term, the Government will continue to adopt a multipronged approach. We will continue to establish stronger bilateral ties with like-minded trading partners and deepen Hong Kong's economic integration with different parts of the world through negotiating and forging free trade agreements and investment agreements. We will expand our overseas Economic and Trade Office coverage to new partners and markets with close economic and trade relations with Hong Kong and with development potential, so as to tap business opportunities and boost foreign direct investment into Hong Kong. We will continue to organize business missions with TDC for the trade to explore

business opportunities in new markets. We will also continue to assist the trade in grasping the opportunities brought by the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

The Government takes into account the trade's situation and needs when implementing various measures. We will continue to closely monitor developments and maintain close communication with the trade. We will also keep reviewing our support measures to the trade, particularly SMEs, to ensure that they are appropriate.

Provision of parking spaces in Kowloon East

10. **MR FRANKIE YICK** (in Chinese): *President, it is learnt that in recent years, the Government has gradually resumed temporary car park sites in the Kai Tak Development Area ("KTDA") for development purpose, thus aggravating the shortage of parking spaces and the problem of illegal parking in Kowloon East. In this connection, will the Government inform this Council:*

- (1) *of (i) the respective numbers of the various types of parking spaces currently provided at the two temporary car park sites in KTDA which will be resumed by the end of this year and (ii) the timetable for resuming the other temporary car park sites therein;*
- (2) *of the number of temporary car parks and the number of parking spaces currently provided on short-term tenancy sites in Kowloon East and, among such parking spaces, the respective numbers of those which are for use by medium goods vehicles, heavy goods vehicles and tourist coaches; the respective (i) current shortfall in parking spaces and (ii) numbers of parking spaces which will be added in the coming three years, in Kowloon East for these three types of vehicles; and*
- (3) *whether it has identified sites in Kowloon East for providing new temporary car parks to alleviate the impact of resumption of the temporary car park sites; if so, of the details; if not, the measures in place to resolve the shortage of parking spaces in Kowloon East?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, my replies to various parts of Mr Frankie YICK's question are as follows:

- (1) In Kai Tak Development Area, there are currently four short-term tenancy ("STT") car parks. The number and type of parking spaces under each STT car park are as follows:

	<i>STT car park number</i>	<i>Location</i>	<i>Bus/ Tourist coach⁽¹⁾</i>	<i>Medium/ heavy goods vehicle⁽¹⁾</i>	<i>Light goods vehicle</i>	<i>Private car</i>
(i)	KX2574	Sung Wong Toi Road	-	-	-	240
(ii)	KX2881	Sung Wong Toi Road	210	-	-	121
(iii)	KX2882	Sung Wong Toi Road	94	120	124	379
(iv)	KX2575	Sung Wong Toi Road	22	-	49	133
Total			326	120	173	873

Notes:

- (1) Since the parking spaces for these two types of vehicles are of similar size, most tenancy agreements generally do not contain mandatory requirement on the ratio of parking spaces allocated to them, and thus their parking spaces can be flexibly used among them.
- indicates that the STT car park does not provide parking spaces for that particular vehicle type.

The Government plans to take back the sites for STT car parks (i) to (iii) mentioned above by the end of 2018. The remaining one is expected to operate until 2019.

- (2) Currently, in Kowloon East (including Kowloon City, Wong Tai Sin and Kwun Tong), there are altogether 21 STT car parks, providing a total of about 3 940 parking spaces. Among them, 860 parking spaces are for coaches and medium/heavy goods vehicles, including 187 for coaches and 673 for medium/heavy goods vehicles. According to a survey conducted by the Transport Department ("TD") in June 2018, these STT car parks still have spare capacity for parking these types of vehicles.

The Government has always been concerned about the supply of and demand for parking spaces for various types of vehicle, especially the parking needs of commercial vehicles ("CVs"). Under the current policy, the Government mainly requires the provision of parking spaces in private development projects to meet their own parking demands. Where practicable, the Government will also require developers, through land sales conditions, to provide additional public parking spaces so as to meet the parking needs of surrounding areas. For example, the Government plans to require the developer of a private development project in Kwun Tong Action Area adjoining Hoi Yuen Road and Wai Yip Street to provide no less than 200 additional public parking spaces (including 23 medium/heavy goods vehicle parking spaces and 10 coach parking spaces). Since the number of new parking spaces to be provided through the above means is contingent on the progress of individual development projects, TD does not have specific projection on the number of such parking spaces.

- (3) With the sites of the above STT car parks to be taken back soon, the Government will continue to identify alternative sites for temporary car parks. In any case, the remaining STT car parks in Kowloon East which will continue to operate will be able to accommodate all the coaches and most of the medium/heavy goods vehicles which are currently parked at the four STT car parks in Kai Tak. To cope with the parking demand of coaches and medium/heavy goods vehicles, the Government will continue to actively pursue the following measures to increase the supply of parking spaces:
- (i) designating suitable on-street locations as night-time parking spaces;
 - (ii) where feasible, requiring developers to provide parking spaces at the higher end of the parking standards under the Hong Kong Planning Standards and Guidelines for new developments;
 - (iii) following the principle of "single site, multiple uses" to provide public car parking spaces in suitable "Government, Institution or Community" facilities and public open space

("POS") projects. For example, the Government plans to provide about 300 public car parking spaces (including parking spaces for private cars and goods vehicles) in the basement of POS at Sze Mei Street, San Po Kong;

- (iv) providing additional parking spaces and picking up/setting down facilities for coaches; and
- (v) where feasible, continuing to stipulate in the tenancy agreement the ratio or number of parking spaces for individual vehicle types that can be parked at STT car parks, with a view to increasing the local supply of parking spaces for medium/heavy goods vehicles.

In addition, TD is conducting a consultancy study to assess the parking demand of CVs in various districts and to formulate short to long term measures to address the demand.

Enactment of laws to encourage people to help others altruistically

11. **MR LUK CHUNG-HUNG** (in Chinese): *President, it is learnt that some countries have enacted "Good Samaritan" laws which provide that a rescuer may be exempt from legal liabilities for certain damage caused to the rescued person by gratuitously undertaking such rescue in emergency situations. In addition, the United States enacted the Good Samaritan Food Donation Act in 1996 to discharge food donors from the legal liabilities that might arise from recipients falling sick after consuming the donated food. There have been comments that although the Fire Services Department has recently introduced a character named "Anyone" to promote to the public the message that "anyone can save lives", the current absence of the aforesaid legislation in Hong Kong has discouraged members of the public from helping others altruistically. In this connection, will the Government inform this Council:*

- (1) *whether it conducted, in the past three years, studies on enacting the aforesaid legislation and consultation with the relevant policy bureaux, government departments and stakeholders; if so, of the details; if not, the reasons for that;*

- (2) *whether it has reviewed the adequacy of the measures currently in place to protect rescuers and food donors from bearing legal liabilities; and*
- (3) *of the measures in place to promote the culture of rendering first aid and donating surplus food to other people?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, having consulted the Security Bureau and the Environment Bureau, my reply to the various parts of the question raised by Mr LUK Chung-hung is as follows:

- (1) and (2)

For first aiding, there is currently no legislation in Hong Kong which provides for the exemption of rescuers from legal liabilities that might be incurred in performing first aid. The issue of whether such legislation should be introduced requires thorough discussion among relevant Policy Bureaux, departments and stakeholders, taking into consideration various factors and requisite conditions, including the public awareness of heart attack and their knowledge of the first aid for it, as well as the level of first aid training of rescuers.

As regards food donation, when the Environment and Conservation Fund ("ECF") provides the funding support for surplus food recovery projects, food safety and public health are important factors of consideration. ECF requires the participating non-governmental organizations ("NGOs") to have implementation plan to ensure food safety in accordance with the "Food Safety Guidelines for Food Recovery" as prepared with the assistance of the Centre for Food Safety under the Food and Environmental Hygiene Department. Furthermore, during the operation of the project, at least one full-time officer possessing relevant qualifications should be appointed as the Hygiene Manager or the Hygiene Supervisor in the project team to be in charge of the food safety issues.

The Environment Bureau understands that food donors and recipients have entered into food donation agreements and have made arrangements to deal with food safety liability issues for the

food donation projects currently. These help eliminate the anxiety of food donors arising from possible food safety liabilities. In view of this, there is no plan to introduce the Good Samaritan Law for food donation at this stage.

- (3) The Government has been carrying out through different channels public promotion on first aid knowledge and food donation.

The Fire Services Department ("FSD") provides community training courses on cardiopulmonary resuscitation ("CPR") and the use of automated external defibrillators ("AED") for members of the public, including "CPR Training Programme in Campus", "Press to shock—Save a life" Public Access Defibrillation Course and the "Community Awareness on Responding to Emergency" Programme. These courses teach the public about the knowledge and skills of CPR and the use of AED, in the hope that when a patient suffers from cardiac arrest, members of the public can immediately resuscitate the patient and increase the patient's survival rate. Moreover, FSD has established the Community Emergency Preparedness Division in October 2018. The Division is responsible for formulating and implementing strategies on community emergency preparedness as well as introducing new elements into public education on fire prevention and ambulance services, which include strengthening the public's knowledge on CPR and the use of AED.

The Accident and Emergency Training Centre of the Hospital Authority ("HA") will continue to provide various types of emergency medical training courses, including courses on CPR and the use of AED, for HA staff and members of the public.

The Government will continue to collaborate with other public and private organizations through various means for the publicity, promotion, education and training on first aid skills.

Regarding food donation, according to the "Food Waste & Yard Waste Plan for Hong Kong 2014-2022" published by the Government in 2014, promotion of food donation would help food waste reduction at source. In view of this, amongst other plans,

ECF provides support to NGOs in collecting edible surplus food from markets, retail shops and food wholesalers, as well as distributing them to those in need in the society, with an aim to create a caring society and reduce food waste generation. As of October 2018, ECF has approved of 37 projects with funding support of over \$68 million. Around 6 900 tonnes of surplus food would be collected and distributed to around 8.9 million beneficiaries.

Diagnoses and treatments provided by clinical psychologists

12. **MR LAM CHEUK-TING** (in Chinese): *President, regarding the diagnoses and treatments provided by clinical psychologists, will the Government inform this Council:*

- (1) *of the following details of the diagnoses and treatments provided in the past three years by clinical psychologists employed respectively by (i) government departments and (ii) the Hospital Authority:*
 - (a) *the respective numbers of full-time and part-time clinical psychologists;*
 - (b) *the average waiting time of service targets for the first consultation and follow-up consultations;*
 - (c) *the average duration of the first consultation and follow-up consultations attended by service targets;*
 - (d) *the average number of consultations and consultation time span for completed cases;*
 - (e) *the number of complaints lodged by service targets; and*
 - (f) *the number of service targets of uncompleted cases committing suicide; and*
- (2) *as I have learnt that while clinical psychologists need to use the "Wechsler Intelligence Scale for Children—Fourth Edition (Hong Kong)" to conduct intellectual assessment for children, the supplier*

of the Scale will sell the Scale only to members of the Division of Clinical Psychology of The Hong Kong Psychological Society, rendering clinical psychologists who are non-members but possess practising qualifications in foreign countries being unable to obtain the Scale, whether the Government has assessed if the relevant arrangement constitutes an anti-competitive conduct and how it ensures that all clinical psychologists have access to the Scale for providing service?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, my reply to the questions raised by Mr LAM Cheuk-ting is as follows:

- (1) Currently, there are clinical psychologist grade posts in the Correctional Services Department ("CSD"), the Department of Health ("DH"), the Hong Kong Police Force ("HKPF"), the Immigration Department ("ImmD"), the Social Welfare Department ("SWD") and the Hospital Authority ("HA"), providing clinical psychological service for their service targets. Statistics of clinical psychological service provided by the Government and HA, based on the data provided by relevant departments, are set out in the ensuing paragraphs:
- (a) The table below sets out the manpower of the clinical psychologist grade, broken down by full-time and part-time basis, in relevant departments and HA as at 31 March 2018:

<i>Department/organization</i>		<i>Manpower of clinical psychologist grade</i>	
		<i>Full-time</i>	<i>Part-time</i>
CSD	Staff members as service targets	2	0
	Persons in custody as service targets	26	0
DH		40	0
HKPF		11	0
ImmD		1	0
SWD		59 ⁽¹⁾	0
HA ⁽²⁾		168	3

Notes:

- (1) Among the 59 clinical psychologists in SWD, 44 were responsible for psychological casework assessment and treatment, while the others were mainly for supervision and psychological consultation in rehabilitation units.
- (2) The manpower figures of HA are calculated on a full-time equivalent basis, including permanent, contract and temporary staff in HA.
- (b) The table below sets out the average waiting time for the first consultation and follow-up consultations provided by the clinical psychological service of relevant departments and HA as at 31 March 2018. Since the circumstances of each case were different, the waiting time for each case varied depending on the actual circumstances.

<i>Department/organization</i>		<i>Average waiting time</i>	
		<i>First consultation</i>	<i>Follow-up consultations</i>
CSD	Staff members as service targets	Within 1 week	Within 1-2 weeks
	Persons in custody as service targets	3-5 working days	Within 1-2 weeks
DH		(3)	
HKPF		5 working days	2 weeks
ImmD		2 weeks	6-8 weeks
SWD		1-2 months ⁽⁴⁾	3-4 weeks
HA		(5)	

Notes:

- (3) Service units of DH that provide clinical psychological services (assessment and/or treatment) include the Elderly Health Services, the Families Clinics, the Student Health Service and the Child Assessment Service. While the waiting time for each case depended on the nature of the case, the average waiting time for new cases involving treatment was four to six weeks in general. In case of urgent or suspected urgent cases, DH will accord priority and make urgent referrals according to the needs. Moreover, the individual service units would arrange follow-up consultations according to the nature of its services (and cases).

- (4) For clinical psychological service provided by SWD, priority was given to urgent cases, and the longest waiting time was 14 days. Very urgent cases (e.g. victims of critical incidents) could be processed on the day of referral.
- (5) To ensure that more urgent cases are followed up promptly, allied health outpatient clinics (clinical psychological service) under HA will arrange medical appointments for new patients based on the urgency of their clinical conditions, which is determined with regard to the patients' clinical history and presenting symptoms. The triage system groups patients into priority 1 (urgent), priority 2 (semi-urgent) and routine (stable) categories. As far as the clinical psychological service of allied health outpatient clinics is concerned, HA strives to maintain the median waiting time for new cases in priority 1 and priority 2 categories under two weeks and eight weeks respectively. In 2017-2018, the median waiting time (the 50th percentile) for the routine (stable) new case bookings at HA's allied health outpatient clinics (clinical psychological service) was 16 weeks.
- (c) The table below sets out the average duration of the first consultation and follow-up consultations provided by the clinical psychological service of relevant departments in 2017-2018. The duration of consultation was determined by a number of factors, such as patients' medical conditions, clinical needs and complexities involved, psychological conditions, psychological treatment programmes and their progress. Therefore, the waiting time for each case varied depending on the actual circumstances.

<i>Department/organization</i>		<i>Average duration of consultation</i>	
		<i>First</i>	<i>Follow-up</i>
CSD	Staff members as service targets	1-2 hours	1-2 hours
	Persons in custody as service targets	1-2 hours	1-2 hours
DH		Relevant data not readily available	
HKPF		1.5 hours	1 hour
ImmD		About 2 hours	About 1.5 hours
SWD		About 2 hours ⁽⁶⁾	About 1 hour
HA		Relevant data not readily available	

Note:

- (6) Regarding the psychological assessments conducted by the Clinical Psychological Service of SWD for court referral cases, the average duration of the first consultation was three to four hours.
- (d) The table below sets out the average number of consultations and consultation time span for completed cases handled by the clinical psychological service of relevant departments in 2017-2018. The number of consultations was determined by a number of factors, such as patients' medical conditions, clinical needs and complexities involved, psychological conditions, psychological treatment programmes and their progress. Therefore, the waiting time for each case varied depending on the actual circumstances.

<i>Department/organization</i>		<i>Completed case</i>	
		<i>Number of consultations</i>	<i>Consultation time span</i>
CSD	Staff members as service targets	Relevant data not readily available	Over 10 hours
	Persons in custody as service targets	Relevant data not readily available	Over 4-8 hours
DH		Relevant data not readily available	
HKPF		4.5 times	About 5 hours
ImmD		About 4 times	About 6 hours
SWD		About 12 times	About 13 hours
HA		Relevant data not readily available	

Since the circumstances and complexity of each case were different, years spent on consultation services of each case varied, and relevant data is not available.

- (e) The table below sets out the number of complaints received by the clinical psychological service of relevant departments in the past three financial years:

<i>Department/organization</i>		<i>Number of complaints</i>		
		<i>2015-2016</i>	<i>2016-2017</i>	<i>2017-2018</i>
CSD	Staff members as service targets	0	0	0
	Persons in custody as service targets	1	0	0
DH		0	1	2
HKPF		1	0	0
ImmD		0	0	0
SWD		2	5	6
HA		Breakdown of complaints by service type not available		

- (f) The table below sets out the number of suicides in uncompleted cases known by the clinical psychological service of relevant departments in the past three financial years:

<i>Department/organization</i>		<i>Number of suicides in uncompleted cases</i>		
		<i>2015-2016</i>	<i>2016-2017</i>	<i>2017-2018</i>
CSD	Staff members as service targets	0	0	0
	Persons in custody as service targets	0	0	2
DH		Relevant data not readily available		
HKPF		0	1	3
ImmD		0	1	0
SWD		Relevant data not readily available		
HA		Relevant data not readily available		

- (2) Currently, the clinical psychologist profession is not regulated by statute. Through the introduction of a voluntary Accredited Registers Scheme for Healthcare Professions, the Government hopes to strengthen self-regulation of the profession via the enactment of code of practices to maintain the professional standards of the health care practitioners.

We note that the supplier of "Wechsler Intelligence Scale for Children—Fourth Edition (Hong Kong)" would allow eligible persons to register as registered users, among which include persons with overseas professional qualifications in clinical psychology or education psychology.

At present, the basic entry requirements for government departments concerned and HA for clinical psychologist posts generally refer to holding a Master Degree in Clinical Psychology from a Hong Kong university, or equivalent, and meeting the language proficiency requirements. The place of study, membership in any society or the eligibility to use a certain assessment tool are not basic entry requirements for clinical psychologist posts.

Regulation of the sale of contact lenses

13. **PROF JOSEPH LEE** (in Chinese): *President, under the law, only specified classes of registered healthcare professionals are allowed to prescribe, fit or supply on prescription optical appliances (including contact lenses). However, the law does not impose any restrictions on the sale of contact lenses by persons who are not registered healthcare professionals. Earlier on, some optometrist organizations found, after sending people to make test purchases, that some shops had sold contact lenses to customers without (i) performing optometric check-ups for the customers and (ii) asking the customers to produce prescriptions of contact lenses. Also, there were some shopkeepers who were not registered optometrists conducting optometric check-ups for customers. In this connection, will the Government inform this Council:*

- (1) *whether the authorities instituted any prosecutions in the past five years against persons, who were not registered healthcare professionals, for prescribing and selling corrective contact lenses in physical shops or online; if so, of the number and details of the cases; if not, the reasons for that;*
- (2) *of the respective numbers of cases in the past five years in which the Customs and Excise Department conducted investigations (i) on its own initiative and (ii) upon receipt of complaints, in respect of*

contact lenses suspected of not complying with the requirements of the Consumer Goods Safety Ordinance (Cap. 456), as well as the number of prosecutions instituted against the persons concerned by invoking the Ordinance;

- (3) *as the Government indicated in its reply to my question in January this year that the legislation on regulating medical devices, which was being drafted, would cover product safety and quality of non-corrective contact lenses, of the progress of the law drafting work; and*
- (4) *whether it will, by making reference to the practice of the Government of the United Kingdom, enact legislation to prohibit persons who are not registered healthcare professionals from selling corrective and non-corrective contact lenses; if so, of the details; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, my reply to the various parts of the question raised by Prof Joseph LEE is as follows:

- (1) The Optometrists Board ("the Board"), under the Supplementary Medical Professions Council ("the Council"), is a statutory body established under section 5 of the Supplementary Medical Professions Ordinance (Cap. 359). The Board is responsible for registration of optometrists and regulation of their professional conduct and practice. At present, the Board handles complaints related to optometrists in accordance with the Optometrists (Registration and Disciplinary Procedure) Regulation (Cap. 359F).

According to section 21 of the Supplementary Medical Professions Ordinance and section 6 of the Optometrists (Registration and Disciplinary Procedure) Regulation, only registered optometrists in Part I, Part II and some in Part IV of the register, or persons who are exempted from regulation by the above ordinance according to Schedule 4 to the Optometrists (Registration and Disciplinary Procedure) Regulation (such as registered medical practitioners practising medicine), are allowed to prescribe, fit or supply on prescription optical appliances (including corrective contact lenses).

Any person who practises the optometry profession without being registered or exempted from registration, or employs such a person to practise the optometry profession, commits an offence and is liable on conviction to a fine of \$5,000 and imprisonment for six months.

Members of the public may report any suspected violation of the Supplementary Medical Professions Ordinance to the Police. In the past five years, the Council and the Board have not received any requests from the Police for their professional advice on cases related to the prescription and supply of corrective contact lenses by non-registered health care professionals.

- (2) In the past five years, in accordance with the Consumer Goods Safety Ordinance (Cap. 456), the Customs and Excise Department ("C&ED") has investigated six complaints related to non-corrective contact lenses. After investigation, no contravention of regulation was found and no person concerned was prosecuted by C&ED under the ordinance.

- (3) and (4)

The Government is currently drafting a bill on the regulation of medical devices. The bill covers pre-market control and post-market control of medical devices to ensure that medical devices comply with the requirements on safety, quality, performance and efficacy before they can be placed on the market, and that swift control measures can be taken against defective or unsafe medical devices. Although non-corrective contact lenses (such as decorative contact lenses) do not fall within the defined scope of medical devices, their use and the potential risks posed to the human body are similar to those of corrective contact lenses, which are defined as medical devices. The Government will consider bringing non-corrective contact lenses under regulatory control. According to the legislative proposal now being drafted, both corrective and non-corrective contact lenses are classified as general medical devices at a medium-low or medium-high risk level. Such devices and their authorized representatives ("ARs") are required to be registered with the Department of Health ("DH"), and

their manufacturers (if products are manufactured locally), importers and distributors must have obtained a licence from DH before supplying such devices in Hong Kong. ARs, licensed manufacturers, licensed importers and licensed distributors or suppliers of such devices are also subject to the requirements of reporting and investigating adverse incidents related to such devices as stipulated by DH, and implementing remedial measures to the satisfaction of DH. The Government plans to introduce the Medical Devices Bill into the Legislative Council for consideration in the current legislative session.

At present, the Supplementary Medical Professions Ordinance does not impose any restrictions on the sale of contact lenses by non-registered health care professionals. To enhance public education on the proper use of contact lenses, DH has produced and uploaded to its website information leaflets on using contact lenses (including decorative contact lenses), namely "Know More About Contact Lenses" and "Tips on Using Contact Lens Solution", as well as a video on "Proper Use of Contact Lenses", which is broadcast regularly at public venues. The information leaflets and video remind members of the public to strictly follow the instructions of qualified registered optometrists or ophthalmologists to ensure proper use and care of contact lenses. DH also promotes the message of "Proper Use of Contact Lenses" during festivals such as Halloween, Christmas and New Year through television and radio broadcasting.

Public dental services

14. **MR CHAN HAK-KAN** (in Chinese): *President, among the dental clinics under the Department of Health ("DH"), 11 of them provide free emergency dental treatment ("general public dental session") to the public. It is learnt that as there are limited consultation quotas for the service and its scope does not include denture-fixing and tooth-filling, the dental services needed by members of the public are mainly provided by dental clinics operated by the private sector and non-governmental organizations. In this connection, will the Government inform this Council:*

- (1) *of the (i) consultation quota and (ii) attendance (with a breakdown by age group) of the general public dental session provided by each of the 11 aforesaid clinics in each of the past three years;*
- (2) *whether it has plans to improve the general public dental session service, including:*
 - (i) *increasing the service quotas,*
 - (ii) *adding service quotas for the elderly,*
 - (iii) *providing additional dental clinics so that there will be at least one clinic in each District Council district, and*
 - (iv) *providing dental services apart from emergency treatment;**if so, of the details; if not, the reasons for that;*
- (3) *as the Government indicated in October last year that it would review the oral health goals for 2025 which had been set some years ago, of the progress of the work; whether it will set oral health goals for the elderly; if so, of the details; if not, the reasons for that;*
- (4) *whether it will, by making reference to the School Dental Care Service currently offered by DH, provide basic and preventive dental treatment for the elderly; if so, of the details; if not, the reasons for that; and*
- (5) *as some elderly persons have relayed that the annual voucher amount of \$2,000 per person offered under the Elderly Health Care Voucher Scheme is insufficient to cover their expenses on using various types of private healthcare services (including services provided by medical practitioners, Chinese medicine practitioners, dentists and allied health professionals), whether the Government will launch a separate voucher scheme on dental care for the elderly; if so, of the details; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President,

- (1) The consultation quota and attendance of each general public ("GP") dental session provided by each dental clinic in each of the past three years are as follows:

<i>Dental clinic with GP sessions</i>	<i>Service session</i>	<i>Maximum number of discs allocated per session</i>	<i>Number of attendances</i>		
			<i>2015-2016</i>	<i>2016-2017</i>	<i>2017-2018</i>
Kowloon City Dental Clinic	Monday (AM)	84	5 177	5 329	5 234
	Thursday (AM)	42			
Kwun Tong Dental Clinic	Wednesday (AM)	84	4 028	4 295	3 990
Kennedy Town Community Complex Dental Clinic	Monday (AM)	84	5 905	6 903	6 599
	Friday (AM)	84			
Fanling Health Centre Dental Clinic	Tuesday (AM)	50	2 218	2 356	2 262
Mona Fong Dental Clinic	Thursday (PM)	42	1 952	1 909	1 898
Tai Po Wong Siu Ching Dental Clinic	Thursday (AM)	42	1 978	2 026	2 011
Tsuen Wan Dental Clinic	Tuesday (AM)	84	7 193	7 567	7 808
	Friday (AM)	84			
Yan Oi Dental Clinic	Wednesday (AM)	42	2 071	2 152	2 015
Yuen Long Jockey Club Dental Clinic	Tuesday (AM)	42	3 769	3 999	3 851
	Friday (AM)	42			
Tai O Dental Clinic	2 nd Thursday (AM) of each month	32	97	95	90
Cheung Chau Dental Clinic	1 st Friday (AM) of each month	32	192	152	199

The distribution of attendance for GP dental session service by age group in each of the past three years is as follows:

	<i>Distribution of attendances of GP sessions by age group (%)</i>		
<i>Age group</i>	<i>2015-2016</i>	<i>2016-2017</i>	<i>2017-2018 (up to 31 January 2018)*</i>
0-18	2.1%	1.8%	1.9%
19-42	14.2%	14.4%	15.1%
43-60	27.5%	27.7%	26.2%
61 or above	56.2%	56.1%	56.8%

Note:

* Data for the whole year of 2017-2018 is not available yet.

(2) and (4)

The Government's policy on dental services seeks to improve oral health and prevent dental diseases through promotion and education, thereby raising public awareness of oral health, and facilitating the development of proper oral health habits to prevent dental diseases.

In addition to the above, the Government provides free emergency dental treatments to the public through designated sessions (i.e. GP sessions) in 11 government dental clinics ("GDC") of the Department of Health ("DH"). The services include treatment of acute dental diseases, prescription for pain relief, treatment of oral abscess and teeth extraction. Professional advice is also given by dentists to patients with regard to their individual needs. The dental clinics under DH are mainly for the Government to fulfil the terms of employment for provision of dental benefits to civil servants/pensioners and their dependents under the contracts of employment with civil servants. Hence, their dental services are essentially for the above clients. Currently, GDCs are at full service capacity, that is, reaching almost 100% occupancy of all appointment time slots. It is not possible for DH to allocate more slots for GP sessions on top of the existing schedule.

Moreover, providing comprehensive dental services for the public requires substantial amount of financial resources. Therefore, besides publicity, education (including the School Dental Care Service) and promotion on oral health, the Government shall allocate resources to provision of emergency dental services to the public and prioritize resources for persons with special dental care needs, in particular elderly with financial difficulties. In recent years, the Government has implemented a series of initiatives to particularly take care of those persons in need of special dental treatment. Among them, the Government has provided low-income elders with special needs with dental care support, including the Outreach Dental Care Program and Community Care Fund Elderly Dental Assistance Programme. Besides, the Elderly Health Care Voucher Scheme also allows elderly persons using the Voucher to receive private dental services.

To help those who have financial difficulties, the Comprehensive Social Security Assistance Scheme currently provides a dental grant for its recipients who are aged 60 or above, disabled or medically certified to be ill-health to cover the actual expenses of the dental treatments items. Eligible persons can approach the 67 dental clinics designated by the Social Welfare Department ("SWD") for dental examination and cost estimation. They may then choose to obtain the relevant dental treatments from any registered/ non-SWD designated dentists in Hong Kong or those SWD designated dental clinics.

- (3) DH is now preparing to set up a working-level committee with a view to inviting academics and experts of dental public health specialty as well as representative from the relevant sectors to form an expert group. The expert group will, taking into account the report of the Oral Health Survey 2011 and the local situation, review and formulate appropriate goals on oral health for the population of Hong Kong.
- (5) At present, the Elderly Health Care Voucher Scheme subsidizes eligible elders aged 65 or above with an annual voucher amount of \$2,000 to use different private primary care services, including dental services. To provide elders with greater flexibility, the

accumulation limit of the Elderly Health Care Voucher ("EHV") was raised to \$5,000 in June this year. As of end October this year, around 1 030 dentists have registered to join the Elderly Health Care Voucher Scheme and will accept EHV's from eligible elders at around 1 890 practice locations in 18 districts in Hong Kong.

Redevelopment of aged public housing estates

15. **MR CHEUNG KWOK-KWAN** (in Chinese): *President, some public housing tenants have relayed to me that at present, quite a number of housing estates are over 50 years of age, and the facilities in the estates have fallen into severely aged conditions, with the plot ratios of the sites concerned not yet fully utilized. They consider that the redevelopment of those estates by the Hong Kong Housing Authority ("HA") can not only improve tenants' living conditions, but also increase the supply of public housing units. In this connection, will the Government inform this Council:*

- (1) *of the current age threshold that a housing estate needs to reach before it will be considered for redevelopment by HA;*
- (2) *of the housing estates in respect of which the redevelopment works were completed within the last decade or are being undertaken at present, and the details of the redevelopment projects concerned (set out in a table by name of housing estate);*
- (3) *of the housing estates with redevelopment value and feasibility confirmed by HA, and set out the (i) ages, (ii) existing plot ratios, and (iii) permitted maximum plot ratios of such housing estates, in the order of their redevelopment priorities;*
- (4) *of the factors based on which HA determines the redevelopment priorities of housing estates, and the weightings of the various factors; and*
- (5) *given that Sai Wan Estate has reached 60 years of age, with the problem of concrete spalling found in quite a number of units in the Estate and the lifts and other facilities there being often out of*

service pending repairs, whether HA has considered redeveloping Sai Wan Estate; if not, of the reasons for that; if so, the timetable, and whether the nearby public housing estate at Ka Wai Man Road, which is under construction, will be used as the reception housing estate for rehousing the tenants of Sai Wan Estate; if so, of the details; if not, the reasons for that?

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, my consolidated reply to the question raised by Mr CHEUNG Kwok-kwan is set out below:

The Long Term Housing Strategy ("LTHS") has explained that while redevelopment may increase the supply of public rental housing ("PRH") over the long term, it will, in the short term, reduce PRH stock available for allocation. This will inevitably add further pressure on the Hong Kong Housing Authority ("HA")'s ability in maintaining the average waiting time ("AWT") target at about three years. The net gain in flat supply from redevelopment will take a long time to realize, and very often towards the latter if not the last phase of the redevelopment. With the current strong demand for PRH, it is not advisable to carry out massive redevelopment programme which will result in freezing a large number of PRH units that may otherwise be allocated to households in need of PRH, and resulting in an immediate adverse impact on AWT for PRH. Hence, redevelopment could at best serve as a supplementary source of PRH supply. HA needs to be very cautious in considering redevelopment of individual aged PRH estates.

Based on the directions set out in LTHS, HA will continue to prudently consider redevelopment of individual aged PRH estates, taking into account the actual circumstances, and with reference to the four basic principles under HA's "Refined Policy on Redevelopment of Aged PRH Estates" formulated in 2011, namely, structural conditions of buildings, cost-effectiveness of repair works, availability of suitable rehousing resources in the vicinity of the estates to be redeveloped, and build-back potential upon redevelopment.

For aged PRH estates with no confirmed redevelopment plan, HA will continue to implement various programmes and measures to upkeep and improve the building conditions, and provide residents with a safe and comfortable living environment. These include the Comprehensive Structural Investigation

Programme ("CSIP"), the Estate Improvement Programme ("EIP"), the Total Maintenance Scheme ("TMS"), provision of barrier-free accesses, and replacement and addition of lifts.

Under CSIP, HA conducts assessments on PRH estates once every 15 years. For estates with assessment completed and found able to be further sustained, HA will carry out the required structural repair works. Furthermore, HA has been improving the living environment and renovating the facilities of the aged estates through EIP, including upgrading recreational facilities, renovating building exteriors and estate common areas, enhancing landscape and greening, etc. HA has also been proactively providing tenants with in-flat inspections and necessary maintenance services through TMS. At present, HA has already installed various types of barrier-free facilities in all its PRH estates, and has been gradually replacing aged lifts in PRH estates, and whenever practicable, retrofitting lift entrances on floors without lift access.

HA all along spares no efforts in closely liaising with the relevant bureaux and government departments in identifying suitable sites for public housing development in different districts, and explore whether there is suitable and feasible vacant land within or in the vicinity of existing PRH estates for construction of additional buildings or facilities required by the community, such as lift towers.

The PRH estates redeveloped in the past 10 years and currently under redevelopment by HA are listed in Annex. In addition, HA has approved the redevelopment of Phases 12 and 13 of Pak Tin Estate (older part) and Mei Tung Estate (older part). In 2014, the Government also announced its intention to redevelop Wah Fu Estate.

Many of the PRH estates developed in early years were planned with reference to the population density or the number of flats (instead of plot ratio or permissible floor area). Alteration and addition works were also carried out in individual estates after intake. The actual plot ratio of any such estate will need to be determined on the basis of the latest planning standards and the Buildings Ordinance. Therefore, HA does not keep records of the prevailing plot ratio of the relevant estates.

Pak Tin Estate (older part) under redevelopment was completed between 1975 and 1979. The plot ratio of Pak Tin Estate before redevelopment was about four. Pak Tin Estate (older part) is located in a "Residential (Group A)" ("R(A)") zone under the Approved Shek Kip Mei Outline Zoning Plan ("OZP").

The maximum permissible domestic/total plot ratio is 7.5/9 and the maximum Building Height Restriction ("BHR") are 100 m above Principal Datum ("mPD") and 120 mPD.

Mei Tung Estate (older part) was completed between 1974 and 1983. Population density (instead of plot ratio or permissible floor area) was used as the planning basis at that time. At present, about 665 flats are provided at Mei Tung Estate (older part). HA announced the redevelopment of Mei Tung Estate (older part) in 2017 but the detailed arrangement of the redevelopment plan has yet been confirmed. Mei Tung Estate (older part) is located in an "R(A)" zone under the Approved Wang Tau Hom and Tung Tau OZP. The maximum permissible domestic/total plot ratio is 7.5/9 and the maximum BHR are 60 mPD and 80 mPD.

Wah Fu Estate was completed between 1967 and 1978. At that time, the development scale was based on the number of flats (instead of plot ratio). At present, Wah Fu Estate provides about 9 200 residential units. The estate is located in an "R(A)" zone on the approved Pok Fu Lam OZP. Although the OZP has no restriction on the maximum domestic plot ratio/total plot ratio or maximum building height on Wah Fu Estate, the development scale of the site is subject to the administrative moratorium on development in Pok Fu Lam. Details of the redevelopment plan have yet been confirmed.

As regards questions on Sai Wan Estate, based on the principles of redevelopment of aged PRH estates as mentioned above, HA currently has no redevelopment programme for this estate. However, during the planning and design of the nearby public housing development at Ka Wai Man Road, HA will consider the implications should Sai Wan Estate be required to be redeveloped in future.

Furthermore, HA will continue to implement various programmes and measures in Sai Wan Estate to upkeep and improve the building conditions, and provide tenants with a safe and comfortable living environment. As mentioned above, HA will proactively provide residents of Sai Wan Estate with in-flat inspections and necessary repair/maintenance services through TMS. If residents find concrete spalling in their units, HA will carry out repair works timely through Responsive In-flat Maintenance Services. HA will also carry out routine checking and maintenance services for lifts and other facilities, including an annual Lift Condition Appraisal/Refurbishment Survey to evaluate the operating conditions and the necessity of lift refurbishment works.

Annex

PRH Estates Redeveloped by HA in the Past 10 Years

<i>PRH Estate</i>	<i>Year of Completion of Redevelopment</i>
Lam Tin Estate Phase 7	2008-2009
Un Chau Estate Phase 4	2008-2009
Upper Ngau Tau Kok Estate Phase 2	2008-2009
Sau Mau Ping Estate Phase 14	2008-2009
Sau Mau Ping Estate Phase 13	2009-2010
Ex-Chai Wan Estate	2009-2010
Upper Wong Tai Sin Estate Phase 3	2009-2010
Shatin Pass Estate	2010-2011
Hung Hom Estate Phase 2	2011-2012
Shek Kip Mei Estate Phases 2 and 5	2011-2012
Tung Tau Estate Phase 9	2011-2012
Lower Ngau Tau Kok Estate Phase 1	2012-2013
Lower Ngau Tau Kok Estate Phase 2	2015-2016
Ex-Yuen Long Estate	2015-2016
So Uk Estate Phase 1	2018-2019

PRH Estates Currently under Redevelopment by HA

<i>PRH Estate</i>	<i>Estimated Completion Year of Redevelopment</i>
So Uk Estate Phase 2	2018-2019
Shek Kip Mei Estate Phases 3 and 7	2018-2019
Shek Kip Mei Estate Phase 6	2019-2020
Tung Tau Estate Phase 8	2019-2020
Pak Tin Estate Phases 7, 8 and 11	2019-2020
Pak Tin Estate Phase 10	2022-2023

(Based on HA's Public Housing Construction Programme as at September 2018)

Regulation of e-sports venues

16. **MR CHARLES PETER MOK** (in Chinese): *President, in February this year, the Financial Secretary indicated that the Government would allocate additional resources to support the development of the e-sports industry. It is learnt that the e-sports sector has a keen demand for training spaces and event venues (collectively known as "e-sports venues"). Some members of the e-sports sector have pointed out that the existing laws that are related to e-sports venues include the Amusement Game Centres Ordinance (Cap. 435) and the Places of Public Entertainment Ordinance (Cap. 172). They consider that some of the provisions under Cap. 435 (which was enacted in as early as 1993) are outdated, and such provisions, when applied to regulate e-sports venues, are too stringent and not conducive to the development of the e-sports industry. They have further pointed out that the Government has neither set up a licensing system specifically for e-sports venues, nor clarified whether e-sports venues are required to be issued with licenses issued under the aforesaid ordinances, thus hindering the development of the e-sports industry. In this connection, will the Government inform this Council:*

- (1) *of the respective numbers of applications for a licence for amusement game centre received, approved and rejected by the authorities in the past three years;*
- (2) *whether it will draw reference from the experience of regulating Internet centres (commonly known as "cyber cafes") and formulate a Code of Practice for E-Sports Venues Operators for voluntary compliance by the operators, and then gradually bring e-sports venues within the ambit of Cap. 435 by express provisions; if so, of the timetable; if not, the reasons for that;*
- (3) *whether the government departments concerned will enhance their communication with the e-sports sector regarding the licensing issues under Cap. 435 and conduct public consultation, with a view to examining the formulation of a set of guidelines on applying for a licence for e-sports venues, thereby enhancing the fire and structural safety standards of e-sports venues and alleviating their impacts on residents in the neighbourhood; if so, of the timetable; if not, the reasons for that; and*

- (4) *given the advancement in technology and changes in social conditions, whether the authorities will conduct a comprehensive review of Cap. 435 and Cap. 172, and enact provisions (including the licensing conditions) for regulating entertainment facilities involving the use of new technologies (e.g. virtual reality gears)?*

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Chinese):

President, with regard to the four-part question, having consulted the Home Affairs Bureau, our reply is as follows:

- (1) In the past three years (2015 to 2017), the Office of the Licensing Authority under the Home Affairs Department received a total of 25 applications for Amusement Game Centre Licence. Among these applications, 11 were withdrawn by the applicants, 9 were approved, 4 were rejected and 1 is still under processing as the applicant has not completed the required improvement works.

- (2) and (3)

E-sports is a relatively new industry. Unlike Internet Computer Services Centres which charge a fee for the primary service of providing computers and relevant facilities for customers to access the Internet, e-sports venues operate in various modes and cover an array of different activities. In addition, the operation of e-sports venues and hosting of competitions involve different licences to ensure safety of the persons participating in e-sports competitions and activities. To give operators a better understanding of the scope and requirements of the relevant licences (such as the requirements on fire safety, structural safety, number of participants and hygiene etc.), the Innovation and Technology Bureau is in conjunction with the Home Affairs Bureau and related government departments formulating a set of guidelines for e-sports venues to help operators understand and apply for the required licences. We plan to issue the guidelines in the first quarter of 2019. In finalizing these guidelines, we will consult relevant stakeholders.

- (4) The Amusement Game Centres Ordinance (Cap. 435) ("AGCO") aims to regulate the operation of amusement game centres to ensure these centres are operated properly in order to protect the well-being

of customers and to minimize their impact on nearby residents. The Places of Public Entertainment Ordinance (Cap. 172) ("PPEO") serves the primary purpose of ensuring public safety and order at places of entertainment where members of the public congregate. Whether the operation of places with entertainment facilities installed requires a licence under AGCO or PPEO depends on various factors, including the purpose of operating the facilities, the types of the concerned activities and the operation mode of venues, etc.

As for whether it is necessary to amend the regulations relating to public safety and order stipulated in the above Ordinances to tie in with the Government policies to promote the development of emerging technologies and industries, the Innovation and Technology Bureau will maintain communication with the Home Affairs Bureau and follow-up as appropriate.

Tackling trafficking in persons and enhancing protection of foreign domestic helpers

17. **MR KENNETH LEUNG** (in Chinese): *President, in March this year, the Government set up a high-level inter-bureau and inter-departmental steering committee led by the Chief Secretary for Administration, and promulgated an Action Plan to Tackle Trafficking in Persons and to Enhance Protection of Foreign Domestic Helpers in Hong Kong ("Action Plan") so as to tackle trafficking in persons ("TIP") and enhance protection of foreign domestic helpers ("FDHs"). In this connection, will the Government inform this Council:*

- (1) *in respect of the efforts made by various policy bureaux and government departments to implement the various measures under the Action Plan, of (i) the progress and effectiveness of such efforts and (ii) the additional manpower and other resources deployed, so far;*
- (2) *of the number of persons, among those foreigners arrested in each of the past five years for suspected engagement in sex work, that were identified as TIP victims after going through the existing TIP victim screening mechanism ("screening mechanism"), and the follow-up actions taken by the authorities in respect of such victims;*

- (3) *in respect of those persons mentioned in (2) who were not identified as TIP victims, of the measures put in place to ensure that such persons are not TIP victims as defined in the Palermo Protocol; whether it has reviewed if the screening mechanism can accurately identify this type of victims; if so, of the outcome; if not, the reasons for that;*
- (4) *of the current number of foreign workers who have come to work in Hong Kong under the Supplementary Labour Scheme ("the Scheme"), together with a breakdown by trade; whether the Labour Department ("LD") took the initiative, in the past five years, to investigate if the remuneration, working environment and assigned accommodation for such workers met the requirements of the Scheme and the labour legislation, so as to examine if they were subject to exploitation related to TIP or forced labour; if LD did, of the respective numbers of cases in which investigations were conducted and non-compliance/contravention of the law was uncovered, as well as the respective numbers of the persons concerned who were given warning, prosecuted and convicted; if LD did not investigate, the reasons for that; and*
- (5) *of the current number of FDHs working in Hong Kong; whether LD took the initiative, in the past five years, to investigate if the work arrangements and accommodation conditions of FDHs met the requirements of the employment contracts and the relevant legislation, so as to examine if they were subject to exploitation related to TIP or forced labour; if LD did, of the respective numbers of cases in which investigations were conducted and non-compliance/contravention of the law was uncovered, as well as the respective numbers of the persons concerned who were given warning, prosecuted and convicted; if LD did not investigate, the reasons for that?*

SECRETARY FOR SECURITY (in Chinese): President, trafficking in persons ("TIP") is not prevalent in Hong Kong. However, the Hong Kong Special Administrative Region ("HKSAR") Government never takes the matter lightly, and has been combatting the crimes seriously through a multi-pronged approach.

In order to provide high-level policy steer on the overall strategy and measures to tackle TIP and enhance protection of foreign domestic helpers ("FDHs"), the HKSAR Government established in March this year a high-level inter-bureau/departmental Steering Committee, which is chaired by the Chief Secretary for Administration, with the Secretary for Security and the Secretary for Labour and Welfare as vice chairmen. Membership of the Steering Committee includes heads of the Hong Kong Police Force ("the Police"), Immigration Department ("ImmD"), Customs and Excise Department ("C&ED"), Labour Department ("LD") and Social Welfare Department ("SWD"), as well as Director of Public Prosecutions of the Department of Justice ("DoJ"). At the same time, the Government promulgated the Action Plan to Tackle Trafficking in Persons and to Enhance Protection of Foreign Domestic Helpers in Hong Kong ("Action Plan"), which outlines a package of more than 30 multi-faceted measures (including more than 10 new measures and over 20 ongoing measures) that are comprehensive, strategic and targeted, covering multiple areas including victim identification, investigation, enforcement, prosecution, victim protection and support, prevention, and partnership with different stakeholders, etc.

Our reply (prepared in consultation with the Labour and Welfare Bureau and LD) to Mr LEUNG's question is as follows:

- (1) Since the promulgation of the Action Plan, the Steering Committee has been taking forward the implementation of measures set out in the Action Plan.

On victim identification, the Police extended the victim screening mechanism to cover all 24 police districts and relevant units in July this year. C&ED also fully implemented the screening mechanism within the department. To tie in with the extension of the mechanism, the Police had assigned one team from Organized Crime and Triad Bureau and one Regional Crime Unit from each of the six police regions as the dedicated teams to handle cases relating to TIP and exploitation of FDHs. Besides, ImmD, C&ED, LD and DoJ also appointed dedicated teams or officers to handle TIP and FDH exploitation cases so as to strengthen their coordination.

On investigation, the "Inter-departmental Joint Investigation Team" ("JIT") comprising the Police, ImmD, C&ED and LD continued to meet regularly to discuss the latest TIP trends and enforcement measures against TIP, exchange information as well as conduct joint

investigations. To further enhance the effectiveness of joint investigations, JIT plans to develop an inter-departmental joint investigation mechanism to deal with relevant cases.

The HKSAR Government also continued to foster closer partnership with other stakeholders. This year, the HKSAR Government actively participated in TIP-related campaigns organized by civil society and other sectors of the community, including the "Launch of the Handbook on Initial Victim Identification and Assistance for Trafficked Persons" and the "International Conference on Combatting Human Trafficking 2018", etc. Moreover, the "Inter-departmental Working Group on Trafficking in Persons" ("TIP Working Group") had also met with over 10 non-governmental organizations to exchange views on anti-TIP works.

In addition, the Government has all along been providing relevant training to officers of law enforcement agencies ("LEAs"), LD, SWD and prosecutors of DoJ. The number of officials receiving training has been increasing over the years. During the first nine months of 2018, about 1 800 officers from the Security Bureau and LEAs, DoJ, LD and SWD, the Hospital Authority and the CEASE Crisis Centre⁽¹⁾ received local or overseas TIP-related training. Among them, the Hospital Authority and the CEASE Crisis Centre participated in such anti-TIP training for the first time. Meanwhile, LEAs continued to actively participate in international or regional conferences and workshops to identify the best practice against TIP.

Other new measures under the Action Plan will be launched gradually. Taking into account the implementation situation of the Action Plan, relevant departments will seek resources under the existing mechanism where necessary.

- (1) The CEASE Crisis Centre, operated by non-governmental organization, provides crisis intervention and support services which aims to serve victims of sexual violence and individuals/families encountering domestic violence or other family crises. The support services include 24-hour hotline service, outreaching service and short-term accommodation service. The CEASE Crisis Centre is one of the designated crisis intervention and support services centre for handling TIP victim cases and such services are fully funded by SWD.

(2) and (3)

One of the key tasks in combating TIP is to keep strengthening and improving the mechanism for identifying victims. ImmD first launched a TIP victim screening mechanism in 2015. The mechanism was then gradually extended to some police districts of the Police and some formations of C&ED in 2016 and 2017.

In July 2018, the Police extended the victim screening mechanism to cover all 24 police districts and relevant units, and C&ED also implemented the screening mechanism department-wide. Under the mechanism, the Police, ImmD and C&ED officers will conduct screenings on vulnerable persons (for example, illegal immigrants, sex workers, illegal workers, FDHs, imported workers, etc., as well as other suspected victim cases) who are arrested or who report themselves as victims to the authorities.

Although the Palermo Protocol has not been applied to Hong Kong, the screening conducted by LEA officers follows the definition of TIP set out in the Palermo Protocol, including whether threat and coercion are involved in the victim recruitment and whether they have been exploited. In 2016, 2017 and 2018 (January to September), respectively 2 515, 4 710 and 5 308 screenings were conducted on vulnerable persons (including sex workers) under the above mentioned victim screening mechanism. In the same period, a total of 29 persons were identified as victims, and 3 of them involved TIP for the purpose of sexual exploitation or prostitution as referred to in the Palermo Protocol.

Identified TIP victims will be referred to relevant departments for follow-up actions and will be provided with necessary protection and support according to their individual situations, such as urgent intervention, medical services, counselling, shelter and other supporting services.

The TIP Working Group and LEAs will review the victim screening mechanism and the checklist of screening questions from time to time in response to crime trends, departmental operational experience, and feedback from civil society organizations, etc. Improvement measures will be introduced as needed to ensure that the screening mechanism remains effective.

- (4) According to available information, the number of imported workers working in Hong Kong under the Supplementary Labour Scheme ("SLS") and the breakdown by job title as at end-October 2018 are set out in Table 1 at Annex.

The Government attaches great importance to protecting the employment rights of imported workers. Both imported workers and local workers are comprehensively protected by the labour laws of Hong Kong. In addition, imported workers and their employers are required to enter into a Standard Employment Contract ("SEC") prescribed by the Government for the purpose of SLS. Labour inspectors of LD carry out inspections of the workplaces and accommodation of imported workers from time to time and conduct interviews with imported workers individually without interference of any third party (including employers). During interviews with imported workers, labour inspectors inquire of and explain to them their rights and benefits under the Employment Ordinance (Cap. 57) ("EO") and SEC. At the same time, labour inspectors check whether the employers have complied with relevant labour laws and terms of SEC by examining imported workers' wage and attendance records, employment records and the employees' compensation insurance policy, etc. Moreover, labour inspectors provide an information card with contact telephone numbers of LD and relevant law enforcement departments/organizations to imported workers to facilitate their enquiries or complaints with these parties in future.

From 2013 to 2017, labour inspectors conducted a total of 3 368, 3 256, 3 236, 3 653 and 4 976 inspections in the respective years in handling cases of imported workers. If an employer is suspected of breaching the EO or SLS requirements, LD would conduct prompt investigation. Depending on the circumstances of the breaches, LD would issue written warnings to the employers concerned, and prosecutions would be taken out against the offending employers where there is sufficient evidence and the imported workers agree to act as prosecution witnesses. From 2013 to 2017, LD issued a total of 301 written warnings to employers of imported workers and successfully prosecuted three employers.

Imported workers can call LD's 24-hour hotline or the hotline of SLS to lodge complaints if their employers are suspected to have breached the labour laws or SLS requirements. LD will conduct in-depth investigation into complaints received.

- (5) According to available information, as at end-October 2018, there were 385 141 FDHs in Hong Kong.

The Government has all along been firmly committed to protecting FDHs' employment rights and benefits and the support provided to them, and does not tolerate any abuse of FDHs. LD has been enhancing through different means FDHs' awareness of their rights and benefits as well as of the channels through which they may seek assistance, for example through distributing information packs to FDHs arriving at the Hong Kong airport, staging information kiosks at popular gathering places of FDHs on their rest days, publishing promotional materials, and producing promotional videos, etc. LD also maintains close collaboration with the governments of FDHs' home countries and their consulates-general in Hong Kong, and regularly participates in the welcoming programmes organized by the consulates, in order to enhance the awareness of newly-arrived FDHs about their statutory rights and benefits as well as channels to seek assistance.

LD has not entered the places of work and residence of FDHs for inspections as such places are the private residences of their employers. We encourage FDHs who suspect their rights and benefits being infringed to seek assistance as soon as possible so that relevant government departments can investigate and follow up. Apart from the branch offices of its Labour Relations Division, LD also provides a 24-hour hotline as well as online forms on the dedicated FDH and Employment Agency ("EA") Portals so that FDHs can send in enquiries and lodge complaints about matters related to their employment rights and benefits and EAs more conveniently.

Figures related to LD's enforcement against FDH employers and EAs from 2013 to 2017 are set out in Table 2 at Annex. In addition, since the promulgation of the Code of Practice for EAs in January 2017 and up to end-September 2018, LD issued a total of 47 written warnings to EAs.

Annex

Table 1

Number of imported workers working in Hong Kong under SLS
with a breakdown by job title as at end-October 2018

<i>Job title</i>	<i>Number of imported workers working in Hong Kong</i>
1. Care Worker (Elderly Service)	2 744
2. Livestock/Poultry/Fish/Crop Farm Worker	716
3. Gardening Worker	409
4. Cook	221
5. Care Worker (Disabled Service)	144
6. Bean Curd/Soya Bean/Bean Sprout Processing Worker	108
7. Quality Controller/Inspector/Control Supervisor	98
8. Machine Operator	93
9. Underwater Geotextile Special Barge Operator	65
10. Others	508
Total	5 106

Table 2

Figures related to LD's enforcement against FDH employers and EAs
from 2013 to 2017

	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
Number of convicted summonses under the EO in relation to FDH employers	13	27	12	8	21
Number of FDH employers involved	3	3	2	3	6
Number of convicted EAs	5	4	12	8	11

Public healthcare services and manpower

18. **MR WU CHI-WAI** (in Chinese): *President, regarding public healthcare services and manpower, will the Government inform this Council:*

- (1) *of the overall per capita cost of the dental services provided by the Department of Health ("DH") in each of the years from 2015 to 2017 and the per capita costs of the following two items among such services: (i) dental services at General Public Sessions (i.e. pain relief and teeth extraction), and (ii) oral check-ups and scaling and polishing services provided to civil servants, their dependants and civil servant pensioners;*
- (2) *of the respective attendances, as at 31 October 2018, for the optometric/ocular examination service and dental care service launched under the Signature Project Scheme by the Kwai Tsing District Council;*
- (3) *as DH has advised that ordinary people should receive oral check-up by a dentist at least once a year and that preventing dental diseases is more cost-effective than curing them, but preventive dental services (e.g. oral check-ups and scaling and polishing) are not provided for the public at government dental clinics, whether the Government will consider offering "dental care vouchers" to members of the public or, with reference to the Colorectal Cancer Screening Programme, subsidizing members of the public to receive preventive dental services from the private sector, with a view to improving the oral health of the public; if so, of the details; if not, the reasons for that;*
- (4) *of the respective numbers of registered dentists employed by DH, the Hospital Authority ("HA") and Prince Philip Dental Hospital as at 31 October this year; among them, the respective numbers of those who are dentist graduates of last year and this year;*
- (5) *of the number of registered dentists in private practice as at 31 October this year;*

- (6) *of the respective numbers of dentists expected to be employed by DH and HA to fill the manpower gap in each of the next three years;*
- (7) *given that since the cataract centres providing day surgery service at Grantham Hospital and Tseung Kwan O Hospital came into operation, the waiting time for cataract surgeries in the Hong Kong West and Kowloon East Clusters has been shortened drastically, whether the Government will request HA to consider setting up similar surgery centres in other hospital clusters; if so, of the details; if not, the reasons for that; and*
- (8) *given that with an ageing population, the number of hip fracture cases has increased in recent years, whether the Government will request HA to not only perform operations on elderly persons suffering a hip fracture at acute general hospitals but also provide such service at HA's community hospitals, so as to reduce the mortality rate of those elderly persons; if so, of the details; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President,

- (1) The Department of Health ("DH") provides free emergency dental treatments (generally referred to as General Public Sessions) for about 40 000 persons per year through its 11 government dental clinics. Regarding dental services for civil servants and eligible persons, the number of civil servants and eligible persons receiving such services was over 70 000 per year. Civil servants and eligible persons are entitled to dental treatment services free of charge, save for the charges applicable to dentures and dental appliances as provided for in the Civil Service Regulations. DH does not have information on the costs of the above services.
- (2) As at 31 October 2018, the Signature Project Scheme launched by the Kwai Tsing District Council recorded 10 589 service visits for the optometric/ocular examination service and 14 409 service visits for the dental care service.

- (3) The Government's policy on dental services aims to raise public awareness of oral health and encourage the development of proper oral health habits to prevent dental diseases through publicity and education.

Providing comprehensive dental services for the public requires substantial financial resources. Besides publicity, education (including the School Dental Care Service) and promotion on oral health, Government's resources are prioritized for persons with urgent dental care needs, in particular the elderly with financial difficulties. The Government has implemented a series of initiatives in recent years to provide dental care support for persons with special dental treatment needs as well as low-income elderly persons with special needs. These initiatives include the Outreach Dental Care Programme for the Elderly and the Community Care Fund Elderly Dental Assistance Programme. Besides, the Elderly Health Care Voucher Scheme also allows elderly persons using the Voucher to receive private dental services.

At present, the Elderly Health Care Voucher Scheme subsidizes eligible elderly persons aged 65 or above to use various private primary care services, including dental services, by offering an annual voucher amount of \$2,000 to each eligible elderly person. To provide them with greater flexibility, the accumulation limit of such vouchers was raised to \$5,000 in June this year. As at the end of October this year, around 1 030 dentists have registered to join the Scheme, where they would accept vouchers from eligible elderly persons at around 1 890 practice locations in the 18 districts of Hong Kong.

To give support to persons with financial difficulties, the Comprehensive Social Security Assistance ("CSSA") Scheme provides a dental grant for its recipients who are aged 60 or above, disabled or medically certified to be in ill-health to cover their actual expenses on dental treatment. Eligible CSSA recipients may approach the 67 dental clinics designated by the Social Welfare Department ("SWD") for dental examination and cost estimation for the dental services they need, after which they may choose to receive the relevant dental treatments from any registered dentists in Hong Kong, including those of the dental clinics designated by the SWD.

- (4) As at 31 October 2018, a total of 343 registered dentists were employed by the Department of Health. Among them, 18 and 17 are 2017 and 2018 dental graduates respectively.

In addition, the Hospital Authority ("HA") currently provides specialist dental services in four public hospitals, namely Alice Ho Miu Ling Nethersole Hospital, the Caritas Medical Centre, Kwong Wah Hospital and United Christian Hospital, where referred inpatients, patients with special oral health care needs and patients with emergency dental needs may receive oral maxillofacial surgery and specialist dental treatments by dentists employed by HA. As at 30 September 2018, a total of 8.11 dentists⁽¹⁾ were employed by HA.

- (5) According to the records of the Dental Council of Hong Kong, as at 31 October 2018, the total number of dentists on the Register of Dentists of Hong Kong was 2 553. The Council does not have records of registered dentists in Hong Kong by type of practice.
- (6) The number of Dental Officers to be employed is affected by many factors such as staff wastage, the number of applicants for the posts and the progress of preparatory work for new dental clinics. It is therefore difficult for DH to make an estimate of the number Dental Officers to be recruited in the coming three years. DH will continue to step up recruitment efforts for Dental Officers, including engaging full-time or part-time contract dentists, to fill the vacancies.

HA will also regularly review the dental service and manpower situation, and make appropriate arrangement on manpower planning taking into consideration service needs and development, staff wastage and manpower supply.

- (7) Apart from monitoring the waiting time for cataract surgeries for patients in various clusters, in order to increase the transparency of hospital services, HA also publishes the anticipated waiting time for cataract patients in various clusters in a timely manner. To cater for the needs of various kinds of ophthalmic patients and for the

(1) The manpower figure is calculated on a full-time equivalent basis including permanent, contract and temporary staff in HA.

principle of fairness, ophthalmic units in various hospitals also allocate resources to provide ophthalmic services other than those for treating cataracts. The Government currently has no plans to set up cataract centres providing day surgery service in other clusters similar to those in the Hong Kong West and Kowloon East clusters.

- (8) Regarding hip fracture surgeries for the elderly, HA will, according to the needs of patients in various districts, seek resources from the Government through its annual plan to increase the number of sessions of day surgery operating theatres for handling hip fracture cases, so as to gradually enhance day surgery services for such cases in hospitals with comprehensive multi-disciplinary team services, where accident and emergency department, orthopaedic, anaesthesiology and operating theatre services are available, with the aim to reduce the mortality rate of the elderly.

Management of public works projects

19. **MR PAUL TSE** (in Chinese): *President, there are comments that Hong Kong people's confidence in government projects has been greatly undermined by incidents ranging from cost overruns and delays of the Hong Kong-Zhuhai-Macao-Bridge Project to structural problems of the Shatin to Central Link Project caused by corner-cutting and improper connection of steel bars. It is difficult to restore public confidence if the Government cannot solve the problems in project supervision. In 2016, the Government established the Project Cost Management Office ("PCMO"), which is dedicated to the cost management of public works projects. It has been reported that PCMO has so far scrutinized 130 funding proposals in the pipeline for submission to the Finance Committee of this Council, and PCMO has trimmed \$27 billion from the original project cost estimates totalling \$260 billion. Given that PCMO had effectively reduced project costs amid a spate of infrastructure projects experiencing substantial cost overruns in recent years, and that PCMO was scheduled to cease operation in April 2019, I raised four questions at this Council during my current term of office, enquiring whether the Government would broaden the functions of PCMO and upgrade it to a permanent department. The Chief Executive ("CE") has announced in this year's Policy Address the upgrading of PCMO and the establishment of the Project Strategy and Governance Office ("PSGO") on 1 April next year to continue scrutinizing the*

costs of works projects. Moreover, CE has announced the establishment of a Centre of Excellence for Major Project Leaders ("CoE") which aims to equip public officers with innovative minds and world-class leadership skills in the delivery of public works projects. It has been reported that the Development Bureau has earmarked a funding of nearly \$70 million for operating CoE for the first three years. In this connection, will the Government inform this Council:

- (1) of the differences between PSGO and PCMO in areas such as staff establishment, organizational structure and operating expenditure, and the additional annual public expenditure to be brought about by such differences;*
- (2) given that cost overrun is not uncommon in infrastructure projects in recent years, resulting in some members of the public "turning pale at the mention of infrastructure" and their casting doubt, one after another, on the Government's ability to control the cost and quality of infrastructure projects, of the measures to be put in place by PSGO to prevent contractors from using all sorts of pretexts to exaggerate the construction costs, thus causing a substantial increase in costs, so as to rebuild public confidence in the Government's ability to take forward infrastructure projects;*
- (3) as it is learnt that when established in 2016, PCMO focused on scrutinizing works projects with a cost estimate between \$1 billion and \$2 billion, but the cost estimates of district minor works projects in recent years have often been said to be excessively high, and according to the estimations of some media, the "Lantau Tomorrow Vision" may involve the deployment of \$1,000 billion of fiscal reserve for the construction of large artificial islands, whether the Government will put all works projects, regardless of the amount of estimated costs, under the scrutiny of PSGO; if so, whether it has assessed if the manpower of and funding received by PSGO are sufficient to cope with the huge workload; if it has not, of the reasons for that;*
- (4) given the press reports that at present, among the contractors eligible for bidding works contracts of a value of more than \$300 billion, one third of them have Mainland background and quite a number of members of the management of such contractors are*

members of think tanks which strongly advocate and support large-scale reclamation works projects, of the measures and policies that PSGO, other government departments and policy bureaux have put in place to avoid potential conflicts of interests that may be involved in future projects; and

- (5) *of the progress of the preparation work for CoE; how it will make use of CoE to (i) equip public officers with world-class leadership skills and (ii) uplift their work performance, so that members of the public are confident that the Government is capable of managing infrastructure projects properly?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, the Government has been implementing public works projects in an appropriate and orderly manner with a view to improving people's quality of living, enhancing the long-term competitiveness and promoting the economic development of Hong Kong. In the next few years, the annual capital works investment is expected to rise to over \$100 billion and the annual total construction output will increase to over \$300 billion. In addition to this substantial workload, we are facing the challenges of high construction cost and ageing construction work force. Moreover, there have been rising aspirations from the general public for better performance of public works projects in recent years. We need to tackle these challenges to ensure satisfactory delivery of public works projects for the community. We will also need to devise and promote relevant strategies to uplift the construction industry's delivery capacity as well as improving the overall productivity.

The Chief Executive announced in the 2018 Policy Address that the Government will upgrade the Project Cost Management Office ("PCMO") and expand its establishment and functions. We propose to establish the Project Strategy and Governance Office ("PSGO") for implementing strategic initiatives and enhancing capabilities in cost surveillance and project governance.

My reply to the five parts of Mr TSE's question is as follows:

- (1) PSGO will be a multi-disciplinary office comprising architects, engineers, quantity surveyors etc. PSGO will be headed by a Principal Government Engineer (D3 of the Directorate Pay Scale)

designated as Head of Project Strategy and Governance Office ("H/PSGO") and assisted by a Government Engineer (D2 of the Directorate Pay Scale). H/PSGO will report directly to the Permanent Secretary for Development (Works). We will seek the recommendation of the Establishment Subcommittee and the Finance Committee's approval to create these two permanent directorate posts as soon as possible.

On top of the above 2 directorate posts, 12 additional non-directorate posts will be created in PSGO. The full annual average staff costs of the additional 14 posts, including salaries and staff on-cost, are around \$23.3 million. In comparison to the existing 7 posts⁽¹⁾ in PCMO, the full annual average staff costs will increase about \$11.5 million.

- (2) Notwithstanding that there have been instances of cost overruns in the delivering of certain mega projects in recent years due to unforeseeable circumstances that arose in the course of project implementation, we have maintained good performance⁽²⁾ for projects under the Capital Works Programme as a whole.

Nevertheless, we understand the public concern on cost control and project performance. PSGO to be established will implement the following new initiatives for the project cost control and construction expenditure surveillance:

- (i) develop a cost benchmarking system for various major types of works, e.g. tunnelling, site formation, buildings, and roadworks etc., in order to have better understanding of the project cost level;

- (1) These seven posts are time-limited and will lapse on 1 April 2019.
- (2) In retrospect, the Finance Committee ("FC") approved a total of about 580 Category A works projects with a total provision of \$890 billion in the past 10 years. Among them, about 70 projects required application to FC for additional funding, which totalled around \$64.5 billion. In other words, additional funding was required in approximately 10% of the projects and the amount represented some 7% of the total provision. In addition, although there were projects that required additional funding owing to individual circumstances, we generally managed to complete the projects under the Capital Works Programme within the original Approved Project Estimates and even with surplus.

- (ii) conduct the project vetting process starting from inception stage with regular reviews and follow-up actions to track the development of projects through detailed design and till funding application stage in order to ensure that the principles of "fitness for purpose" and "no frills" are observed;
 - (iii) expand the scope of cost control to projects at construction stage, and monitor the performance of the projects using a newly established system, namely Project Surveillance System⁽³⁾, on a continuous basis until project completion and so on.
- (3) Currently, PCMO conducts vetting on each project with estimate exceeding \$30 million. This snap-shot vetting approach before funding application to the Legislative Council is effective, but the room for design optimization is quite limited and hence less room for project cost saving, as the project design is often maturely developed for funding application. Upon establishment, PSGO will tighten up project cost management and control throughout the implementation programme of public works projects (each estimate exceeding \$30 million) to capitalize on all opportunities for cost saving, step up control on project budget and expenditure to curb cost overrun and programme delay. We will ensure that the staff strength of PSGO is sufficient to cope with the workload.
- (4) The Government has been implementing public works projects for the long-term benefits of Hong Kong. Currently, there are over 100 contractors who are eligible to tender for a public works contract of value exceeding \$300 million. Some of them are locally-based while the others are originated from various regions. Last year, we launched new measures to optimize the listing requirements of the procurement system to promote the entry of more Mainland and overseas contractors into the local market in order to enhance healthy market competition and bring in the use of advanced
- (3) The Project Surveillance System is a web-based application. It is established based upon the cashflow data of over 600 projects completed in the past 20 years, and has taken into account all the typical characteristics of the projects under the Capital Works Programme. It is a powerful tool for monitoring project progress and can provide predictive analysis for forecasting the cost and time performance of ongoing projects.

technology. During the project implementation, PSGO will recommend suitable procurement strategy and contract packaging to the client bureaux and works departments undertaking the projects to enhance tender competition. During tender assessment, the Government will evaluate, other than the tender prices, the technical capability of the tenderers on an objective basis by marking the attributes⁽⁴⁾ such as experience, past performance, resources deployed and technical submissions etc. We also review the procurement system from time to time in order to ensure that public works projects are procured through open, fair and impartial procedures.

- (5) We engaged an international consultant early this year to study by drawing on overseas experience the establishment of an academy dedicated for training up major project leaders. According to the findings of the study, there are imminent needs for Hong Kong to establish an academy similar to the "Major Projects Leadership Academy" set up by the Infrastructure and Projects Authority of the United Kingdom Government. The academy is dedicated for providing high-level project leadership training. We aim to commence the training programme in June next year. We have also earmarked funding for operating the Centre of Excellence for Major Project Leaders ("CoE") for three years. We will appoint a consultant to assist us in conducting tender exercise for engaging eligible professional institution(s) to provide structured, continuous and contemporary high-level project leadership training for 150 to 200 major project leaders in the next three years starting from 2019. We will also collaborate and exchange with the relevant international organizations to facilitate the officers under the training programme to acquire more overseas experience.
- (4) To ensure that the successful tenderer possesses adequate technical capability and resources to complete the project awarded, the tendering department will generally adopt a "two-envelope two-stage" approach in evaluating tenders. The department will require the tenderer to submit the tender, comprising a Technical Proposal and a Price/Fee Proposal in separate envelopes. The tender assessment panel established by the department will complete the first-stage assessment on the Technical Proposal based on the evaluation criteria specified in the tender documents before reviewing the Price/Fee Proposal, and then determine the overall score by combining the technical and price/fee scores obtained at the two stages.

In additional, we will conduct consultancy studies to enhance performance and delivery capability of public works projects. We have earmarked \$69.5 million for conducting the associated consultancy studies, as well as establishing and operating CoE from 2019 to 2022. As we are going to proceed with the tendering process, detailed breakdown of the estimates cannot be provided at the moment.

Planning for the ancillary facilities for major infrastructure projects

20. **MR TONY TSE** (in Chinese): *President, it has been reported that since the Hong Kong-Zhuhai-Macao Bridge ("HZMB") opening to traffic on the 24th of last month, a large number of Mainland residents have joined tour groups to Hong Kong that enter and exit Hong Kong on the same day through HZMB. Most of them are arranged to go to Tung Chung, which is close to the HZMB Hong Kong Port, for free activities because visiting time is limited and they are not received by any local travel agency. As a result, the catering, shopping, tourist and transport facilities in the district are overwhelmed, and the daily lives of the residents in the district are seriously affected. Some members of the public have pointed out that the aforesaid situation reflects an oversight of the Government in planning for the ancillary facilities needed for major infrastructure projects. In this connection, will the Government inform this Council:*

- (1) *whether, before the opening of HZMB to traffic, it had assessed the number of tourists travelling to Tung Chung after their entry into Hong Kong through HZMB and such tourists' impact on the residents in the district, and formulated mitigation measures; if so, of the assessment outcome and the mitigation measures, and the discrepancies between the assessment outcome and the actual situation; if not, the reasons for that;*
- (2) *given that the Civil Engineering and Development Department is currently conducting the Study on Traffic, Transport and Capacity to Receive Visitors for Lantau and carrying out jointly with the Planning Department the Planning, Engineering and Architectural Study for Topside Development at Hong Kong Boundary Crossing*

Facilities Island of Hong Kong-Zhuhai-Macao Bridge, of the commencement dates and the latest expected completion dates of these studies;

- (3) *given the recent intake of residents of a new public housing estate in Tung Chung, whether the authorities have provided the ancillary facilities needed for the additional population and tourists in Tung Chung;*
- (4) *whether it has assessed the daily number of tourists entering Hong Kong through HZMB who will travel to Tuen Mun and other districts in New Territories West upon the full opening of the Tuen Mun-Chek Lap Kok Link to traffic; if so, of the number; whether it will provide the ancillary facilities needed for those tourists; if so, of the details; and*
- (5) *whether it will, by learning a lesson from the situation that various problems were encountered when HZMB opened to traffic, improve the planning work for other major infrastructure projects in future, with a view to making it more people-oriented, so that priority is accorded not only to transport infrastructure development but also to the provision of ancillary facilities?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, the Government has been monitoring closely the vehicular and visitor flows crossing the boundary through the Hong Kong-Zhuhai-Macao Bridge ("HZMB") and the operation of the Hong Kong Boundary Crossing Facilities ("BCF") since the commissioning of HZMB. In view of the recent situation in Tung Chung, the Government has rolled out multi-pronged measures within a short time to help alleviate the pressure of BCF and its nearby areas, improving the relevant situation.

Having consulted relevant bureaux and departments, my consolidated reply to the question raised by Mr Tony TSE is as follows:

- (1) When carrying out the feasibility studies for HZMB, the consultants have estimated the amount of passenger traffic, including the number of passengers travelling among Hong Kong, Zhuhai and Macao

using HZMB. However, the forecast of passenger traffic cannot estimate the final destinations of the passengers. In fact, the forecasted passenger flow may also vary as a result of external factors such as the respective further developments of the three places and new planning initiatives.

In view of the recent situation in Tung Chung, the Government has called various inter-departmental meetings to tackle the matter. Based on the experience gained from the past few weekends, around one-fifth of visitors arriving at Hong Kong through HZMB BCF did not leave BCF to visit other districts in Hong Kong by taking local public transportation. This indicates that many of the visitors arriving at Hong Kong through HZMB BCF mainly intended to visit HZMB itself and might not enter Hong Kong. The Government is exploring with relevant Mainland authorities the opening of the HZMB's East Artificial Island to the aforementioned group tourists, so as to allow such tourists to visit HZMB and return to Zhuhai or Macao from the East Artificial Island without crossing the boundary of the Hong Kong Special Administrative Region.

In addition, the Government is arranging for setting up temporary small-scale shops or booths in the HZMB's BCF to allow travellers to buy souvenirs therein. We are also exploring the introduction of food trucks to serve travellers near BCF and in Sunny Bay.

On the other hand, the Transport Department ("TD") implemented new measures concerning the operating arrangements of domestic tour coaches at BCF on 21 November. Under the new measures, registered coach operators could enter BCF pick-up area to pick up passengers on any day provided that they had submitted an application and completed certain simple procedures via TD's online system by 9:00 pm the prior day. This arrangement helps Hong Kong receiving travel agents and Mainland inbound travel agents establish cooperation, so as to reduce the influx of visitors into Tung Chung through the flexible deployment of tour coaches.

Furthermore, shuttle bus operators launched an online pre-booking system on 23 November to allow travel agents or organizers of tour groups to purchase shuttle bus tickets (including return tickets in one

single operation) for designated dates and time slots starting from 24 November. The new arrangement helps manage and regulate visitor flows at all time slots, thereby preventing group visitors from entering and leaving Hong Kong at the same time, as well as reducing the waiting time of visitors.

After the commissioning of HZMB on 24 October, in view of the large number of passengers going to Tung Chung, the bus company concerned has implemented a series of measures starting from 10 November to improve the queuing arrangement of Route B6 at Tung Chung, including arranging passengers to buy return tickets in advance, arranging passengers to get aboard two buses simultaneously and deploying more staff to facilitate passengers to get aboard. These measures have shortened the time for getting aboard the buses and there was no long queue during most of the peak periods. Besides, setting of barriers at the bus stop has allowed the queuing to proceed in an orderly manner. TD and bus companies will continue to closely monitor the demand of various feeder bus routes and take appropriate measures as necessary.

In parallel, the Tourism Commission ("TC") has assisted in coordinating the local trade to smoothen the visitor flow near BCF, including requesting the local trade to arrange travellers using other means of transport (such as cross-boundary ferries) as far as practicable. TC also encourages the trade, including tourist attractions, to launch travel itineraries and products such as half-day tours, so as to help divert travellers.

- (2) The "Study on Traffic, Transport and Capacity to Receive Visitors for Lantau", which is being carried out by the Civil Engineering and Development Department ("CEDD"), commenced in mid-2017 and is expected to complete in 2019. In addition, the "Planning, Engineering and Architectural Study for Topside Development at Hong Kong Boundary Crossing Facilities Island of Hong Kong-Zhuhai-Macao Bridge", which is being carried out by CEDD and the Planning Department, commenced in 2015. Meanwhile, the Government has invited the Airport Authority Hong Kong ("AAHK") to submit a proposal for the topside development at the Hong Kong Boundary Crossing Facilities Island. Upon the

submission of development proposal by AAHK, the Government will consider it in detail and formulate the planning and uses of the topside development at the Hong Kong Boundary Crossing Facilities Island.

- (3) In respect of Tung Chung New Town Extension ("TCNTE"), we will follow the planning concept for a balanced community in Tung Chung when taking the project forward. Apart from providing some 49 000 new public/private residential units, the project will also provide over 870 000 sq m commercial floor space for office, retail, dining and hotel uses. To cope with the needs arising from TCNTE, two new railway stations (Tung Chung East and Tung Chung West) are proposed. We have also reserved sufficient land for the development of social welfare, recreation and education facilities. The reclamation works in Tung Chung East commenced in end-2017. We expect the first population intake in around 2023 to 2024 the earliest. Relevant government departments will implement the above facilities gradually taking account of the progress of TCNTE project.
- (4) As explained in part (1) above, the forecast of passenger traffic has only assessed the number of passengers travelling among Hong Kong, Zhuhai and Macao using HZMB.

The mainline of Tuen Mun-Chek Lap Kok Link ("TM-CLKL") Southern Connection, that is, the part connecting to urban bound of the North Lantau Highway, was commissioned to dovetail with the commissioning of HZMB on 24 October, to facilitate the public going to HZMB and also to relieve the traffic burden on the road network on Airport Island brought about after the commissioning of HZMB. The part of TM-CLKL Southern Connection connecting to the Tung Chung bound of North Lantau Highway is being strived to commission within 2018. TM-CLKL Northern Connection is anticipated to be completed by 2020 at the earliest.

Upon the commissioning of the whole section of TM-CLKL, there will be an alternative route going between the Hong Kong Port and other areas of Hong Kong, alleviating the pressure borne by the Lantau Link. TD and relevant public transport operators will

review the public transport services and arrangement in the areas concerned and will consult relevant District Councils and stakeholders, striving to provide efficient public transport services to the public. TC will also keep a close eye on the travel trends of Mainland tourists, and report destinations that the latter tend to visit to District Offices and other relevant departments in various districts for advance planning. The Food and Environmental Hygiene Department, the Agriculture, Fisheries and Conservation Department, and the Leisure and Cultural Services Department will also from time to time review their site management and staffing mechanism, including deployment of staff to step up inspection at popular destinations during peak arrival seasons of Mainland tourists, to advise and educate individuals involved in inappropriate behaviours and to take enforcement actions against violations as appropriate, and at the same time to step up site cleansing and crowd management, so as to minimizing the impact of relevant activities on the districts concerned.

- (5) When implementing large-scale infrastructure development projects, the relevant government departments will take into account a host of factors for providing supporting facilities of the new development project, and engage consultants to conduct impact assessments and detailed studies. In planning the supporting facilities of large-scale infrastructure development, the Government will from time to time revise the public transport service level and arrangements of other supporting facilities under planning in response to the development of society and public transport service networks, and other changes, as well as establishing emergency plans to ensure that new infrastructure projects are able to meet the expected transport demand and tackle the challenges from new developments and changing circumstances.

Development of industries on Lantau Island

21. **MR JIMMY NG** (in Chinese): *President, there are views that with the Hong Kong-Zhuhai-Macao Bridge opening to traffic recently, Lantau Island should not be regarded as merely the western edge of Hong Kong but the gateway to the world, and it can also play a pivotal role in the Guangdong-Hong*

Kong-Macao Bay Area. With an area of 147.16 km², Lantau Island is the largest outlying island in Hong Kong, but its current population is only 170 000. In 2017, the Government announced the Sustainable Lantau Blueprint, adopting "Development in the North and Conservation for the South" as the future positioning for Lantau Island, as well as exploring the development opportunities in the areas of economy, people's livelihood, tourism, conservation, etc. There are comments that the development of Lantau Island has to be driven by industries, and its planning should not be carried out simply for the purpose of addressing the housing problem. In this connection, will the Government inform this Council:

- (1) as the authorities indicated in reply to my question on 17 May 2017 that "[i]n the next stage of detailed planning for strengthening the economic land uses along the northern shore of Lantau, we will further study the proposed Hong Kong Branding Industries Park having regard to considerations such as compatibility with the surrounding land uses, environmental and traffic impacts, as well as market responses, economic benefits and financial arrangements", of the progress of the related work;*
- (2) given that this year's Policy Address has put forward the Lantau Tomorrow Vision, proposing to create 1 700 hectares of land off the eastern side of Lantau Island by reclamation for the construction of artificial islands in order to develop an "Aerotropolis" and the third Core Business District, but there are comments that it will be difficult to practically promote the development of Lantau Island without a clear positioning for industries, whether the authorities have plans to study the objectives and tactics for the development of industries on Lantau Island; if so, of the details; if not, the reasons for that; and*
- (3) as it is pointed out by some members of the innovation and technology ("I&T") sector that Hong Kong enjoys the strengths and potentials for development into an international I&T hub, and Lantau Island is situated at the forefront of the Guangdong-Hong Kong-Macao Bay Area, whether the authorities have any established stance and concrete plans for attracting international I&T new industries to establish their bases on Lantau Island and the artificial islands on its eastern side; if so, of the details; if not, the reasons for that?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, having consulted the Commerce and Economic Development Bureau, the Transport and Housing Bureau, the Planning Department and the Civil Engineering and Development Department, my consolidated reply to various parts of the question is as follows.

With the benefit of commissioning a number of strategic infrastructure facilities including the Hong Kong-Zhuhai-Macao Bridge and the Hong Kong International Airport ("HKIA") as well as the Three-Runway System ("3RS") which is now being built, Lantau becomes the "Double Gateway" connecting Hong Kong to other parts of the world and the Greater Pearl River Delta. The Sustainable Lantau Blueprint ("Blueprint") promulgated by the Government in June 2017 outlined the overarching principle of "Development in the North; Conservation for the South". On the one hand, the Blueprint makes good use of the development opportunities of Lantau to facilitate housing, economic development and trade, leisure, recreation and tourism. On the other hand, the Blueprint strengthens conservation of Lantau's unique and inherent natural and cultural resources. The Blueprint also sets out the strategic position of and planning principles for Lantau development in different aspects. On the economic side, the Blueprint suggests to develop Lantau into a new platform that supports the development of Hong Kong as an economic hub for the four existing pillar industries, namely financial services, tourism, trading and logistics, and professional and producer services.

The Government has invited the Airport Authority Hong Kong to submit a proposal for the topside development at the Hong Kong Boundary Crossing Facilities Island. Together with 3RS, the high value-added logistics centre at the South Cargo Precinct, the SKYCITY development project and the future development of the AsiaWorld-Expo, Lantau will become an "Aerotropolis" connecting the Guangdong-Hong Kong-Macao Greater Bay Area and the world, reinforcing and enhancing the position of Hong Kong as an international business centre.

The Tung Chung New Town Extension project, the reclamation works of which is now underway, will provide more than 870 000 sq m of commercial floor space, including business complexes of various scales, as well as retail, dining and entertainment facilities. In particular, the metro core area at Tung Chung East ("TCE") will be developed into a smart business node, comprising mainly sites near the proposed TCE Railway Station and the public transport interchange(s) which possess potential for high-density commercial development.

As for the waterfront at the northern part of TCE, there will be commercial facilities including retail and hotel facilities apart from the promenade itself to create a vibrant waterfront and for developing the TCE waterfront into a comprehensive public open space and leisure hub, so as to complement the economic development of the North Lantau and create varied job opportunities. Besides, leveraging on the synergy effect of the existing attractions on Lantau, the proposed Sunny Bay reclamation project seeks to develop a leisure and entertainment node thereon as a year-round vacation destination with international and local mega competitions/sports events. We plan to submit funding application on the planning and engineering study for the Sunny Bay reclamation to the Legislative Council in a timely manner, with a view to commencing detailed planning of the land uses and various impact assessments. We will conduct consultation in respect of the detailed proposals in due course.

Building on the Blueprint, the 2018 Policy Address put forward the "Lantau Tomorrow Vision", of which the first phase will focus on the studies for developing the artificial islands of about 1 000 hectares near Kau Yi Chau. Apart from providing land for housing and supporting facilities, the artificial islands will support the development of the third Core Business District ("CBD3"), capable of providing about 4 million sq m of commercial/office floor space. CBD3 will not only complement the Core Business District in Central to form a metropolitan business core and provide ample room for growth of traditional and emerging industries, it will also create synergy with the future "Aerotropolis" and other commercial developments on the North Lantau, thereby turning Lantau into a supporting service hub for financial and commercial industries with close ties with HKIA and its surrounding region. This will strengthen Hong Kong's function as a regional connector to bring closer Hong Kong with the rest of the world and other cities in the Greater Bay Area.

We plan to seek funding approval from the Legislative Council in the first or second quarter next year with a view to commencing the studies on the Kau Yi Chau artificial islands in the Central Waters. The studies will explore, inter alia, the market positioning of the proposed CBD3, the development strategy and detailed planning of land uses. In the process, we will consider optimizing the strategic position of the Central Waters and integrating it with the planned major commercial developments of the North Lantau, in order to promote Hong Kong's economic and industry developments including innovation and technology and others.

Promotion of education on subjects related to Science, Technology, Engineering and Mathematics

22. **DR ELIZABETH QUAT** (in Chinese): *President, regarding the promotion of education on subjects related to Science, Technology, Engineering and Mathematics ("STEM"), will the Government inform this Council:*

- (1) *whether, since issuance of the "Computational Thinking - Coding Education: Supplement to the Primary Curriculum" to primary schools in November last year, the Education Bureau ("EDB") has conducted any survey on the situation and progress of the implementation of coding education in primary schools; if so, of the details; if not, the reasons for that;*
- (2) *as schools may decide, on their own, the number of hours for learning STEM subjects or even not to offer this type of subjects, resulting in schools having different paces in the development of STEM education, whether EDB will formulate standardized STEM education targets for primary and secondary schools; if so, of the details and timetable; if not, the reasons for that;*
- (3) *whether it will encourage schools to make use of the Life Planning Grant and the Life-wide Learning Grant disbursed by EDB to take students outside the classrooms for learning about the types and qualifications required of the jobs in the innovation and technology ("I&T") industry, so that they can set their own learning goals;*
- (4) *of the respective manpower and other resources deployed, by the Government in each year since the implementation of STEM education in the 2015-2016 school year, for (i) teacher training, (ii) school-based on-site support and (iii) provision of complementary software and hardware, so as to assist schools in developing courses on coding, artificial intelligence and other new technology applications;*
- (5) *whether it will collaborate with the various universities to provide primary and secondary school teachers with (i) training on courses relating to coding, artificial intelligence and other new technology*

applications, as well as (ii) assistance in the compilation and production of relevant teaching materials; if so, of the details; if not, the reasons for that;

- (6) of the number of students admitted in each of the past five years to the STEM-related bachelor's degree programmes offered by universities funded by the University Grants Committee;*
- (7) as it is learnt that currently most of the prospective university students with better academic results usually apply for programmes on disciplines such as medicine, law and accounting, while a small number of them opt for programmes on STEM-related disciplines, whether the Government has put in place measures to enhance the understanding of parents and students about the bright prospects of graduates in STEM-related disciplines; if so, of the details; if not, the reasons for that;*
- (8) whether it will increase the number of places for bachelor's degree programmes in STEM-related disciplines so as to nurture more I&T talents; if so, of the details; if not, the reasons for that; and*
- (9) given that it is stipulated in the "Development Plan on the New Generation of Artificial Intelligence" promulgated by the State Council last year that Mainland primary and secondary schools will provide artificial intelligence related courses, whether the Government will, by making reference to this practice of the Mainland authorities, add artificial intelligence-related learning contents to the primary and secondary school curricula; if so, of the details; if not, the reasons for that?*

SECRETARY FOR EDUCATION (in Chinese): President, to align with the worldwide educational trend and to equip students with necessary knowledge and skills in response to the rapid economic, scientific and technological developments, as well as the changes and challenges in society, the Government has made significant efforts to promote STEM⁽¹⁾ education in recent years. In

(1) STEM is an acronym that refers collectively to the academic disciplines of Science, Technology, Engineering and Mathematics.

late 2016, the Education Bureau released the Report on "Promotion of STEM Education—Unleashing Potential in Innovation", which contains a number of recommended measures including renewing the curricula of Science, Technology and Mathematics Education Key Learning Areas ("KLAs"), enriching the learning activities for students, providing schools with resources, enhancing professional development of teachers, strengthening partnerships with key stakeholders in the community, conducting reviews on implementation and disseminating good practices. These recommended measures are being implemented progressively. In the light of the latest development in science and technology, we updated the relevant Curriculum Guides, which were published in 2017. We enhanced coding education at the primary level in the 2017-2018 school year to develop the computational thinking skills of students. In fact, STEM education is not a separate and new subject. We have been promoting STEM education in primary and secondary schools through relevant KLAs, including the Science, Technology and Mathematics Education.

Our reply to the question of Dr Elizabeth QUAT, with views from the Innovation and Technology Bureau incorporated, is as follows:

- (1) The Education Bureau prepared the "Computational Thinking—Coding Education: Supplement to the Primary Curriculum" in November 2017 for deployment of schools to further enhance coding education in primary schools and develop students' computational thinking skills. To support schools in promoting coding education, we have been organizing professional development programmes for teachers to enhance their professional knowledge and capabilities. Through existing channels, which include school visits, organizing professional development programmes for teachers as well as regular contacts with school councils, we exchange views with teachers and principals on the implementation of STEM education, including coding education, so as to learn about the implementation of STEM education in schools. We have learned that currently schools have generally introduced coding education and adopted different approaches for implementation in the light of their school context, including provision of learning activities on coding in computer lessons, incorporation of the relevant contents into individual subjects (such as General Studies) at the upper primary level, or reorganization of

the curriculum (such as Mathematics and computer lessons) to create space for teaching coding. We will continue to communicate with schools and offer timely suggestions and support.

- (2) STEM education is not a separate and new subject, but is implemented in local primary and secondary school curricula through the Science, Technology and Mathematics Education KLAs (such as Mathematics at the primary and secondary levels, Science and Computer Literacy at the junior secondary level, and General Studies at the primary level). These KLAs must be included in both primary and secondary school education. The idea that schools may decide, on their own, the number of hours for learning STEM-related subjects, or may even decide not to offer such subjects is not accurate. The aims of promoting STEM education are to enable students to recognize the relationship between innovative technology and their daily lives, to enhance their ability in integration and application of knowledge and skills in the relevant KLAs, and to nurture their collaborative, hands-on, minds-on and creative problem-solving skills. To be able to integrate and apply what they have learned in different areas, it is necessary for students to develop a solid knowledge base in science, technology and mathematics. In addition, schools may further strengthen STEM education by arranging life-wide learning activities such as STEM-related project learning, scientific investigation, or technology and problem solving competitions.

Student-centred approaches are emphasized in promoting STEM education at both primary and secondary levels, whereby enhanced learning and teaching strategies are adopted to facilitate students' integration and application of what they have learned for problem solving, thus enhancing their creativity, collaboration and problem solving skills and fostering innovativeness. In addition to the Science, Technology and Mathematics Education KLAs, other KLAs (such as those of Arts Education and Language Education) may be brought into play to facilitate students' creative problem solving by integrating and applying what they have learned. Some schools, for example, have implemented STEAM (Science, Technology, Engineering, Arts and Mathematics) education by incorporating elements of Arts Education.

Therefore, in accordance with their school context and their students' interests and abilities, schools may adopt different emphases and plans, and incorporate different learning elements for the implementation of STEM education in order to enhance students' learning effectiveness. The formulation of specific indicators for education by the Education Bureau for steering the development direction of this relatively new curriculum initiative does not meet schools' practical needs. In fact, many schools with outstanding performance in implementing STEM education have been invited by the Education Bureau to participate in the Professional Development Schools Scheme and the Quality Education Fund Thematic Networks. These schools have organized networking activities to share their experience on the implementation of school-based STEM education with other schools regarding various themes. The above strategy in implementing STEM education is preferable to formulating standardized indicators for education without taking into account different characteristics and development progress of schools.

In addition, the Task Force on Review of School Curriculum ("Task Force") was established in November 2017 to holistically review the primary and secondary school curricula. Among all curriculum issues, the Task Force has identified STEM education as one of the key areas. It has established a working group to review the implementation of STEM education in primary and secondary schools, and propose enhancement measures where necessary. Upon extensive consultation and thorough discussion with major stakeholders on various issues, the Task Force is expected to make directional recommendations to the Government by the end of 2019. By then, we will conduct detailed discussion and take follow-up action under the established arrangement through the existing bodies/committees such as the Curriculum Development Council and the Hong Kong Examinations and Assessment Authority.

- (3) STEM education emphasizes students' abilities to integrate and apply knowledge to solve problems. Enhancing students' understanding of the application of science and technology knowledge in various industries as well as the development of these industries is an

essential component of STEM education, and this dovetails effectively with life planning education. We have implemented various measures to support schools in this regard, including organizing professional training for teachers, and developing a dedicated Career Information Website that provides students, teachers and parents with relevant information on different industries (including the innovation and technology ("I&T") industry) such as qualification requirements and career ladders. Life planning education and STEM education must progress with the times. Teachers responsible must grasp the structural changes in the economy and the latest technological development to provide students and parents with proper guidance. Through the "Business-School Partnership Programme" ("BSPP"), the Education Bureau has collaborated with the business sector and community organizations to provide students with a wide range of career exploration activities, such as talks, workplace visits and work experience programmes, which enable students to understand different industries, including the I&T industry. The Education Bureau also organizes regular visits, such as the "Innovative Technology and Economic Development in Shenzhen", to enhance teachers' understanding of the prospects of neighbouring economies and their industries (including the I&T industry) so that they can help students seize the opportunities. With regard to the needs of their students, schools should formulate school-based work plans and implementation strategies, and make effective use of school resources (including the Career and Life Planning Grant and the proposed Life-wide Learning Grant) to provide diversified guidance services and learning activities to help students understand themselves, their interests, abilities and orientations, and keep them abreast of the latest career related information. In doing so, students not only develop a deep understanding of the application of science knowledge and its impacts on our daily lives, but also get prepared for their future academic and career pursuits.

The Life-wide Learning Grant will enable schools to organize more out-of-classroom experiential learning activities to foster students' whole-person development. In the light of the curriculum and needs of their students, schools can deploy the Grant to further

promote STEM education in school and arrange learning activities related to the I&T industry, such as workplace experience, talks on related fields, visits to I&T enterprises/organizations in the territory and outside Hong Kong. These activities can enlighten students about the operation and latest development of relevant industries, and help them identify their interests and strengths for developing the goal of their academic and career pursuits.

- (4) Regarding the promotion of STEM education, we have progressively implemented the relevant support initiatives, including the enhancement of professional training for teachers and the provision of professional support as well as learning and teaching resources. On professional training for teachers, we have been providing intensive training programmes on STEM education for school leaders and middle managers in batches, and organizing professional training programmes for teachers on coding education and on themes related to technology application to support schools in promoting STEM education. The Education Bureau implemented the Paid Non-local Study Leave Scheme for Secondary School Teachers ("i-journey") in the 2017-2018 school year. STEM Education was chosen as the theme of one of the programmes offered. This Scheme aims to broaden teachers' professional perspectives and keep them abreast of the latest trend in global education developments so as to inspire their professional ideas in learning and teaching through their participation in specific courses and an overseas school attachment programme lasting for about three months. Besides, we have been providing primary and secondary schools with diversified school-based support services, so as to assist them in curriculum planning across KLAs of Science, Technology and Mathematics Education and incorporating elements of STEM education into the school-based curriculum. Schools may apply for participation in the relevant support schemes having regard to their developmental needs and students' educational needs.

As the manpower and other relevant expenditure involved in the curriculum development of STEM education, including professional training for teachers and school-based support services, are subsumed under the Education Bureau's overall expenditure, a breakdown of the expenditure is not available.

Regarding the promotion of Information Technology ("IT") in Education in primary and secondary schools, we launched the Fourth Strategy on Information Technology in Education ("ITE4") in the 2015-2016 school year. One of the key measures of ITE4 is to establish Wi-Fi campus for all public sector schools and the relevant work was basically completed in the 2017-2018 school year. Under ITE4, every school has been disbursed with an extra recurrent grant of \$70,000 on average for continuous subscription of Wi-Fi services, and a one-off grant of \$100,000 on average for acquisition of mobile computing devices. We have also provided an extra One-off IT Grant of \$200,000 per school on average to enhance the practice of e-learning. The total funding for the above two one-off grants relating to IT in education amounts to \$290 million. Furthermore, the Office of the Government Chief Information Officer launched the eight-year Enriched IT Programme since the 2015-2016 school year to help students develop an interest in and understanding of IT starting from secondary school, with a total funding commitment of \$75 million. In the 2017-2018 and 2018-2019 school years, the programme provided funding support to 89 local secondary schools for organizing Enriched IT Activities themed on virtual reality ("VR") and augmented reality ("AR") technologies. Each secondary school is eligible for a funding of \$50,000, with the total funding amounting to \$4,450,000.

- (5) To underpin STEM education, we continuously collaborate with different stakeholders, including tertiary institutions, professional bodies, non-governmental organizations and technology enterprises to provide professional development programmes for teachers and develop learning and teaching resources. These training programmes cover programming/coding education and application of other new technologies. For example, we have all along engaged tertiary institutions in the provision of intensive training programmes on STEM education and professional development programmes related to coding education for primary and secondary schools. We have also worked with tertiary institutions to develop learning and teaching resources on coding education for primary and secondary schools like the module of Developing Programming Concepts through Programmable Physical Object under the Computer Awareness Programme for primary schools. We will continue to collaborate with tertiary institutions to develop relevant learning and

teaching resources, such as a teaching kit about Micro:bit currently under development to support schools in implementing coding education for enhancing the computational thinking and applied technology skills of students. Moreover, we have actively engaged different stakeholders in the community as part of our concerted efforts to strengthen the promotion of STEM education. Individual non-governmental organizations like the Hong Kong Jockey Club Charities Trust are working with different tertiary institutions, with professional input from the Education Bureau, to develop the coding education curriculum for primary schools. Schools were also invited to join a pilot scheme to assist in further improving the curriculum.

- (6) The figures of student intake of University Grants Committee ("UGC")-funded STEM-related undergraduate programmes over the past five academic years are as follows:

<i>Academic year</i>	<i>Student intake</i>
2013-2014	5 886
2014-2015	6 155
2015-2016	6 304
2016-2017	6 565
2017-2018	6 780

Notes:

- (1) STEM-related programmes include biological science, physical science, mathematical science, computer science and IT, engineering and technology, architectural studies and town planning.
- (2) Since some UGC-funded programmes are mapped to more than one academic programme category ("APC"), the number of intake of these programmes is counted on a pro rata basis under the relevant APC. Thus the figures for certain APC may have decimals and such figures have been rounded to the nearest whole numbers in the above table.
- (7) The Government has been implementing various measures to improve I&T ecosystem in Hong Kong and provide young people with quality employment opportunities. The Government has also been actively promoting I&T culture to raise public interest in STEM subjects. The Innovation and Technology Commission ("ITC"), in collaboration with various programme partners, including

universities, R&D institutions, government departments and non-governmental organizations, organizes the InnoTech Month every year to let the general public, including students, understand the latest I&T developments and accomplishments of Hong Kong through activities like large-scale carnivals, roadshows, exhibitions, seminars and workshops. In addition, ITC supports the Hong Kong Federation of Youth Groups in organizing the Innovation and Technology Scholarship Award Scheme every year, which gives recognition to outstanding STEM undergraduates of local universities and offers internship opportunities, thereby enhancing students' understanding of the development potential of the I&T industry in Hong Kong and building up attractive career prospects for them. The Government also from time to time collaborates with the Hong Kong Science and Technology Parks Corporation, youth groups, social service organizations, the academic and business sectors, etc. to support various popular science activities and arouse young people's interest in I&T.

In view of the fact that pursuing a research career is one of the paths taken by students of STEM-related disciplines upon graduation, the Government is also committed to making research work an attractive and promising option. Relevant measures announced in the 2018 Policy Address include the following: injecting \$20 billion into the Research Endowment Fund to substantially increase research grants and provide a more stable source of research funding, so as to foster the scientific research ecosystem in Hong Kong; launching a new Research Matching Grant Scheme which provides a total of \$3 billion in three years to facilitate the higher education sector to tap more sources of research funding and also encourage collaboration between the industries and the sector in research and development; and supporting the Research Grants Council ("RGC") in introducing three new fellowship schemes, i.e. the Postdoctoral Fellowship Scheme, the RGC Research Fellow Scheme and the RGC Senior Research Fellow Scheme, which will benefit postdoctoral fellows and researchers at associate professor and professor levels. These new schemes will encourage doctoral graduates to pursue careers in research, provide support for promising researchers and increase the attractiveness of STEM subjects to undergraduates-to-be.

On primary, secondary and parent education, we proactively introduce the STEM-related professions to parents and students so as to get our students prepared for pursuing the study of STEM-related subjects and careers in the future. Training activities are provided to teachers for enhancing their understanding of the latest development of I&T and STEM-related industries so that they can encourage students with potential to pursue the study of STEM-related subjects. Besides, we collaborate with tertiary institutions, other government departments and professional bodies to organize large-scale STEM-related activities and competitions for students, thereby creating an atmosphere for learning science and technology and providing opportunities to unleash students' potential. We also enhance the liaison with different stakeholders (including the commercial and industrial sectors and I&T institutions) and provide students with opportunities to participate in talks, visits and experiential learning activities for understanding of the development of relevant industries.

Besides, the partners of BSPP have organized career talks and workplace visits for parents to better understand different trades and industries (including the I&T industry) so that they can support and encourage their children to pursue their life goals in accordance with their interests and abilities. In the 2017-2018 school year, about 50 career exploration activities related to I&T were organized under BSPP. The Education Bureau will continue to invite more business and community organizations to participate in BSPP, with a view to providing more number of career exploration activities (including those related to the I&T industry) for students and parents.

In addition, we have been assisting parents to gain a more comprehensive understanding of their children's pathways and to help their children make better life-planning in accordance with their aspirations and abilities. On the front of understanding STEM education, I&T competitions for schools, relevant parent-child workshops and briefings have been organized annually by the Federations of Parent-Teacher Associations in various districts in recent years with the support of the Education Bureau and the

Committee on Home-School Co-operation, with a view to enhancing parents' and students' understanding of STEM education and its latest development and encouraging parents to support I&T education.

- (8) The Government and UGC adopt a triennial planning cycle in determining the recurrent funding for the UGC-funded sector. The UGC-funded universities enjoy academic freedom and institutional autonomy. Under the triennium planning exercise, the UGC-funded universities will, taking into account a host of factors such as social developments, market demand, relative strengths and the Government's observations on manpower trends of different industries, submit their respective Planning Exercise Proposals ("PEPs") and the student number target for each UGC-funded programme for UGC's consideration.

The Innovation and Technology Bureau has earlier briefed the UGC-funded universities on the trends and development of manpower requirements in the I&T sector. In view of the importance attached by the community to I&T, the UGC-funded universities have responded positively in their PEPs for the 2019-2020 to 2021-2022 triennium by, inter alia, proposing more cross-disciplinary programmes in STEM and I&T, such as those relating to artificial intelligence and financial technology.

- (9) With reference to the latest curriculum development in the Mainland and different countries and regions, and to cater for the needs of students, the school curriculum will be reviewed and renewed in an ongoing and timely manner. To further facilitate STEM education, we are reviewing the Information and Communication Technology Curriculum for the senior secondary level and considering incorporating contents related to artificial intelligence. The contents of the Information and Communication Technology knowledge context for the junior secondary level will also be renewed in a timely manner.

GOVERNMENT BILLS

Second Reading of Government Bills

Resumption of Second Reading Debate on Government Bill

PRESIDENT (in Cantonese): Government Bills. This Council resumes the Second Reading debate on the Companies (Amendment) Bill 2018.

COMPANIES (AMENDMENT) BILL 2018

Resumption of debate on Second Reading which was moved on 25 April 2018

PRESIDENT (in Cantonese): Mr Christopher CHEUNG, Chairman of the Bills Committee on the Bill, will first address the Council on the Committee's Report.

MR CHRISTOPHER CHEUNG (in Cantonese): President, in my capacity as Chairman of the Bills Committee on Companies (Amendment) Bill 2018 ("the Bills Committee"), I would like to present the report of the Bills Committee to the Council and report on the key areas of work of the Bills Committee.

The Companies (Amendment) Bill 2018 ("the Bill") seeks to amend the new Companies Ordinance and eight items of its subsidiary legislation to improve the operation of the accounts provisions, expand the types of companies within the reporting exemption, and provide for miscellaneous matters in relation to administrative, procedural and technical requirements regulating companies and non-Hong Kong companies. The Bills Committee has held two meetings to discuss the Bill with the Government and receive views from deputations. The Bills Committee supports the main proposals of the Bill to simplify statutory procedures and clarify provisions, with a view to reducing the compliance cost of companies and catering for the needs of small and medium enterprises.

The Bills Committee notes that the new Companies Ordinance requires a holding company to list in its directors' report the names of the directors of its subsidiary undertakings. Considering the compliance burden of large corporate groups, the Bill proposes alternative means of complying with the disclosure

requirement by adding an option of allowing a holding company to provide such information on its website or to keep a list at its registered office and make it available for inspection by its members.

Some members of the Bills Committee have expressed concern that the arrangement of keeping the list at the holding company's registered office may not facilitate access to the information by members of the public. The Administration has explained that information on all companies, including the names of the directors of a holding company and all of its subsidiaries, is available on the Companies Register, which is accessible by members of the public.

The Bill proposes to add three types of companies, so that such companies will be eligible for the reporting exemption and entitled to adopt simplified accounting and financial reporting.

Regarding the size criteria of companies qualifying for simplified accounting and financial reporting, the Bills Committee notes that some deputations have requested the Administration to adjust the size criteria having regard to the actual economic environment, the surge in property and consumer prices and the inflation rate. Members have also expressed concern about the criteria for capping both the assets and revenue of small private companies at HK\$100 million, and enquired if the Administration would consider reviewing the criteria.

The Administration has explained that the proposed objective of the Bill is to expand the scope of the reporting exemption without amending the size criteria. That said, the Administration will keep the implementation of the new Companies Ordinance, including the size criteria, under review on an ongoing basis.

Clause 92 of the Bill proposes to add a new section to the Companies (Disclosure of Company Name and Liability Status) Regulation, so that a company which has both an English name and a Chinese name is allowed to display at places (e.g. its registered office) and to state on its website and in certain documents (e.g. its business letters) only its English name or Chinese name. On the other hand, clause 8 of the Bill proposes to amend section 81 of the new Companies Ordinance to the effect that if a company has both an English name and a Chinese name, its articles of association must state both the English

name and the Chinese name. The Bills Committee has requested the Administration to explain why different requirements regarding company name are proposed.

The Administration has responded that the policy intent of the amendments is to enable a company to use either its English or Chinese name for purposes other than in its articles of association, such as in the company's common seal, its business cards and stationery. On the other hand, as the articles of association are the company's constitution and a statutory contract between members themselves and between individual members and the company, the articles of association must state both English and Chinese names if a company has both names. In addition, the articles of association are required to be delivered to the Registrar of Companies for registration and be available for inspection by the public. Hence, a company that has an English name and a Chinese name must state both the English and Chinese names in its articles of association.

The Bills Committee notes that the Administration will propose amendments to introduce technical or textual amendments to certain provisions of the Bill. The Bills Committee has no objection to the amendments proposed by the Administration. The Bills Committee will not propose any amendments to the Bill, and it will support the resumption of the Second Reading debate on the Bill.

President, next I will express some of my personal views. As I said earlier, the legislative amendment exercise simply aims to alleviate the compliance burden of small and medium enterprises, and simplify their financial reporting procedures and the requirement on keeping a list of directors, thus alleviating their operational burden. This is vital to the enhancement of the competitiveness of Hong Kong and our status as a cosmopolitan commercial metropolis and international financial centre.

In addition, as it is no longer mandatorily required to provide in the annual report the list of directors of a company and its subsidiaries, not only can the number of printed papers be reduced and work procedures be simplified, but environmental requirements can also be met. Most importantly, when meeting environmental requirements, the public's right to know will not be eroded in any way. One can still find a list of directors on the website of the company or at the Companies Registry. This is killing two birds with one stone.

The implementation of the new ordinance will benefit enterprises in respect of saving substantial costs. Given the keen competition and adverse business environment nowadays, this is vital to enhance the room for survival of enterprises. I believe this also reflects the new thinking of Chief Executive Carrie LAM since her assumption of office in respect of introducing benevolent policy to remove barriers.

I also hope that the Government will comprehensively review various laws and regulations, and urge various statutory bodies, including the Securities and Futures Commission and the Hong Kong Monetary Authority, to continue to remove barriers, strike a proper balance between regulation and costs, and avoid rashly imposing a heavier burden on enterprises, including small and medium securities dealers, so as to blindly comply with certain international requirements. In the case of the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements—Banking Sector) Rules that we scrutinized this morning, the Government has, for the sake of the so-called financial security, extended the self-saving measures of financial institutions that are too big to fail to cover almost all financial institutions, including all big, small and medium banks. As this obviously runs contrary to the intent of the Bill in removing barriers, we can by no means render support.

As such, I will firmly support measures introduced by the Bill to help improve the business environment of enterprises, and I also hope various Members will support the Bill.

MS STARRY LEE (in Cantonese): President, the Second Reading debate on the Companies (Amendment) Bill 2018 ("the Bill") resumes today, and the amendments are mainly: first, to allow the holding company of certain small companies to adopt simplified financial reporting; second, technical amendments to revise the definition of "holding company" and "parent undertaking" in view of the latest accounting standards. The amendments in the two areas serve to respond to the requests made to the Companies Registry and the authorities by the industry time and again during the process of implementing the Companies Ordinance. I would like to thank the authorities for regularly amending such an important law as the Companies Ordinance.

President, speaking of the Companies Ordinance, I believe people still well remember that at the end of 2011-2012 legislative session, Members filibustered on the Companies Bill. This was the first time that members of the public had a

deep impression on Members filibustering in the legislature. At that time, several Members filibustered on the Companies Bill for the purpose of blocking the re-organization of the Government Secretariat. The Companies Bill was ultimately read the Third time and passed after an eight-day meeting.

Since 2012, the new Companies Ordinance has been implemented for over five years. I would like to affirm the continuous reviews and amendment exercises. I hereby raise two points of view in particular, which I hope the authorities will reply to in a moment. First, the relevant amendments are made at the request of the industry to reduce the compliance costs of companies. However, as far as I understand, following the passage of the Bill, eligible companies will have to wait until 1 April before being able to choose to follow the revised provisions. The accounting date of many companies is 31 December and today is 28 November, so if the Bill can be gazetted and the law can come into effect earlier, companies whose accounting date is 31 December can also choose to follow the revised provisions, thus further helping the industry to slightly reduce costs and enabling accountants to adopt simplified financial reporting for the whole year. I hope the authorities will give a reply in a moment. I remember that the relevant deputations mentioned this point when they expressed their views in the Legislative Council.

Second, regarding the implementation of the Companies Ordinance, I would also like to thank the Companies Registry. Apart from actively providing us with professional lectures at the invitation of the Democratic Alliance for the Betterment and Progress of Hong Kong, they have also travelled around the territory to answer the questions of the industry and companies concerning the details of implementing the Companies Ordinance. I hope that this arrangement will remain in place and be implemented more carefully and regularly, as the Companies Ordinance is indeed difficult to understand, and confusions may easily arise during the implementation process. I hope that the Companies Registry will continue to provide hotline and briefing services. In particular, following the conclusion of the latest legislative amendment exercise, it can conduct a new round of publicity and briefing sessions on certain common questions, so that business executives, chief financial officers and members of the industry can better understand the law.

With these remarks, President, I support the Bill.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Financial Services and the Treasury to reply. Then, the debate will come to a close.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, first of all, I must extend my heartfelt thanks to Mr Christopher CHEUNG, Chairman of the Bills Committee on Companies (Amendment) Bill 2018 ("the Bills Committee"), members of the Bills Committee, clerk to the Bills Committee and Legal Adviser for their efforts in enabling the scrutiny of the Companies (Amendment) Bill 2018 ("the Bill") to be completed smoothly. I also thank various deputations and individuals for presenting their views to the Bills Committee.

After the introduction of the Bill into the Legislative Council in April this year, the Bills Committee has held two meetings to discuss the policy objectives and provisions of the Bill. Having considered the comments received during the deliberation process and after carefully examining the provisions of the Bill, we have proposed a number of amendments to state more clearly the meanings of relevant provisions, or to make technical amendments. I will move the amendments later at the Committee stage.

As regards the policy objective, as I have said in moving the Second Reading, the Bill seeks to amend the new Companies Ordinance (Cap. 622) which commenced operation in March 2014. Since its implementation, the new Companies Ordinance has provided a modern statutory framework for the incorporation and operation of companies in Hong Kong. A number of measures have been introduced under the Ordinance to simplify statutory procedures, reduce the compliance costs of companies and cater for the needs of small and medium enterprises ("SMEs"). The current amendment exercise aims to incorporate new developments after the commencement of the new Companies Ordinance, clarify policy intent and remove ambiguities and inconsistencies. It also aims to further relax certain requirements under the new Companies Ordinance to provide more flexibility to SMEs when it comes to compliance, so as to further facilitate their business in Hong Kong.

Most of the amendments are technical in nature and can be roughly grouped under two major categories:

The first category of proposed amendments seeks to incorporate new developments after the commencement of the new Companies Ordinance. This category can be divided into two groups. The first group is to expand the scope of the current regime for simplified reporting, so as to allow the holding companies of two other types of corporate groups to benefit from the reporting exemption. The second group is to update the accounting-related provisions in the new Companies Ordinance in accordance with new developments of the Hong Kong Accounting Standard.

In respect of expanding the scope of the current regime for simplified reporting, in order to provide more flexibility to SMEs which meet the size criteria, we propose to allow the holding companies of two other types of corporate groups to benefit from the reporting exemption, namely:

- (i) Holding companies of corporate groups comprising small private companies or eligible private companies and small guarantee companies ("mixed groups"), provided that both the holding company and all subsidiaries meet the size criteria; and
- (ii) Holding companies of groups of small private companies, eligible private companies and small guarantee companies or the mixed groups mentioned in paragraph (i) above with non-Hong Kong subsidiaries, provided again that the holding company and all subsidiaries (including non-Hong Kong subsidiaries) meet the size criteria.

We note that some members of the Bills Committee have expressed concern about the size criteria for the exemption and suggested adjusting the size criteria for the exemption, taking into account factors such as inflation and capital costs. We would like to point out that the Bill aims to expand the scope of the reporting exemption without amending the size criteria. That said, we will keep the implementation of the new Companies Ordinance, including the size criteria, under review on an ongoing basis.

As regards another amendment mentioned earlier to incorporate new developments after the commencement of the new Companies Ordinance, it is proposed in response to the Hong Kong Financial Reporting Standard 10

("Reporting Standard") issued by the Hong Kong Institute of Certified Public Accountants. In light of the amended definitions of "holding company" and "parent undertaking" in the Reporting Standard, we propose the relevant amendments to reflect the latest accounting standards, so as to avoid inconsistencies between the new Companies Ordinance and the Reporting Standard in the definitions of "parent undertaking" and "subsidiary".

The second category of amendments seeks to facilitate compliance by clarifying policy intent or removing ambiguities and inconsistencies. The major proposals include: Firstly, align the requirements regarding the display of company name of non-Hong Kong companies with those of local companies; secondly, align penalty standards for offences relating to financial statements; and thirdly, streamline and clarify technical provisions.

First of all, the new Companies Ordinance and its subsidiary legislation contain detailed requirements regarding the display of the name of a company incorporated in Hong Kong at a location that can be easily seen by a visitor. However, there are no corresponding provisions for non-Hong Kong companies. We propose to empower the Financial Secretary to make regulations providing for the requirements on the display of company names and the disclosure of liability status of non-Hong Kong companies so as to align the obligations of non-Hong Kong companies with those of local companies in this regard.

Secondly, at present, the penalty level for an offence relating to the revision of financial statements and reports under the Companies (Revision of Financial Statements and Reports) Regulation (Cap. 622 sub.leg. F) is lower than the penalty level under the new Companies Ordinance for a corresponding offence relating to the original financial statements and reports. In response to this, as I mentioned in the Second Reading of the Bill, the Government undertook to review and remove the inconsistency in the penalty levels during the scrutiny of the subsidiary legislation by the Legislative Council in 2013. As a result, we propose amendments to the provisions to align the penalty levels for the relevant offences upon conviction.

Thirdly, in respect of streamlining and clarifying provisions to facilitate compliance, we propose a series of amendments. On financial reporting in particular, we propose amending a number of accounting and reporting provisions that are technical in nature, including providing an option for a holding company

which is also a wholly owned subsidiary to prepare consolidated financial statements, and relaxing the requirement for a holding company to list the names of the directors of its subsidiary undertakings in the directors' report. The amendment is made in consideration of the compliance burden of large corporate groups. An option is provided to allow a holding company to provide such information on its website, or keep the relevant name lists at its registered office and make it available for inspection by its members.

We note that some members of the Bills Committee considered that keeping the list on the website of an authorized company or at its registered office may not facilitate access by members of the public. We would like to point out that information on all companies, including the names of the directors of companies, is available on the Companies Register, which is accessible by members of the public. Therefore, we consider that the amendment can strike a balance among enhancing corporate transparency, protecting the interests of members of the companies and reducing compliance costs.

Apart from the proposed amendments mentioned above, the other amendments are textual amendments and technical in nature. Most amendments seek to remove ambiguities or ensure consistency in the terminology used in different provisions of the new Companies Ordinance.

Overall speaking, the Bill has streamlined the provisions of the new Companies Ordinance and relaxed certain requirements. In particular, it provides more flexibility to SMEs when it comes to compliance by allowing more SMEs to benefit from reporting exemption, providing additional options to holding companies and streamlining duplicated requirements in respect of registration. As we have committed at the meeting of the Bills Committee, the Companies Registry will step up publicity so that companies, especially SMEs, and relevant stakeholders will better understand the proposed amendments. Publicity measures will include distributing promotional leaflets, setting up a hotline to answer enquiries and arranging seminars for stakeholders.

President, the legislative amendments proposed in the Bill will bring the new Companies Ordinance further in line with the prevailing accounting standards and reduce compliance costs, thereby enhancing Hong Kong's competitive edge as a base for operating businesses and its position as an international commercial and business centre. We have consulted the

Legislative Council Panel on Financial Affairs and relevant stakeholders, including professional bodies and chambers of commerce, and the Standing Committee on Company Law Reform on the proposed legislative amendments. They were generally supportive of the proposals.

President, as to the commencement date of the Bill, which Ms Starry LEE mentioned just now, we have specified in the text of the Bill that it will come into operation on 1 February 2019. This has taken into account the necessary preparation and publicity work to be undertaken by the Companies Registry for the implementation of the Companies Ordinance. Therefore, we have no room for advancing the commencement date.

I urge Members to support the passage of the Bill and the amendments which I shall propose. I so submit, thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Companies (Amendment) Bill 2018 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): Companies (Amendment) Bill 2018.

Council became committee of the whole Council.

Consideration by Committee of the Whole Council

CHAIRMAN (in Cantonese): Council now becomes committee of the whole Council to consider the Companies (Amendment) Bill 2018.

Members may refer to the Appendix to the Script for the debate and voting arrangements for the Bill.

COMPANIES (AMENDMENT) BILL 2018

CHAIRMAN (in Cantonese): I will first deal with the clauses with no amendment. I now propose the question to you and that is: That the following clauses stand part of the Bill.

CLERK (in Cantonese): Clauses 1 to 32, 35, 36, 38 to 59, 61, 62, 63, 65 to 84, 87 to 91 and 93 to 115.

CHAIRMAN (in Cantonese): Does any Member wish to speak?

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the clauses read out by the Clerk stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CHAIRMAN (in Cantonese): I now deal with the clauses with amendments. I now propose the question to you and that is: That the following clauses stand part of the Bill.

CLERK (in Cantonese): Clauses 33, 34, 37, 60, 64, 85, 86 and 92.

CHAIRMAN (in Cantonese): The Secretary will move amendments to amend the clauses just read out by the Clerk.

Members may now proceed to a joint debate on the original clauses and the amendments.

Secretary, you may now move your amendments.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I move that the clauses of the Companies (Amendment) Bill 2018 ("the Bill") as read out just now be amended. Most of the proposed amendments are technical in nature to state more clearly the meanings of the provisions and make the meaning of the Chinese and English texts consistent. The contents of the amendments are set out in the paper circularized to Members. I will briefly explain the contents of the amendments.

Firstly, the amendment to clause 33(5) makes the meaning of the Chinese and English texts more consistent by adding "的業務" after "受規管活動" in the Chinese text of the proposed section 359(5)(a) of the Companies Ordinance. The amendments to clauses 34(3), 34(5) and 37 on the Bill aim at correcting textual errors. The amendment to clause 60 on the Bill removes an inconsistency between the Chinese and English texts of the Companies Ordinance by changing "通知文本" to "通知" in the Chinese text.

In addition, taking into account the comments from Legislative Council Assistant Legal Adviser, the amendment to clause 64(5) will delete the reference to section 153C(3) from the proposed section 619(4)(b)(i) of the Companies Ordinance to reflect that the clause is not within the scope of application. The amendments to clauses 85(6) and 85 amend the proposed sections 2(1) and 4 of Schedule 1 of the Companies Ordinance to enhance the clarity of the provisions. The amendment to clause 86(22) seeks to correct textual errors.

Lastly, the amendment to clause 92 amends the requirement on companies to display their registered Chinese and English names under clause 4A of the proposed Companies (Disclosure of Company Name and Liability Status) Regulation (Cap. 622B sub.leg. B). In response to comments from the Legislative Council Assistant Legal Adviser, the word "limited" in the proposed section 4A is deleted to clarify that the proposed section 4A will apply to all companies rather than just limited companies.

President, when drafting the amendments, we have considered the comments of members of the Bills Committee on Companies (Amendment) Bill 2018 ("the Bills Committee") and legal advisers. The Bills Committee has raised no objection to the amendments. With these remarks, President, I implore Members to support the amendments.

Proposed amendments

Clause 33 (see Annex I)

Clause 34 (see Annex I)

Clause 37 (see Annex I)

Clause 60 (see Annex I)

Clause 64 (see Annex I)

Clause 85 (see Annex I)

Clause 86 (see Annex I)

Clause 92 (see Annex I)

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the amendments moved by the Secretary for Financial Services and the Treasury be passed.

CHAIRMAN (in Cantonese): Does any Member wish to speak?

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendments moved by the Secretary for Financial Services and the Treasury be passed. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the amendments passed.

CLERK (in Cantonese): Clauses 33, 34, 37, 60, 64, 85, 86 and 92 as amended.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the clauses as amended just read out by the Clerk stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CHAIRMAN (in Cantonese): All the proceedings on the Companies (Amendment) Bill 2018 have been concluded in committee of the whole Council. Council now resumes.

Council then resumed.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I now report to the Council: That the

Companies (Amendment) Bill 2018

has been passed by committee of the whole Council with amendments. I move the motion that "This Council adopts the report".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Financial Services and the Treasury be passed.

In accordance with the Rules of Procedure, this motion shall be voted on without amendment or debate.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

Third Reading of Government Bill

PRESIDENT (in Cantonese): Government Bill: Third Reading.

COMPANIES (AMENDMENT) BILL 2018

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I move that the

Companies (Amendment) Bill 2018

be read the Third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Companies (Amendment) Bill 2018 be read the Third time and do pass.

Does any Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): Companies (Amendment) Bill 2018.

Resumption of Second Reading Debate on Government Bill

PRESIDENT (in Cantonese): This Council resumes the Second Reading debate on the Supplementary Appropriation (2017-2018) Bill.

SUPPLEMENTARY APPROPRIATION (2017-2018) BILL**Resumption of debate on Second Reading which was moved on 31 October 2018**

PRESIDENT (in Cantonese): Does any Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Supplementary Appropriation (2017-2018) Bill be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): Supplementary Appropriation (2017-2018).

Council became committee of the whole Council.

Consideration by Committee of the Whole Council

CHAIRMAN (in Cantonese): Council now becomes committee of the whole Council to consider the Supplementary Appropriation (2017-2018) Bill.

SUPPLEMENTARY APPROPRIATION (2017-2018) BILL

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses and schedule stand part of the Bill.

CLERK (in Cantonese): Clauses 1 and 2, and the Schedule.

CHAIRMAN (in Cantonese): Does any Member wish to speak?

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the clauses and schedule read out by the Clerk stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CHAIRMAN (in Cantonese): All the proceedings on the Supplementary Appropriation (2017-2018) Bill have been concluded in committee of the whole Council. Council now resumes.

Council then resumed.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I now report to the Council: That the

Supplementary Appropriation (2017-2018) Bill

has been passed by committee of the whole Council without amendment. I move the motion that "This Council adopts the report".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Financial Services and the Treasury be passed.

In accordance with the Rules of Procedure, this motion shall be voted on without amendment or debate.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

Third Reading of Government Bill

PRESIDENT (in Cantonese): Government Bill: Third Reading.

SUPPLEMENTARY APPROPRIATION (2017-2018) BILL

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I move that the

Supplementary Appropriation (2017-2018) Bill

be read the Third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Supplementary Appropriation (2017-2018) Bill be read the Third time and do pass.

Does any Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): Supplementary Appropriation (2017-2018) Bill.

Resumption of Second Reading Debate on Government Bill

PRESIDENT (in Cantonese): This Council resumes the Second Reading debate on the Travel Industry Bill.

TRAVEL INDUSTRY BILL**Resumption of debate on Second Reading which was moved on 22 March 2017**

PRESIDENT (in Cantonese): Mr YIU Si-wing, Chairman of the Bills Committee on the Bill, will first address the Council on the Committee's Report.

MR YIU SI-WING (in Cantonese): President, in my capacity as Chairman of the Bills Committee on Travel Industry Bill, I would like to report on the deliberations of the Bills Committee.

The major objective of the Travel Industry Bill ("the Bill") is to establish an independent statutory regulatory body, i.e. the Travel Industry Authority ("TIA"); to provide for the licensing and regulation of travel agents, tourist guides and tour escorts. The Bills Committee has held 19 meetings including one meeting to receive oral representations from deputations and members of the public. The Bills Committee generally supports the proposals in the Bill to enhance the professionalism of the travel trade, foster the healthy long-term development of the travel industry and safeguard consumer interests.

The new regulatory regime under the Bill has made reference to the Travel Agents Ordinance ("TAO") and the existing regulatory requirements imposed by the Travel Industry Council of Hong Kong ("TIC"). Under the new regulatory regime, unscrupulous practices in the travel trade such as cooperating with unapproved travel agents in the Mainland and coerced shopping will be combated through legislative means and administrative measures. Certain criminal offences targeted against major unscrupulous acts in the travel trade will be set out in the primary and subsidiary legislation. If offenders are licensees, they will also be subject to TIA's disciplinary proceedings. Licensees that only contravene administrative measures issued by TIA will be subject to TIA's disciplinary proceedings.

There are concerns that local travel agents are also providing services to tour groups organized by Mainland organizations that are not carrying on travel business. The Administration explains that clause 6(3) seeks to prohibit local travel agents from cooperating with unapproved travel agents in the Mainland only. Local travel agents' cooperation with persons in the Mainland who do not carry on the business of organizing tour groups to Hong Kong from the Mainland is not subject to the said provision. Moreover, it is a defence if the local travel agent has taken all practicable steps to reasonably determine that the Mainland travel agent is an approved travel agent. TIA will issue guidelines on the practicable steps that can be taken by travel agents to make reasonable determination.

Concerns have been expressed about the delineation of the legal responsibilities between the travel agent and frontline practitioner when a suspected offence case arises, particularly in the case of a tourist having been coerced into shopping in Hong Kong. The Administration explains that a tourist guide must not coerce any member of the tour group into shopping under any circumstances. If a travel agent has instructed the tourist guide to coerce members of a tour group into shopping, the travel agent may also be held liable. If the travel agent has taken all reasonable steps to prevent its tourist guide from committing the act of coerced shopping but the tourist guide still coerces the inbound tour group member into shopping, only the tourist guide may be held liable. When formulating the relevant subsidiary legislation, TIA will clearly delineate the legal responsibilities between travel agents and frontline practitioners. TIA can also issue a directive to require a travel agent to provide a job sheet to delineate the tasks and duties for its tourist guides and tour escorts in future.

Members of TIA comprise non-trade members and trade members, and a majority of members of TIA will be non-trade members to ensure TIA's independence. The Bills Committee considers that the proportion of representatives in TIA will have a bearing on the decision-making of TIA and interests of stakeholders. The Bill should specify the exact number of representatives from each travel trade sector and formulate suitable selection criteria to ensure proper representation of the travel trade in TIA and fairness of the appointment process. The Administration agrees to make amendments to set out the composition of TIA members in a more detailed manner. The trade members include not more than three individuals who are engaged in the outbound travel agent business, and not more than three individuals who are

engaged in the inbound travel agent business; not more than three representatives of TIC and not more than four individuals who work as tourist guides or tour escorts. Some members consider that the number of tourist guides and tour escorts in TIA should be increased but the Administration considers that the composition of TIA's members can already ensure balanced representation in the composition of TIA's trade members.

On licensing, the Bill specifies that persons who carry on any outbound travel business activities at a place outside Hong Kong and actively market, whether in Hong Kong or from a place outside Hong Kong, to the public of Hong Kong any of such business activities will be required to obtain travel agent licences. This seeks to bring those online travel agents that carry on increasingly popular outbound travel business activities under the regulation of the Bill. Some members are concerned about the enforcement issues. The Administration explains that notwithstanding the fact that the business location of some online travel agents is outside Hong Kong, the Bill provides a solid legal basis for TIA to follow up suspected offence cases involving those travel agents through complaints received or based on reasonable suspicion, and exercise the powers of investigation provided for in the Bill. TIA will also publish up-to-date lists of licensed travel agents from time to time and assist local consumers in identifying and choosing licensed travel agents through public education.

Considering that it is increasingly common for consumers to enter into transactions with travel agents online, the Bills Committee has urged the Administration to re-examine the requirements related to the issue and renewal of travel agent licences in the Bill, with a view to ensuring that travel agents' different modes of operation can be reasonably catered for. A series of amendments and consequential amendments to the Bill will be proposed by the Administration to remove the premises, branch capital and staffing requirements imposed on travel agent licence applicants in the Bill. Under the revised arrangement, a travel agent licence applicant can choose to carry on travel agent business at a physical place of business or on an online platform.

Some members consider that the licensing mechanism to regulate the activities of travel agents under the new regulatory regime should not be too stringent so as to facilitate the entrance of new market players and promote healthy competition. Some members worry that the new requirement of depositing guarantee money of \$500,000 with TIA by bank guarantee may

constitute a high entry threshold to the travel industry and undermine the development of tourism products by local start-ups or business entrepreneurs with little start-up fund. The Administration advises that, to strengthen travel agents' commitment to carrying on business, the Government has adopted the general consensus reached in the public consultation to require licence applicants to deposit guarantee money with TIA and appoint authorized representatives. As a basic entry threshold, such requirements will apply to all licence applicants regardless of their modes of business operation.

As carrying on travel agent business without licence will be criminalized under the Bill, the Bills Committee has examined different types of travel business activities, including companies cooperating with travel agents to provide services with tourism elements, online platforms that provide information about different travel products or guide-matching services, etc. The Administration explains that under clause 4(2), if a person's principal business is not the carrying on of the business activities described in clause 4(1), and the relevant business activity carried on by the person is ancillary to the person's principal business, the person is not considered "carrying on travel agent business". In determining whether a business activity is ancillary to a person's principal business, TIA must consider the totality of facts in each case. In order to address the concern raised by the trade that people engaging in business with tourism elements may be easily caught by the new legislation, the Administration advises that TIA can explain in the form of guidelines the various considerations under the new Ordinance, with reference made to past court cases, for the trade's reference.

The Bills Committee has divergent views on whether the employer-employee cooperation relationship between travel agents and tourist guides and tour escorts should be regulated through the Bill. The Administration does not support the amendments proposed by Mr LUK Chung-hung to mandate the collaboration between travel agents and tourist guides/tour escorts to be an employer-employee one across the board because Hong Kong is a free market. To safeguard the rights and benefits of tourist guides and tour escorts, TIA will require, through administrative measures, that a travel agent must sign a service agreement with its tourist guide or tour escort before entering into collaboration.

(THE PRESIDENT'S DEPUTY, MS STARRY LEE, took the Chair)

A member has indicated that TIA should stipulate that a licensed travel agent must take out insurance for a person who is working as a tourist guide or a tour escort. According to the Administration, to ensure that self-employed tourist guides and tour escorts are appropriately protected during their service period, TIA can require, through administrative measures, that the travel agents must ensure that the self-employed tourist guides or tour escorts have taken out the relevant work insurance that meets the requirement before entering into collaboration with them, and that the travel agent will bear the relevant premium. To ensure the timely implementation of the arrangement, TIC will discuss with relevant parties such that the arrangement can be implemented by the trade voluntarily as a pilot before the formulation of the administrative measures by TIA. The Administration undertakes to provide further information on the proposed arrangement during the resumption of the Second Reading debate on the Bill.

Some members have expressed grave concern about the impact brought by the operation of inbound tour group business on the local neighbourhood. The Administration advises that it has all along worked closely with the travel trade to minimize such impact through various targeted measures. The Administration expects that TIA, upon its full operation, can strengthen regulation on various fronts. TIA may also conduct on-site inspections and formulate suitable administrative measures to address this problem.

Some members note that some short-haul outbound tours travelling from Hong Kong to the Mainland are currently not accompanied by tour escorts. In this connection, Mr LUK Chung-hung will propose an amendment to the effect that if a licensed travel agent has not arranged a tour escort to accompany an outbound tour group, it must clearly inform the consumers. The Administration agrees in principle with the regulatory requirement but considers that such a regulatory requirement should be formulated by TIA by administrative measure, instead of being stated in the primary and subsidiary legislation.

The Bills Committee has examined in-depth TIA's power of investigation and disciplinary mechanism, as well as the establishment and functions of the disciplinary committee, inquiry committee and appeal panel. Some members have expressed concern about the wide power granted to TIA under the Bill and urged the Administration to ensure suitable checks and balances are in place to prevent the licensees involved from being unfairly treated or unreasonably disciplined. The Administration advises that, as the Bill covers more regulatory

targets and has a wider scope than the existing TAO, coupled with the fact that the nature and complexity of each case of investigation differ, TIA needs to be accorded with necessary power to address unforeseeable circumstances. When designing the whole schemes of disciplinary and appeal proceedings under the Bill, the Administration has observed the principle of ensuring that each and every case be appropriately handled and suitable channels for appeal be provided. The Administration agrees to propose certain amendments to improve the operation of the relevant committees and appeal panel and clearly reflect its policy intent.

TIA will run on a self-financing basis in the long run. The Bills Committee is concerned whether the new regulatory regime will increase the financial burden of the travel trade, and has examined the funding arrangements for TIA as well as the mechanism for monitoring TIA's charge increase. To reduce the impact brought about by the new regulatory regime on the trade, the Administration proposes maintaining TIA levies and licence fees for five years at the prevailing levels upon the full implementation of the new Ordinance and increasing the level of the registration fees on inbound tour groups from the Mainland under an incremental approach. The Government will apply for funding to provide TIA with a one-off capital grant as seed money in due course. With the investment income generated from the seed money and upward adjustments of registration fees of inbound tour groups from the Mainland, TIA is expected to have stable income sources to cope with its operating expenditure. If TIA adjusts the level of fees in future, the subsidiary legislation concerned will be subject to the Legislative Council's approval.

The Bill will empower TIA to continue to run the current Travel Industry Compensation Fund ("TICF"). In recent years, apart from joining outbound tours and buying free independent tour packages, many consumers would like to mix and match different outbound travel services and arrangements relating to the same tour from travel agents. To provide better protection to outbound travellers, under the regulatory regime, outbound travellers buying a combination of outbound travel services and arrangements relating to the same tour from the same travel agent, no matter whether such outbound travel services and arrangements are bought at the same time or at different times, will be protected by TICF. The Bills Committee notes that travel agents may have difficulties in ascertaining whether the outbound travel services and arrangements that outbound travellers buy at different times relate to the same tour. In this connection, TIA should, through administrative measures, assist travel agents in

informing customers of the relevant arrangements. If a travel agent has not paid a levy in respect of the outbound travel services relating to the same tour that are bought at different times by a customer, but there is proof showing that the travel agent has complied with the aforementioned measure, the travel agent will not be subject to disciplinary action. TIA will step up consumer education with respect to this arrangement.

The Bills Committee has examined protection by TICF to travellers under different situations, including paying outbound fares after the tours, levy payments involving cruise trips, self-paid activities and tips for tourist guides or tour escorts. The Administration advises that, under TAO and the Bill, a travel agent must pay TICF levy in respect of every outbound fare received. The Administration will recommend that TIC and TIA in future should, through administrative measures, require travel agents to clearly inform consumers of the scope of protection by TICF and to remind consumers of the importance of taking out travel insurance.

To reduce the impact on the existing players in the travel trade, upon the full commencement of the new regulatory regime, all existing travel agent licences issued by Travel Agents Registry ("TAR"), as well as existing tourist guide passes and tour escort passes issued by TIC, by then will be taken to be licences issued under the new Ordinance until they expire, or three months after the commencement date of the new regulatory regime, whichever is the later. Upon applying for licence renewal, the travel agents, tourist guides and tour escorts concerned will be required to comply with the new requirements under the new Ordinance. Before the full commencement of the new regime, travel agents, tourist guides and tour escorts must continue to comply with TIC's regulatory requirements. The Administration expects that TIA will need about two years to complete all necessary preparations for the full implementation of the new regulatory regime. In the preparatory process, the Administration will closely cooperate with TIA and maintain liaison with the travel trade to ensure that the new regulatory regime can be implemented as soon as possible.

The discussions of the Bills Committee have been detailed in the report. Apart from the above amendments proposed by the Administration and Mr LUK Chung-hung, the Bills Committee also noted that the Administration will also propose certain amendments to improve the operation of the new regulatory regime and the drafting of the Bill. The Bills Committee has no objection to the amendments proposed by the Administration and will not propose any

amendments to the Bill. The Bills Committee supports the resumption of the Second Reading debate on the Bill, subject to the moving of amendments by the Administration.

Deputy President, my views on the Bill are as follows:

The purpose of the Bill is to change the current dual-track mode of regulation of the travel industry to statutory regulation, i.e. to merge the supervisory functions of TAR and TIC, and establish a statutory body, i.e. TIA. Currently, TAR is responsible for issuing travel agents' licences while TIC is responsible for approving the qualifications of tourist guides and tour escorts as well as licensing. It regulates, through administrative means, member travel agents, outbound tourist guides, tour escorts and inspects registered shops of travel agents. However, this mode of regulation is unsatisfactory. Therefore, I would like to take this opportunity to express my views on abolishing the regulatory functions of TIC and establishing TIA.

TIC was established in 1978 and it was originally a non-profit-making organization voluntarily established by the travel industry. TAR was established in 1985 and is responsible for issuing licences to travel agents. Given that some unlawful travel agents chose to close down after collecting tour fees, disregarding the interests of travellers and creating very negative impacts, in order to better and more effectively regulate the operation of outbound travel agents, TIC has, since 1988, started to perform the function of self-regulation with the authorization of the Government. The Government has also required that travel agents must become TIC members before the issuance of licences by TAR. Hence TIC can formulate different administrative measures to achieve the objective of regulating members. Since 2002, TIC has, with the authorization of the Government, taken up the additional function of regulating inbound travel agents.

For decades, TIC has formulated various codes of conduct and guidelines from the perspective of self-regulation to regulate the acts of member travel agents, tourist guides and tour escorts. It has also, from time to time, enhanced its functions and updated various codes and guidelines to adapt to market changes, so that when regulating the trade, it can also meet the aspirations of consumers.

In respect of handling crises and disseminating information, whenever there are emergencies or natural/man-made disasters in overseas countries, TIC can more accurately grasp the latest situation of the trade and disseminate timely information and solutions to the public and travellers. TIC also maintains close contacts with travel agents, airlines, hotels and tourism authorities to explore solutions together. For example, in November 2008, hundreds of Hong Kong travellers were stranded in Bangkok as its major international airport was occupied by demonstrators. When TIC learnt that a military airport in Pattaya would be opened for use, it immediately contacted a number of airlines and arranged more than 500 Hong Kong tour group travellers to return to Hong Kong in batches. In case of other natural and man-made disasters, such as the snowstorm in Sichuan, the earthquake in Japan and the unrest in Egypt, etc., TIC also maintained close communications with the travel agents concerned and provided appropriate assistance to stranded travellers so that they would not feel helpless.

TIC has a mechanism to deal with disputes between consumers and the trade. TIC staff will try to mediate in handling complaints from travellers; if the two parties cannot reconcile, the cases will be referred to the Consumer Relations Committee for arbitration; if irregularities are suspected, the cases will be referred to the Compliance Committee; and if the members are dissatisfied, the cases may be referred to the Appeal Board for arbitration. At present, the Consumer Council, the Hong Kong Tourism Board and other organizations will refer the complaints received from travellers to TIC for handling, which proves that TIC has credibility in society.

Moreover, TIC will also formulate various targeted regulatory regimes. At present, TIC has 16 committees that study and formulate various rules and regulations and guidelines in accordance with the operational characteristics of the trade in respect of outbound tours, inbound tours and individual visit schemes, with a view to regulating the acts of the trade and protecting the interests of consumers. Therefore, for all committees under TIC that are related to consumer interests, the convenors are independent directors and half of the members must be non-trade members. Case meetings must be attended by more than half of the non-trade members to avoid the suspicion of helping peers.

TIC also serves as a platform for the Government to communicate with the trade and provide support to the trade. As TIC plays the role of a trade association, it certainly has the responsibility to assist the trade and provide

support. The Government also needs a representative body to specifically implement the Government's support measures and disseminate information in a timely manner. In recent years, with efforts made by the trade and me, the Government and the Airport Authority Hong Kong have respectively provided funding to enhance the competitiveness of the trade. The Information Technology Development Matching Fund has been set up through TIC and training and promotional activities under the Fund have been specifically implemented. TIC renders assistance to different government departments in providing support to travel agents and releasing important travel information to overseas and Mainland travel organizations. Nevertheless, in light of the current development of the travel industry, our system cannot meet the needs of the current travel market.

Deputy President, changes are constant and we have to keep abreast of the times. Although TIC has played a very important role in the social and travel sectors for quite a long time in the past and has gained recognition by many overseas and Mainland organizations, the current mode of regulation can no longer meet the needs of the prevailing travel development in the light of the development of society and advancement in information. After extending regulation to cover inbound travel agents in 2002, the problems with TIC began to emerge, highlighting the loopholes in the regulatory regime.

Initially, when designing the codes and guidelines, TIC mainly targeted the operational problems of outbound travel agents in Hong Kong. Members of the outbound travel trade understand that Hong Kong consumers are their bread and butter, so it is necessary to properly maintain the companies' brand and image so that business will grow and sustain. Therefore, outbound travel agents can better tally with the regulatory requirements of TIC, no major conflicts have arisen and effective regulation is obviously attained. However, following the implementation of the Individual Visit Scheme as a liberalization measure in 2003, a large number of Mainland visitors have come to Hong Kong; problems such as zero-fare tours, negative-fare tours, coerced shopping and goods not matching the descriptions have arisen, arousing the concerns of the community and Mainland regulatory authorities. Although TIC has introduced a series of targeted guidelines, the regulation of inbound tour groups and travel agents from the Mainland is more difficult and complicated than the regulation of outbound travel agents, and the stakeholders involved include Mainland tour organizers and shops in Hong Kong. For this reason, the deterrent effect of relying on rules and penalties is limited. The problems of coerced shopping and goods not matching

the descriptions have occurred frequently. Worse still, stakeholders operating inbound tour on the Mainland initiated a non-cooperation movement in 2015, advocating that the trade should boycott the guidelines of TIC, including not registering tour group information with TIC, refusing to wear tourist guide passes and not displaying tour information on the front part of coaches, etc. Even though TIC had taken immediate inspection actions and requested to inspect the relevant documents, the fact that it did not have law enforcement powers had rendered it to be a "toothless tiger".

After the commissioning of the Hong Kong-Zhuhai-Macao Bridge, unauthorized tour groups have recently appeared in Tung Chung and it was suspected that some Mainland tour escorts were unlicensed tourist guides. In this regard, TIC staff can only collect information or provide information to the Police and they do not have law enforcement powers. As TAR also lacks law enforcement powers, it can only report irregularities to the Police for enforcement. Thus, the current mode of regulation must be changed.

In addition, the dual role of TIC has attracted criticism. As TIC plays the role of a trade association, the trade will certainly expect that it will safeguard the interests of the trade. Yet, TIC is also a regulatory body, and members of the public certainly expect that it will safeguard the interests of consumers. Such views are very normal. Hence, in case of a controversial complaint, no matter how fair TIC is, the affected party will be dissatisfied: while the travel agent considers that TIC tilts towards consumers for getting a good reputation, consumer considers that TIC, being a trade association, will definitely tilt towards the trade. It can be said that TIC is in a dilemma, attracting criticisms from both sides.

Furthermore, the licensing system under the current dual-track regulation regime has quite a lot of shortcomings and needs further changes. These shortcomings include the legacy that travel agent licences are issued by TAR while tourist guide passes and tour escort passes are issued by TIC, resulting in incomprehensive coverage. As regards how the regulatory authorities exercise enforcement powers and institute prosecution, including how to increase the criminal liability of the responsible persons of companies engaging in unscrupulous business practices, and the need to adjust the definition of premises for business in the light of the robust development of online transactions, etc., I believe these problems can be addressed one by one after the establishment of TIA.

In terms of enhancing credibility, in future the majority of TIA members will be non-trade members. The Chairperson and Vice-chairperson will not be trade members and the maximum number of trade members will only be 13, including two tourist guide representatives and two tour escort representatives. This can ensure a better representation in TIA with regard to its regulatory functions.

Deputy President, it is undeniable that TIC has played a very important role in the course of development of the travel industry in Hong Kong. We should positively evaluate the contributions made by TIC to our society and the trade in the past. After TIC has completed the historical task of regulating the trade, it can focus on playing its role as a trade association, and has no scruples about safeguarding the interests of the trade. It can solicit views from the trade and reflect them to the Government, so as to strive for more support measures and continue to play its role as a bridge between the trade in Hong Kong and the travel organizations in various places.

I hope that TIC will continue to maintain the functions of managing crisis for outbound tour groups and timely disseminating information to the community. The mechanism of the trade coordinating directly and promptly proposing solutions has worked well in the past and has been generally accepted by the public. TIC may also consider retaining the function of mediation to balance the interests of the trade and consumers, so as to enhance the community's positive impression. Furthermore, TIC can make good use of its financial resources to enhance the standards of the trade through training, and continues to seek government funding to facilitate the sustainable development of the trade. I believe that, by strengthening its functions, TIC and TIA can play a complementary role.

As regards the details of the deliberation on the Bill, I will speak again when the Council is in committee of the whole Council. Deputy President, I so submit.

MR WONG TING-KWONG (in Cantonese): Deputy President, the travel industry is an important pillar of the economy of Hong Kong, but various problems have arisen from time to time. Although the Administration and the Travel Industry Council of Hong Kong have attempted to solve the problems, all such attempts have been ineffective due to various reasons, and "regulation by

peers" has long been a subject of criticism. The Travel Industry Bill ("the Bill") seeks to set up a Travel Industry Authority ("TIA") to be entrusted with powers and responsibilities, with a view to enhancing the level of professional services and promote the long-term development of the travel industry. Therefore, the Democratic Alliance for the Betterment and Progress of Hong Kong and I support the passage of the Bill.

Scrutiny of the Bill began in April last year and the deliberation took over a year with 19 meetings held during the period. The complexity of the Bill is well evident. During the course of scrutiny, the Government has urged the Bills Committee on Travel Industry Bill ("the Bills Committee") to step up its efforts to expedite the scrutiny and passage of the Bill. The Bill seeks to establish TIA, and provide for the licensing of travel agents, tourist guides and tour escorts, the administration of the Travel Industry Compensation Fund, the imposition of levies on travel agents, and the regulation of licensees' activities. During the scrutiny of the Bill, members have also raised issues now facing the industry, such as crowds of tourists obstructing the streets when they go shopping or having lunch, and the problem concerning the parking of coaches. Members asked the Administration to pay heed to and properly address such issues and perfect the contents of the Bill.

In fact, the main reason for the Government to urge for an expeditious enactment of the Bill is that, for some time in the past, the Mainland inbound tourism market has been plagued by problems such as coerced shopping, resulting in visitors being insulted and assaulted, incidents of injuries and deaths of Mainland visitors, as well as other types of irregularities. These incidents have clearly tarnished the image and reputation of Hong Kong's travel industry. It is not surprising that the Bill is targeting regulations on inbound Mainland tour groups, especially in view of the acute problem of zero-fare tours. I believe if the industry can comply with the legal requirements and refrain from any unlawful acts, these unfortunate events that I mentioned just now will not recur, and worries about breaching the law are uncalled for. Some members of the trade agree with me and they hope to promote the healthy development of the industry.

In addition, with technological advancement, I am concerned about an increasing number of online travel agents that carry on outbound travel business activities in recent years. These online travel agents have affected many travel agents that carry on business through traditional premises. As these online

travel agents do not have physical shops, employees and information, should any problem arise, I am worried that consumers can hardly pursue responsibility. In order to protect the rights of outbound travellers while allowing fair competition between physical and online travel agents, both are regulated by the Bill and are required to obtain a travel agent's licence. I am in support of this proposal. As regards the possibility of law enforcement problems given that some online agents are operating outside Hong Kong, the Administration has not responded to this question but merely states that it will attempt to contact the travel regulatory authorities of the jurisdictions concerned to take appropriate action. This has aroused doubts about whether the Administration will be capable of law enforcement. In view of that, the Administration must step up public education and publicity to help the public identify and choose appropriate licensed travel agents. TIA should publish up-to-date lists of licensed travel agents in a timely manner.

At present, many tourist guides and tour escorts work as employees or self-employed persons for travel agents. Mr LUK Chung-hung will propose an amendment to clauses 38 and 39 of the Bill to mandate the collaboration between travel agents and tourist guides/tour escorts to be an employer-employee one across the board. I have reservations about this proposal. As Hong Kong is a free market, enterprises and the people working for them can make appropriate collaboration arrangements in the light of the nature of the trade and business. In fact, we are all aware of the mode of operation of the travel industry. Many tourist guides and tour escorts work for several travel agents concurrently, either as self-employed persons or as employees. This has been a common practice of the industry.

While it is understandable that Members representing the labour sector will fight for workers to have more rights and interests, but if a restriction on employees' status is imposed, the flexibility in this regard may be affected. Some members of the trade have also indicated that they prefer a mode of collaboration with more flexibility, and that labour protection can be attained through TIA's future administrative measures, so as to ensure that tourist guides and tour escorts are reasonably remunerated, without having to bear or advance any payment or being delayed the reimbursement of payment. Moreover, the Administration has pointed out that there is currently no statutory requirement that frontline practitioners must work as employees. If Mr LUK's amendment is passed, it will set a precedent in labour legislation and the effects on other sectors can hardly be estimated.

Another amendment proposed by Mr LUK provides that if a licensed travel agent has not arranged a tour escort to accompany an outbound tour group, it must display, in the prescribed way, the prescribed information to the participants of the tour group. I think these regulatory provisions can be prescribed by TIA in the form of a code of practice and does not need to be stipulated in the main legislation and subsidiary legislations.

At present, the travel industry accounts for around 5% of Hong Kong's GDP, employing around 270 000 practitioners. Earlier, the industry suffered a downturn due to disturbances caused by localism. The number of visitors in recent years has gradually increased in recent years, and coupled with the commissioning of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge, the connection between Hong Kong and the Mainland has become more convenient, and flows of visitors more frequent, bringing immediate benefits to the further development of the travel industry. The future development of the travel industry requires incessant promotion and exploration in various aspects. It is hoped that the establishment of TIA will facilitate the formulation of more comprehensive and long-term policies on trade regulation, development and training, so as to promote the better development of the industry.

With these remarks, Deputy President, I support the Bill and the amendments proposed by the Government, but oppose the amendments of Mr LUK Chung-hung.

MR POON SIU-PING (in Cantonese): Deputy President, after over a year of discussion, the scrutiny of the Travel Industry Bill ("the Bill") has been completed. To be honest, the Bill provides merely a framework for regulating Hong Kong's travel industry. As for the many issues that members representing the labour sector have been concerned about, such as licensing of tourist guides and tour escorts, reimbursements for advanced payments and liabilities arising from coerced shopping, etc., they have to be addressed through subsidiary legislations and administrative measures enforced by the future Travel Industry Authority ("TIA") upon its establishment.

Since members of TIA and the Appeal Panel will be appointed by the Government, the Member representing the tourism industry may not necessary become a member of TIA. This is an uncertainty of the Bill. Even if there are

still many uncertainties, I still think that the Bill contains a number of improvement measures. From the workers' perspective, how to safeguard the interests of frontline staff is of vital importance. While there were divergent views among different labour organizations, after much arm-wrestling and manoeuvres with labour organizations, the Government has proposed that travel agents must take out insurance for tour escorts and tourist guides before the departure of package tours. This is undoubtedly a step forward. I have consulted the Hong Kong Tour Guides General Union under the Federation of Hong Kong and Kowloon Labour Unions, and learnt that they support the Government's proposal, as they find that a balance has been struck in the dispute.

As a matter of fact, the effective regulation of the development of the travel industry is a pressing task. With the commissioning of the Hong Kong-Zhuhai-Macao Bridge, Tung Chung has become a hot spot for visitors. The varying standards of tour groups and the sudden influx of visitors have caused much nuisance to local residents. With the completion of infrastructures connecting Hong Kong to the Mainland, it is not difficult to envisage an increase in Mainland visitors coming to Hong Kong for sightseeing and shopping. Hong Kong must formulate a more effective policy to regulate the development of the travel industry.

While I support the passage of the Bill, I suggest that the Government should fix date for reviewing the effectiveness of insurance policies for tourist guides and tour escorts, and I hope that the Government will give more regard to the interests of employees in the travel industry when enacting subsidiary legislation in future.

Deputy President, I so submit.

MR TONY TSE (in Cantonese): Deputy President, the travel industry, being one of the four major traditional industries in Hong Kong, makes a direct contribution to our Gross Domestic Product of about 5%, brings a significant economic contribution to our tourism-related industries such as catering, retail, leisure and entertainment industries, and creates countless job vacancies. Unfortunately, a number of incidents which happened years ago, including coerced shopping, rogue tourist guides and the death of a tourist allegedly caused by shopping disputes, have severely tarnished the reputation and image of Hong Kong as a tourist-friendly city.

In view of the aforesaid incidents, the Government has introduced the Travel Industry Bill ("the Bill") after consulting the travel trade. It proposes to establish an independent statutory body, i.e. the Travel Industry Authority ("TIA"), for more stringent regulation of travel agents, tour escorts and tourist guides through licensing. TIA will, among others, have the power to penalize travel agents and practitioners for breaches and non-compliances, with the maximum penalties being licence suspension and revocation. TIA will also set aside a certain percentage of the existing Travel Industry Compensation Fund to establish the Travel Industry Development Fund to provide financial support to the trade for its continuous development, with a view to enhancing the service quality and work ethics of the trade.

The Bill will also expressly criminalize the acts of carrying on travel agent business without a travel agent licence, receiving an inbound tour group that is organized by a Mainland travel agent not approved by the travel regulatory organization in the Mainland to form the tour group (commonly known as "unauthorized travel agent"), engaging any unlicensed tour escort or tourist guide, and acting as an unlicensed tour escort or tourist guide. As the rules mentioned above can help eliminate lawbreakers and black sheep in the trade and enhance consumer protection, I will give my full support to them.

My hope is that after the Bill is read the Third time and passed, the authorities will expeditiously complete the drafting of the subsidiary legislation against coerced shopping and table it to the Council for scrutiny and implementation, so as to prevent the recurrence of incidents involving coerced shopping and rogue tourist guides.

For the proposed TIA, a majority of its members, as well as its Chairperson, will be non-trade members to ensure its independence and impartiality. Noting that some Members have queried why TIA has comparatively fewer members to represent tour escorts or tourist guides, I think we may review their suggestion of increasing the number of such representatives from not more than four to not more than six sometime after the Bill has come into force and TIA has come into actual operation.

Regarding the Member's amendments which seek to provide statutorily an employer-employee relationship between travel agents and tour escorts/tourist guide to better protect labour rights for tour escorts and tourist guides, I do not think this objective should be met by legislative measures or forcing any sectors

of the trade to change their current business practices or operation modes. Many tour escorts and tourist guides in the travel trade of Hong Kong are in fact self-employed. They will receive tour groups from different travel agents having regard to their personal situation or seasonal demands.

Of course, in case any travel agent is found to have engaged tour escorts or tourist guides by way of "false self-employment" to circumvent labour law requirements, the authorities must take vigilant enforcement action to safeguard the rights of tour escorts and tourist guides.

Deputy President, in my view, the Bill can only offer a partial solution to the problems now facing our travel industry. The trade will still have to face a wide range of challenges and difficulties, including shortage of hotels and hostels and high accommodation fees, resulting in an increasing number of unlicensed guesthouses and home-stay lodgings. These problems are not only related to laws and regulation or overall planning of tourism development, but once again highlight the overall shortage of land in Hong Kong. While there are insufficient housing units for local residents, decent hotels or hostels for inbound travellers are also in short supply.

Another problem facing Hong Kong's travel trade and the entire Hong Kong society is that most of the existing tourist attractions and ancillary facilities are flooded with people. Tourists often have to queue long hours for shopping, food and beverage, cable car rides, amusement rides or even toilets. As such, we not only fail to extend hospitality to tourists, but also virtually reduce the time and the amount they spent for shopping in Hong Kong, and dampen their desire to revisit Hong Kong again. Furthermore, this undesirable situation may adversely affect the daily lives of local residents.

Recently, the chaos caused by the commissioning of the Hong Kong-Zhuhai-Macao Bridge have seriously affected Tung Chung residents and prompted the revival of the "liberation" campaign which had been extinct for some time. This problem fully reflects that the Government has failed to assess the capacity to receive visitors and plan ahead. The Government has not even given thought to some simple issues such as the pick-up/drop-off points of coaches.

Deputy President, I come to my last point. While TIA is established to regulate the travel trade, the Tourism Board is responsible for promoting tourism overseas. As for the formulation of the overall tourism policy and the provision

of new tourist attractions or hotels, I believe they should be the duties of the Commerce and Economic Development Bureau. It seems that the bodies mentioned above have a clear division of functions and duties, but if we look at the situation from another perspective, will this constitute a lack of coordination among these bodies and deficiencies in overall planning? I urge the Secretary to respond to this question later. Moreover, as Mr YIU Si-wing said just now, what will be the role of the existing Travel Industry Council of Hong Kong upon the establishment of TIA? I hope the Secretary will speak on this issue later.

I am not sure whether the Government had given clear thought to my earlier questions before introducing the Bill. Had it conducted an in-depth and detailed review of the functions, roles and structures of all travel-related bodies, the development direction and promotion of Hong Kong's overall travel policy, and so on? If not, no wonder the Government is often criticized for failing to make comprehensive planning.

During the deliberation of the Bills Committee, some members suggested that Hong Kong should learn from other countries and places by establishing an independent tourism bureau or establish a culture, sports and tourism bureau as in the case of the Mainland to put tourism, culture and sports policies under the same umbrella. Deputy President, although I do not have any predetermined stance on these suggestions and opinions, I think a responsible government should conduct a study on these issues.

Deputy President, with these remarks, I support the resumption of the Second Reading debate on the Bill.

DR KWOK KA-KI (in Cantonese): Deputy President, I speak in support of the establishment of the Travel Industry Authority ("TIA"), which is also the most important part of the Travel Industry Bill ("the Bill").

Seeing that the Secretary is present, please allow me to take this opportunity to voice other views. We have been discussing the problems of the travel industry for years and finally the Government has determined to set up TIA. Two days ago, the Consumer Council released a report, saying that the Government has failed to monitor many industries and trades, the beauty industry in particular. In comparison, I certainly rejoice that the travel industry, the most important industry of Hong Kong, has the chance to set things straight. Deputy

President should know that unscrupulous beauty salons use various means, even unlawful means, to market their products and services to customers, victimizing many people, especially women. Yet, the Government has turned a blind eye to this problem for over 20 to 30 years. Let me return to speak on the Bill before the Deputy President stops me from speaking further.

Why does the Government establish TIA? Let me cite several rather interesting news reports. In 2007, in a programme called "Half an Hour on the Economy" broadcast by China Central Television ("CCTV"), undercover operations were carried out to tell Mainland tourists the outrageous and unscrupulous practices of the tourism industry in Hong Kong. Colleagues may have heard about a Chinese national ping pong player CHEN Youming being coerced into shopping when he visited Hong Kong and he died from a heart attack. In the same year, we had a famous female tourist guide named LI Qiaozhen. She was really remarkable. In a video, we saw her saying to members of her tour group that if they did not make any purchase, they would not be given any food and a place to live in. Moreover, in 2007, it was reported by the media that Sincere International Travel Service Co. Ltd., owned by Charles NG, Chairman of the Hong Kong Inbound Tour Operators Association under the Travel Industry Council of Hong Kong ("TIC") had misled many inbound tour groups from the Mainland into making purchases, hired unlicensed tourist guides and arranged the tour groups to make purchases in shops co-owned by him.

I feel ashamed to relate these incidents. We claim that Hong Kong is a tourism city and a tourism capital. The Hong Kong Tourism Board ("HKTB") spends thousands of millions of dollars to promote the tourism industry. But in return, Hong Kong is not a tourism city but a "rip-off" city. There are all kinds of shops to rip off consumers, selling brand name watches from unknown sources, chocolates that had expired or from unknown sources. There are also Chinese herbal medicine shops misleading tourists to think that the price is \$100 for one catty but the actual price is \$100 per tael. Such incidents happen every day.

In the past, the Government always talked about allowing the tourism industry to exercise self-regulation. TIC was established 40 years ago in 1978. The Government claimed that the industry should be allowed to exercise self-regulation, as in the case of the beauty industry; but does self-regulation work? Hong Kong has been degenerated into a paradise for ripping off customers. I really feel ashamed. It turned out that such stories were not only

covered by CCTV, but by other international media as well. Incidents of a visitor died after being ripped off, or tourist guides putting on an evil look to berate visitors had been reported in the international media. No matter how much money is spent on publicity, an "Ah Zhen" incident or an incident about customers being ripped off is more eye-catching. Hence, TIA should have been established long ago.

However, looking at the issue again, further observation is still needed to see if TIA has sufficient power to bring the tourism industry back on the right track. Why do I say that? Government documents reveal that 13 members of TIA are trade members and another 17 members are non-trade members. But whether the directions, code of practice and penalties set by TIA are effective or not depends on the manpower and resources allocated by TIA and how determined it is to enforce those rules and regulations. Why do I make this remark?

Before the establishment of TIA, we relied on self-regulation of the tourism industry to solve problems on its own. As known to all, when TIC attempted to monitor travel agents to see if they have acting properly and if tour escorts are deployed and if they were licensed, the industry staged a non-cooperation movement. Tour escorts refused to wear passes and tour information and labels were not displayed on coaches. TIC could do nothing about this situation. I have no idea whether TIC was genuinely helpless or pretended to be helpless because many members of TIC were engaged in inbound tour business. They were just like chameleons changing their colours. TIA will just be the same in future. If those members remain in TIC, they may be the regulators and at the same time being regulated.

Moreover, these issues involve major interests. It has been reported that there are many different kinds of "rip-off" shops in To Kwa Wan. How do these shops operate? Let me cite an example. Initium Media once visited a shop named Basel Watch Gallery—called "Dishonest Watch Company" by netizens—selling counterfeits of various brand name watches in the same premises. We must understand that TIA may be authorized to regulate tourist guides, but tourist guides are not the only ones engaging in unscrupulous operations. The Secretary should understand what I am saying. Unscrupulous operators also include various big companies selling brand name watches, chocolates and souvenirs, as well as the numerous drug stores along Nathan Road. Such shops have various ways to rip off customers. It is true that the

Government can regulate tourist guides and travel agents, but what about unscrupulous shops? Even if tourist guides and travel agents do not patronize an unscrupulous shop, there are other choices and they can justifiably take tourists to another "rip-off" shop.

The Commerce and Economic Development Bureau is in charge of regulating various kinds of shops. How come shops that rip off customers can still continue to operate over the years with the Government turning a blind eye? Has HKTb or the Commerce and Economic Development Bureau joined hands with the Police to carry out undercover operations? They can walk into the Basel Watch Gallery to see if any unscrupulous trade practices have been adopted. Has the Government taken any measures to curb their practice to rip off customers? The Government has never taken any action. It just lets these "rip-off" shops continue to operate, turning Hong Kong's good reputation as a consumers' paradise to a "rip-off" paradise.

Hence, simply relying on TIA, which is now under discussion, may only resolve a small part of problems. If certain practices of travel agents are regulated but these travel agents are still allowed to take visitors to "rip-off" shops and dishonest watch companies (many of which have actually been exposed by the media), they can still evade regulation. Even if travel agents strictly adhere to TIA's regulations, they still have other means to rip off customers. For example, travel agents can claim that they have absolutely nothing to do with the "rip-off" shops and if visitors are coerced into shopping in those shops, the authorities can prosecute the shops but they cannot prosecute the travel agents as they have done nothing wrong. As a matter of fact, everyone knows about the unwritten rule concerning one-stop services.

In fact, this phenomenon only appears after the relaxation of travel policies in the Mainland. Before the Mainland launched the Individual Visit Scheme ("IVS") in 2003, there were few such corrupt cases; but after the implementation of IVS, inbound tours from the Mainland have gradually brought great business opportunities to Hong Kong. Some travel agents promote in the Mainland zero-fare tour to Hong Kong or \$500 for three-day Hong Kong-Macao tour. The fare is not enough to cover the costs of transportation, meals and hotel accommodation. Everyone knows that these tours rip people off but perhaps Mainland travel agents exploit the greediness of visitors and entice them into joining the zero-fare tours or even negative-fare tours. After they come to Hong Kong, they are "sold" to local inbound tour operators who take them to various

places, with shopping taking up half of the itinerary. Tourist guides will press visitors to make purchases and pour scorn on them if they purchase enough.

Do not assume that these are isolated cases. It has been reported that 80% of inbound tours from the Mainland are either zero-fare tours or extremely low-fare tours. This can be considered a structural crime, i.e. not related to individual cases. All package tours from the Mainland are actually operated by fraud practices and the destinations are not restricted to Hong Kong. Members may have heard about a tragedy in Thailand recently in which a tourist boat carrying Mainland tour groups capsized. The boat was suspected to be overloaded and the travel agent and boat company receiving the tours in Thailand were both operated by Mainlanders. Such organized crimes are hurting Hong Kong. You may say that they not only harm Hong Kong but also Thailand, the Philippines and Malaysia. But even if they only harm Hong Kong, the situation cannot be tolerated.

Hence, I would like to tell the Secretary: do not assume that all problems will be solved after the establishment of TIA because the problems remain in respect of "rip-off" shops, the beauty industry or other businesses. How does the Government deal with the problems? It relies solely on the Customs and Excise Department ("C&ED"). C&ED is really formidable. It is responsible for combating anti-drug operations and tax evasion, and now it even has to combat shops with unscrupulous business practices at the lowest level. How come C&ED has to bear the responsibility for effectively regulating the tourism industry? Sometimes I feel sorry for the Commissioner of Customs and Excise and C&ED staff. With insufficient manpower and resources, C&ED has to take charge of everything, including "rip-off" shops and the messy beauty industry. Is the Government sick? Has it turned blind to everything?

Perhaps after all, the Government does not dare interfere with the interests of certain people from the Mainland, or it may not want to become a laughing stock and does not want to see the occurrence of such incidents. If the Government is complacent with the establishment of TIA, thinking that the problem of ripping off customers in Hong Kong will be resolved, I think it is just too naïve. The Commerce and Economic Development Bureau should have the determination to properly regulate various industries that involve unscrupulous business operations in Hong Kong, including the beauty industry that is not under discussion today, "rip-off" shops, or many drug stores along Nathan Road that rip off tourists.

We do not mind people making profits from doing business, but if people have a vicious intention to deliberately rip off customers, the Government should act as the final gatekeeper to impose regulation. It cannot always bury its head in the sand, pretending that all problems are solved. To me, that is an irresponsible act. In the end, not only will members of the public be adversely affected, but Hong Kong will also be deprived of a good business environment and Hong Kong will pale into insignificance in the free economic system. I do not want to see this situation continue to happen.

I so submit.

MR ALVIN YEUNG (in Cantonese): Deputy President, I believe it is indisputable that the travel industry is an important pillar of our economy, and the Government should make efforts long ago to develop this industry which contributes to Hong Kong's economic prosperity. We are happy to see that the service sector has offered employment to a lot of people, particularly those who are less educated. We fully support all the efforts made by the Government to promote the development of the travel industry.

However, as suggested by Dr KWOK Ka-ki a while ago, it is precisely because of the importance of the travel industry that we are particularly worried about the problems arisen from the industry that affect the reputation of Hong Kong. The saying that there is a black sheep in every fold is unpleasant to the ears, is it not? However, Deputy President, this statement is not groundless. The unscrupulous practices of the travel trade are indeed widely known, and a review is indeed long overdue. According to the report submitted by the Bills Committee on Travel Industry Bill, the Government has been conducting extensive public consultation and discussion since 2011; how come it was not until 2018 that the Travel Industry Bill ("the Bill") was submitted to the Legislative Council for discussion? What has happened over all these years? In the past eight years, the mode of operation of the travel trade has undergone substantial changes in response to the various issues that have happened in society. Will the Bill be the right remedy to the problem?

While the Civic Party certainly supports the Bill, I urge the Government not to be complacent once the Bill is passed, for as I said earlier, time waits for no one and the mode of operation of the travel trade will change over time with the

changes of circumstances. It would be too naive if the Government thinks that the passage of the Bill will solve the problem once and for all.

Next, I would like to express the views of the Civic Party on the operation and financial management of the Travel Industry Authority ("TIA"). The establishment of TIA is to introduce check and balances to provide proper safeguards and controls for governing and regulating the industry. In all cases, the establishment of TIA is more effective than relying on the self-regulation of the industry, and can provide better protection for consumers.

We support the establishment of TIA primarily because the existing system of relying on the Travel Industry Council of Hong Kong ("TIC") has failed to discharge the monitoring duties properly. As mentioned by other Members, 40 years have passed since TIC's establishment in 1978 as a self-regulatory organization for the industry recognized by the Administration. However, is this self-regulatory organization really effective? The answer is obvious to all. The Travel Agents Ordinance requires all travel agents to be members of TIC before they are eligible to apply for a travel agent's licence; all tour escorts leading outbound tours must obtain a Tour Escort Pass issued by TIC; and all tourist guides receiving visitors to Hong Kong must have a valid Tourist Guide Pass issued by TIC. Deputy President, while the scope of regulation is wide-ranging, TIC can only regulate travel agents, tourist guides and tour escorts through an internal disciplinary mechanism. Where does the problem lie? The fact that TIC has no enforcement power is the crux of the problem. Moreover, as the industry fears that disciplinary actions against licensed travel agents will result in consumers not being able to obtain travel services, giving rise to more complaints, TIC does not dare to penalize travel agents. Hence, TIC has all along been criticized for ineffective supervision and regulation of various aspects of the industry.

Deputy President, the question is whether legislation and penalties can contribute to effective governance. Let us not talk about the controversial commissioning of the Hong Kong-Zhuhai-Macao Bridge ("HZMB"), which has attracted a large influx of single-day visitors travelling under the Individual Visit Scheme ("IVS"), causing great disturbance to residents of the Tung Chung New Town. Let us just talk about the non-compliance cases concerning Mainland inbound tour groups. Can TIA effectively combat these cases if complaints from tour group members are not received? Although the Bill introduces

provisions to prohibit local travel agents from cooperating with unauthorized travel agents in the Mainland and criminalize such acts of cooperation, it has recently been reported in the media reports that Mainland travel agencies asked tour group members to enter Hong Kong as IVS tourists, and tour-guiding services would be provided to them after their entry into Hong Kong by people posed as their relatives and friends. Certainly we can say that such practices would only tarnish the reputation of Mainland travel agencies, but it cannot be denied that the travel trade cannot turn a blind eye to complaints from tour group members. This is why TIC has not been able to regulate the travel trade despite the stipulation of laws and regulations.

Deputy President, not everyone has a crystal ball. As I said, the measures introduced in 2011 in response to the impacts brought by Mainland tour groups to the livelihood of local residents have become outdated in 2018. With uncertainties over the future impact of tourism on people's livelihood, we hope TIA can accomplish the following tasks in the future.

The Administration should step up its enforcement actions. With the commissioning of HZMB, Tung Chung has been plagued by Mainland tour groups which are not received by local travel agencies. Incidents of suspected Mainland tour guides entering Hong Kong on visit visa to provide illegal tour-guiding services in Hong Kong, and tour group members being left on their own by local tour guides have occurred. Regarding such incidents, we consider it necessary for the Government to eradicate illegal tour groups, and we hope TIA will not refrain from exercising its powers.

Deputy President, apart from considering the matter from the perspective of visitors, we should also conduct regulation from the public's point of view and take into consideration the impact of tour groups on local residents. Regulations imposed should include prohibiting tour groups from travelling in public transport and causing nuisances to nearby residents. The Government should examine and consider carefully the above proposals. As I said, I hope my examples will elicit better ideas from Members, but the most important priority is to ensure that the daily lives of the public will not be disrupted.

More importantly, we must clearly stipulate what kind of conduct "brings the travel industry of Hong Kong into disrepute". Clause 99(3)(c) of the Bill stipulates that acts or conducts that will bring or poses an imminent risk of

bringing the travel industry of Hong Kong into disrepute can lead to suspension or revocation of a licence. As to what constitutes conduct that "brings the travel industry of Hong Kong into disrepute", we hope the Government will formulate clear guidelines to be issued to the industry and thoroughly explain to the public, so as to facilitate effective regulation of the travel industry. Needless to say, the Government must strictly enforce the guidelines.

Deputy President, while we do hope to introduce legislative control on the travel industry, our concern is that the industry has demonstrated its ineffective regulation. Furthermore, given that only half of the members of TIA are trade members, will this give rise to the grievance of insiders being led by outsiders? Will the effective operation of TIA be possible without support from the trade? I hope the Government—particularly the Secretary in his reply later—can convince the people of Hong Kong so as to address our concerns.

Besides, I would also like to talk about the question pertaining to the licensing of travel agents. While it is easy to impose regulation over travel agents with business premises, nowadays many consumers opt for services provided by online travel agents. On questions such as whether these online travel agencies are registered and regulated, and whether consumers are eligible to claim for travel compensation, I hope TIA can play an effective monitoring role in future.

In future, TIA will have to operate on a self-financing basis. Apart from the seed money provided by the Government, TIA's recurrent expenses will be financed by levies to TIA on outbound fares received by travel agents, licence fees, and registration fees on inbound tour groups from the Mainland. To ensure reasonable and equal treatment, the Government should require online travel agents to pay licence fees, which can guarantee stable revenue for TIA and ensure quality outbound services for consumers of online travel services. I believe people who travel abroad will tend to use the services of online travel agents for a more independent way of travelling. Therefore, it will be unfair for registered travel agents and the consumers if online travel service agents are not subject to the same regulatory controls. I hope that the Administration will in future devise effective administrative measures in this regard.

Deputy President, I so submit.

MR MA FUNG-KWOK (in Cantonese): Deputy President, first of all, I must declare that I am an Independent Director of the Travel Industry Council of Hong Kong ("TIC").

Deputy President, the main purpose of the Travel Industry Bill ("the Bill") is to establish an independent statutory body, i.e. a Travel Industry Authority ("TIA"), in response to the consensus reached by the travel industry and the public in the consultation exercise in 2011, so as to take up the licensing and trade regulatory functions from the Travel Agents Registry ("TAR") and TIC.

In fact, TIC is currently performing a very important role in regulating the work of the travel industry. Established in 1978, TIC was initially set up by members of the industry to perform the functions of self-regulation and continual promotion of the development of the industry. After decades of development, TIC has established and developed a professional regulatory model from the perspectives of operation and development of the industry, which is supported and recognized by the Government. At present, both outbound travel agents assisting Hong Kong people in outbound tours and inbound travel agents receiving visitors in Hong Kong have to become members of TIC before they can apply for travel agent licences. Furthermore, outbound tour escorts and local tourist guides have to obtain tour escort passes and tourist guide passes issued by TIC respectively.

Apart from regulatory work, as an association of the industry, TIC pays attention to the need for development of the industry and provides different training courses and technical support to the industry. Besides, TIC is also responsible for communicating and collaborating with the Government as well as overseas and Mainland travel organizations, and addressing public concerns on tourism-related issues. I believe Members will be aware that besides handling enquiries and complaints of visitors, TIC is also involved whenever natural disasters such as earthquakes and human errors occur overseas. TIC actively participates in coordination and releases the latest information to the public.

The results of the work done and the efforts made by TIC over the past 40 years are there for all to see. However, since there have been significant changes in the development of the travel industry in Hong Kong over the past two decades, there are views from the industry and TIC that the existing regulatory model needs to change in response to the current need for development. I have participated in these discussions in my work at TIC for many years.

In fact, before and shortly after the reunification of Hong Kong, the travel industry of Hong Kong used to focus on outbound tours. Thus, the regulatory regime was designed to solve problems encountered by Hong Kong people in outbound tours and protect consumers of Hong Kong. For example, the levy on tours was introduced and the Travel Industry Compensation Fund was established to facilitate Hong Kong people in obtaining compensation and protection when problem arose; and effective results were achieved.

Nevertheless, in 2003, after SARS and the introduction of the Individual Visit Scheme ("IVS") by the Mainland, new developments and changes occurred in the local tourism industry. A significant increase in the number of inbound tours, coupled with a corresponding increase in the number of travel agents to receive these groups, have brought many benefits to the local tourism industry. Nevertheless, the introduction of IVS has also imposed huge pressure on the capacity of local tourist spots and shopping districts, challenging and affecting the lives of the residents. The problem, which concerns planning and development of the local tourism industry, requires long-term and detailed planning on the part of the Government for solution. However, the introduction of IVS has also created some regulatory problems of inbound tours which are beyond the scope of the regulatory regime as initially designed.

It is noteworthy that TIC is only a self-regulatory body voluntarily established by the industry and it does not have any law enforcement powers. When confronted with contraventions by inbound travel agents, TIC can only continue to update its code of practice and require travel agents to follow the rules. Nonetheless, as TIC is not a law enforcement agency, some non-compliant travel agents reject TIC's inspection which makes regulatory work very difficult. At most, TIC can only suspend the memberships of these travel agents. Similarly, TAR, which is responsible for the licensing of travel agents, does not have law enforcement powers. Ultimately, TAR can only cancel the registration of travel agents to create a last impact. Thus, the contravention by inbound travel agents cannot be resolved at root. A Member pointed out earlier that regulatory efforts were inadequate, but to be fair, I think there is actually a lack of regulatory powers.

The Bill focuses on addressing the problem of coerced shopping, which is one of the unlawful acts which Members are concerned about. I believe Members will remember a video clip widely circulated on the Internet in 2010 in which a local tourist guide loudly rebuked some members of the tour group for

not spending sufficient amount of money at the shopping spot. In fact, the case is not an exceptional case. Another visitor, who had an argument with a tourist guide due to coerced shopping, was beaten and finally died from serious injuries. The incident dealt a great blow to the reputation of Hong Kong's tourism industry which the industry does not wish to see.

In tackling coerced shopping, TIC has taken active steps and put in place a number of measures to combat zero-fare or low-fare inbound tours to prevent travel agents from coercing visitors into shopping in order to get commissions. In fact, after TIC has implemented these measures and as IVS Mainland visitors become more mature, the incidents of coerced shopping has gradually reduced. Nevertheless, as the regulatory measures formulated by TIC is not law and TIC is not a law enforcement agency, the deterrent effect is limited. Coerced shopping cannot be eradicated and TIC still receives such complaints from time to time.

Let me give another example. After the recent commissioning of the Hong Kong-Zhuhai-Macao Bridge ("HZMB"), a large number of Mainland day trippers visited Hong Kong, flocked to the nearby community of Tung Chung, seriously plaguing the lives of the local residents. Many of these Mainland visitors have joined non-compliant Mainland tour groups to Hong Kong. These tour groups have not been registered with TIC, are not received by travel agents of Hong Kong and do not have local tourist guides. They are unauthorized travel agents. In fact, these unlicensed tourist guides and unauthorized travel agents have not emerged overnight; but the recent commissioning of HZMB has caused the problems to surface again. When facing these unlicensed tourist guides and unauthorized travel agents, both TIC and TAR have to refer the cases to the Police for follow-up because they have no law enforcement powers. Even if TIC suspects that certain travel agents are non-compliant, given that TIC does not have a statutory status, some travel groups are unwilling to answer the enquiries of TIC, making it difficult for TIC to obtain evidence to prove whether the travel agents have violated the law or regulation, not to mention taking immediate follow-up actions against them. That is a regulatory gap.

Apart from the lack of law enforcement powers, TIC faces another problem. On the one hand, TIC represents the industry and on the other, it has to perform the role of regulating the industry. It is thus in a dilemma. While TIC is berated by the industry for failing to protect the interests of the trade, it is also criticized by others for regulating by its own peers. In fact, TIC previously suggested a series of measures to tackle coerced shopping, but was berated by some members of the industry for failing to consider the operation needs of the

industry and the latter even launched a non-cooperation movement. Mr Joseph TUNG, former Executive Director of TIC, sadly remarked before his retirement that in trying to please everyone, TIC ended up attracting criticisms on all fronts.

The establishment of TIA as a statutory body to discharge licensing and regulatory duties can serve two purposes. On the one hand, the current problem that TIC has no deterrent and law enforcement powers can be resolved and regulation on a handful of bad apples in the tourism industry can be enhanced; and on the other hand, by freeing TIC from its regulatory duties, it can focus on performing its roles in representing the industry and assisting the industry in its sustainable development.

Thus, I support the passage of the Bill to reform the existing regulatory regime. However, there are a few points in the Bill which warrant attention. For example, the regulation of online travel agents. The Bill provides that apart from those travel agents that carry on any outbound or inbound travel business activities in Hong Kong, persons who carry on any outbound travel business activities at a place outside Hong Kong and actively market, whether in Hong Kong or from a place outside Hong Kong, to the public of Hong Kong any of such business activities will be required to obtain travel agent licences. The purpose of the Bill to bring the increasingly popular online travel agents under regulation is supported by the industry. Nevertheless, regarding how the laws should be enforced, and particularly, the problem that a significant number of online travel agents are registered and operating overseas, the Government has still not given any factual account. This inevitably creates doubts whether the legislation to be enacted can effectively regulate these online travel agents.

After the passage of the Bill, some non-regulatory functions currently discharged by TIC, e.g. dealing with emergencies involving inbound and outbound tours, will be taken up by TIA. But, it is unclear how TIA will practically deal with emergencies, such as failure to deliver air tickets by PeYa Travel at the end of last year, or when Mainland inbound tours encounter problems in Hong Kong or are involved with contraventions or offences, what mechanism is in place and how TIA will assist visitors in need. The Government has not given a detailed explanation in these areas. It has merely responded that TIA can formulate administrative measures or enact subsidiary legislation to protect visitors in the future, but it has not addressed the public expectation that regulation on the tourism industry will be strengthened and protection of consumers will be enhanced after the passage of the Bill.

I hope that after the passage of the Bill, the Administration will continue to seriously review the problems, so that the Bill can adequately perform its functions and achieve the objective of promoting the healthy and long-term development of the industry. At the same time, I hope that the Government will pay attention to how TIC, an industrial body of historical significance which has previously performed important functions, will change its functions and become a kind of trade association of the industry after the establishment of TIA. I hope TIC will continue to perform its functions of uniting and representing the industry, maintaining good communication with the Government, enhancing the professional standards of the industry, assisting in dealing with emergencies and conciliating cases, providing quality services to visitors and maintaining the good reputation of the industry. I hope the Government will assist and support TIC in its change of roles.

Deputy President, I so submit and support the passage of the Bill. Thank you.

MR LUK CHUNG-HUNG (in Cantonese): Deputy President, the travel industry is one of the four pillar industries in Hong Kong, making up about 5% of our Gross Domestic Product. The added value of the travel industry was up from HK\$47.4 billion in 2006 to HK\$112.4 billion in 2016, representing a growth of 9%. The travel industry has also employed as many as 260 000 people, or about 7% of the working population. As our travel industry has contributed much to the economy and provided job opportunities to more than 200 000 people, its healthy development is thus crucial to both economy and employment.

The travel industry has, however, long been lacking an independent regulatory authority. Although the existing Travel Industry Council of Hong Kong ("TIC"), composed of trade members, has a regulatory function, most of its members are persons-in-charge of travel agents with no representatives from frontline tourist guides and tour escorts. Given that regulating frontline staff such as tour escorts and tourist guides is one of the functions of TIC, this regulatory function has in effect turned TIC into an employer representative to set rules for employees, giving rise to conflicts of roles. Since TIC tends to consider staff regulation from the perspective of employers rather than protecting employees, frontline staff have, over the years, fought for the establishment of a neutral and independent regulatory body. I would say that the Travel Industry Bill ("the Bill") is indeed on the right track.

On top of staff grievances against TIC, there are lots of public queries about TIC's determination and ability to oversee the development of travel industry and its lack of achievement. Has TIC performed its functions and regulate the industry properly? The Mainland has become our main source of visitors in recent years. A few years ago, problems such as zero-fare tours, negative-fare tours and coerced shopping have continued to plague the industry despite repeated warnings. For example, in To Kwa Wan and Kowloon City, where the headquarters of The Hong Kong Federation of Trade Unions are situated—Deputy President should feel the same—there are many shops selling famous brand watches and chocolate from unknown sources. They are indeed unscrupulous shops cheating or coercing tourists into buying fake or cheap products at high prices, damaging the reputation of our travel industry.

However, TIC has never adequately dealt with this problem, not even after our repeated requests. Recently, visitors joining the Hong Kong-Zhuhai-Macao Bridge ("HZMB") tour groups have "overcrowded" Tung Chung. While it is good to have tourists, some of these tour groups do not engage any local tourist guides and the residents in the neighbourhood find it hard to adapt to the huge influx of tourists. Do not think that local tourist guides are happy with the increase in tourists. As many tour groups do not engage any local tourist guides or even ask their Mainland tour escorts to serve as unlicensed tourist guides in Hong Kong, local tourist guides are not given more jobs.

According to the estimation of trade unions, less than 20% of the HZMB tour groups have engaged licensed tourist guides; many of these tour groups are unauthorized and have failed to register as required. It is unlawful for the Mainland tourist guides who come to Hong Kong under the Individual Visit Scheme to work in Hong Kong. They have not arranged local travel agents to receive the tour groups after their arrival in Hong Kong. Even if some tour groups are accompanied by tourist guides, these guides are unlicensed, hence seriously affecting the quality of tour groups and the employment opportunities of local tourist guides. Yet, more often than not, TIC adopts an attitude of helplessness. The trade, particularly frontline staff, is highly disappointed.

The establishment of the Travel Industry Authority ("TIA") to give fairer treatment to employees and with genuine regulatory function is thus very important. The Government has finally introduced the Bill to establish TIA. TIA will be established as an independent regulatory authority. The licensing

and regulatory functions of the existing TIC, the advisory function of the Advisory Committee on Travel Agents and the management of the Travel Industry Compensation Fund will all be put under the purview of TIA.

Moreover, TIA will be tasked to design and implement a punitive mechanism against licensed travel agents, tourist guides and tour escorts who have breached disciplinary codes, as well as issuing guidelines and codes of conduct for the compliance of different types of licensees. Frontline tourist guides and tour escorts expect TIA, an independent public regulatory body, to perform better than the existing TIC to provide employees with more comprehensive protection.

During the scrutiny of the Bill, frontline staff of the travel trade said that they hoped the Bill could provide them with employment protection by, firstly, securing their long-term employment; secondly, guarding against false self-employment to provide them with employment protection and occupational compensation in case of illness and accident; and thirdly, ensuring that frontline staff would be well-represented in TIA to give them a voice.

At present, many outbound tour groups are not accompanied by local tour escorts. In this case, travel agents should at least inform tour group members of this arrangement. From the perspective of tour escorts, they certainly hope that all outbound tour groups will be required to have a tour escort. However, in reality, in order to reduce tour fare, some consumers do not mind joining outbound tour groups without local tour escorts or those requiring them to meet at the Shenzhen checkpoint or fly to the destination by themselves. This phenomenon is now very common.

While consumers can make their own choices, it is important to inform them whether the tour groups they join will be accompanied by outbound tour escorts. Hence, travel agents should visibly indicate, on coaches or in promotional materials and booklets, the category of each tour group and the availability of tour escorts.

Honestly speaking, most tour members will prefer to join a tour group with a tour escort to safeguard their own interests. This preference has indirectly safeguarded the job opportunities of tour escorts. Travellers should at least be informed which tour group will be accompanied by a tour escort, so as to allow them to make an informed decision about their choice of tour groups.

Otherwise, should any accident happen to an outbound tour group only led by a local tourist guide but without a Hong Kong tour escort, communication problems may arise due to language and cultural barriers. In addition, will the local tourist guide wholeheartedly defend the interests of Hong Kong consumers? Very often, the capabilities of local tourist guides to take good care of tour group members or defend the interests of Hong Kong consumers have been called into question. It is thus more desirable for an outbound tour group to have an outbound tour escort. In view of this, I have proposed a relevant amendment to require travel agents to provide clear information to their clients about the availability of a tour escort in an outbound tour group.

The second request of trade unions is that travel agents should establish an employer-employee relationship with tour escorts. In fact, false self-employment is common in the travel industry. What is false self-employment? As a matter of fact, tourist guides and tour escorts are obviously working in the capacity as employees because the clients are not selected by them but arranged by travel agents, and hotel accommodation, coaches and daily itinerary are decided by travel agents. Judging from whatever angle, we can easily tell that tourist guides and tour escorts are not self-employed persons for they have no choice at all. It is unlikely for a tourist guide to tell a travel agent, "Just hand me the tour group. I will make the participants happy, but you have no say on the itinerary." That is not going to happen in real life. Tourist guides and tour escorts are required to follow all the arrangements made by travel agents. Therefore, they should not be regarded as self-employed persons.

(THE PRESIDENT resumed the Chair)

Tourist guides and tour escorts are employed by travel agents in the form of false self-employment, this wrongful practice which has been accepted as rightful in the trade. The labour sector must hence tell the public loud and clear that this kind of self-employment is absolutely false. To avoid relevant disputes being taken to court, we suggest imposing proper regulation. That is why I have proposed an amendment to require a clear employer-employee relationship between travel agents and tourist guides/tour escorts. However, the authorities do not agree with this amendment, saying that there are diverse views in the trade.

Some trade members, for instance, hold that tourist guides and tour escorts may prefer receiving tour groups from different travel agents to having a rigid employer-employee relationship.

This view is indeed irrelevant. It is common for many people in Hong Kong to be employed by several companies at the same time. Let me give an example that I often cite. A person may work for the convenience store named in number in the morning and work for another convenience store named in alphabet in the afternoon. That is perfectly fine. He is an employee of two companies. Why can't an employer-employee relationship be established in this case? The view mentioned just now is simply trying to blur the focus and divert attention. I must state this point clearly.

Because of the absence of an employer-employee relationship, tourist guides and tour escorts are now left unprotected under the Employment Ordinance. To illustrate, if I get hurt at work, I will receive labour protection and can apply for sick leave arising from a work injury or obtain reasonable compensation in case of permanent disability or death. By contrast, as tourist guides and tour escorts are now considered as self-employed, they are on their own without the slightest protection in case of work-related injury; they have to "fend for themselves". What a miserable plight!

Tourist guides and tour escorts are not entitled to holidays, annual leave, Mandatory Provident Fund benefits, severance payment or long service payment. In terms of labour rights and interests, false self-employment is actually a kind of serious exploitation. As these employees are left unprotected, they will be hit by double whammy in case of accident, with no means to make ends meet. If they have a serious accident when working abroad, they may have to bear huge medical expenses without getting any protection at all. Is it fair to ask frontline tourist guides and tour escorts to take such a big risk at work? When leading tour groups abroad, a certain degree of risk is involved, it is surprising that people in this risky business are not given any protection. We therefore hold that it is necessary to provide employment protection to tourist guides and tour escorts, and I urge Members to support my amendment.

On the other hand, I have proposed another amendment to request travel agents to take out insurance policies for tourist guides and tour escorts. Though the authorities do not agree with this amendment, they have undertaken to take administrative measures to ensure that employees will be covered by insurance.

At first, I was happy with its undertaking. However, the framework later proposed in the negotiation between the Government and the trade turned out to be "chicken ribs", having so little value that they are laughable. The first problem with this proposal is that employees are required to take out insurance policies by themselves first and then claim for a premium allowance from their employers afterwards. The travel agents do not admit being employers; they employ people to work for them but deny being employers. For a tour of one to three days, the amount of premium allowance is \$15; for a tour of more than three days, the amount of such allowance is \$30. President, I am sure you will tip more than that in a restaurant.

The fact that tourist guides and tour escorts will only be granted an allowance of \$15, or at most \$30, for taking out insurance well illustrates that the insured amount is like "chicken ribs" having no great value. If a tourist guide or a tour escort is unable to work after an accident, he will only have a compensation of \$200 per day for up to five days, i.e. \$1,000 in total. What is the use of \$1,000? At present, \$1,000 is more or less the daily wage of a tourist guide or a tour escort. Secondly, the insurance coverage is \$600,000 for accidental traffic death and \$400,000 for ordinary accidental death. This level of coverage or employee protection is far below our expectation. At first, we expected to have a "tangerine" if we could not get an "orange". But now, President, we cannot even have a "candy". How can frontline trade representatives accept this insurance plan?

Consequently, I have proposed an amendment in this connection. However, this amendment cannot be put to the Council for debate because of a typographical mistake, which is a technical reason. In this connection, I have to apologize to the frontline staff.

I urge Members to continue supporting my amendment on employer-employee relationship so that there can truly be an employer-employee relationship between travel agents and tourist guides/tour escorts to ensure protection for the latter.

As for the composition of TIA, we think there should be more frontline staff among the trade members in TIA. Although the authorities has undertaken to invite "not more than four" tourist guides or tour escorts to serve as representatives and we consider this an improvement as compared with the past composition of TIC, I hope the expression of "not more than four" would mean

four representatives. We urge the Government to ensure that there will be four tourist guides or tour escorts to represent frontline staff and continue to keep an eye on the proportion of these representatives in TIA.

Over the years, the operation of the travel industry has been chaotic. Problems such as negative-fare tour, zero-fare tour and coerced shopping have emerged one after another. Some travel agents, being black sheep, have ruined the overall reputation of the travel industry. We hope that after the establishment of TIA, it will properly perform its regulatory function so as to establish a new image for the travel industry of Hong Kong and enhance protection for practitioners.

I so submit.

MR WU CHI-WAI (in Cantonese): The Travel Industry Bill ("the Bill") introduced by the Government is actually based on the consensus reached after the public consultation in 2011, with a view to reforming the current self-regulatory practice of the industry through establishing the Travel Industry Authority ("TIA") to regulate travel agents and frontline tour escorts.

The Democratic Party always agrees that the Government should enhance its regulation of the travel industry, and considers that the Government should establish a statutory regulatory body to deal with the many problems of the travel industry in a more impartial and transparent way. With the establishment of TIA, the authorities can also regulate the remuneration and training of trade practitioners in a more specific manner.

However, since the government consultation was launched in 2011, many of the legislative proposals in the Bill currently introduced into the Legislative Council to protect the trade are outdated. Will the legislative proposals in the Bill throttle the development of travel services under a new operating mode?

For instance, the Bill provides that in applying for a licence to carry on travel agent business, the applicant must satisfy the premises requirement, i.e. the premises for travel agent business must be open to the public and easily accessible. Nevertheless, for many online travel agents, they simply need a computer to do business. Why do the authorities still set the requirement that the place of business must open to the public?

Apart from the premises requirement, there is also the staffing requirement in the Bill. The Bill originally required that at each premises, there must be at least one manager with a minimum of two years' experience of the travel industry and one full-time staff member. Is it essential to apply such a staffing requirement to many online start-ups? Is two years' experience of the travel industry essential in the event of running an online guide-matching platform or providing innovative accompanying service or other travel experience services? How would the authorities define work experience of the travel industry?

I have raised time and again in the Bills Committee that the Government's stringent regulation will actually throttle the application of new technologies, running contrary to the Government's main advocacy in recent years on removing barriers for the promotion of technology.

If this legislative proposal of the Government is enforced, many ideas, such as local online guide-matching services, tourism projects with local characteristics or other new developments, will not be able to take forward due to the implementation of the Bill; or the cost of joining the travel industry will be substantially increased. Eventually, innovative ideas in the entire industry will be throttled.

At the first five to six meetings of the Bills Committee, I focused on requesting the Government to explain the impacts of the Bills on start-ups and I also asked the Government to relax certain outdated requirements. Initially, the Government was unwilling to relax the requirement for the reason that it had to maintain a level playing field between operators with physical presence and online travel agents. Luckily, at a meeting held early this year, the Government suddenly changed its mind and agreed to withdraw the requirements on premises, branch capital and staffing, thus lowering the compliance costs for start-ups and reducing many unreasonable and unnecessary requirements.

Certainly, the Government has maintained several requirements, such as the requirements on capital and guarantee money, in its amendments. According to the definition of "carrying on travel agent business" currently set out in the Bill, if a person claims on an online platform that he provides characteristic guide services to inbound tourists, he needs to apply for a licence from TIA and comply with the aforesaid requirements on capital and on other saving provisions.

Hence, if the Government further relaxes the requirements on start-ups, lowers the threshold of entering the industry, and even makes reference to the practice of the Fintech Supervisory Sandbox to allow pilot trials of innovative tourism services under a relaxed regulatory environment, it may better facilitate the overall development and application of innovation and technology of the industry in the long run. Nevertheless, to a certain extent, the present step taken by the Government can strike a balance between regulating travel agents and promoting the development of the industry.

The Government is willing to take the Democratic Party's advice this time. Does this represent a breakthrough of the Government in its governance? This warrants more time for observation. Looking back, the Government had adopted a very conservative attitude towards Uber, the development of automated guided vehicles and even the trial and application of many new technologies. Its policy deliberation often put the protection of parties with vested interests in the first place.

When this Bill was gazetted, the authorities have likewise adopted this line of thinking to set up thresholds to restrict new operators in applying innovation and technology to provide services, so as to provide the interests of the trade. Surprisingly, the Government has changed its attitude and is willing to take on board the views of the Democratic Party, probably because it has noted that the trend of online travel services has actually become irreversible, and the trade has also started to operate many online businesses.

In any case, I think this direction of development is worth commendation. I hope that in future, either the Commerce and Economic Development Bureau led by Secretary Edward YAU or other government departments would adopt an open mind in understanding the advantages of innovation and technology on the promotion of the trade, as well as the possible room and scope for their application. We also have to provide certain platforms and spaces to at least allow the trade to carry out trials.

Therefore, I am pleased that the Government is willing to take the objectives of reducing interventions and removing barriers as the basis for striking a balance in this Bill, so as to allow rooms for people from all walks of life to give full play to creativity, thereby facilitating the overall advancement of society under a level playing field.

However, another controversial issue with the Bill is its intention to regulate travel agents outside Hong Kong. It is rather difficult to regulate travel agents outside Hong Kong because they are outside the jurisdiction of Hong Kong. How can we possibly regulate them?

Clause 4(1)(b) of the Bill mentions that if a person carries on at a place outside Hong Kong any outbound travel service, including the provision of carriage and accommodation, targeting people in Hong Kong and "actively markets [...] to the public of Hong Kong any of those business activities", he has to apply for a licence from TIA.

At the meetings of the Bills Committee, various Members also enquired how the Government could possibly require an overseas agent to apply for a licence from TIA of Hong Kong. The Government stated that there were no express provisions regarding online travel agents around the world; yet the Tourism Commission of Hong Kong has already negotiated with the China National Tourism Administration and agreed that should there be problems with Mainland online travel agents, the cases would be handled by the Mainland authorities. In connection with the situation of other countries, the Government of Hong Kong will also negotiate with the countries concerned.

Regarding the current numerous online travel agents, a number of them which operate in the Mainland have indeed applied for Hong Kong's travel agent licences. However, amongst those popular websites that always actively market to the public via television commercials—save the one with the name initiated with the letter "E"—none has obtained a licence.

According to the Government, although the legislation may not be enforced after its enactment, the list of licensed travel agents can still be updated on a regular basis for consumers' reference. However, in case most of the operators of overseas websites do not register in future, or if a certain unregistered overseas operator has caused losses to a lot of Hong Kong travellers, how then will the Government and TIA enforce the law?

The Democratic Party welcomes the Government's new thinking of attempting to regulate the cyber world. However, we have to understand that there will be difficulties in actually regulating the cyber world. Hence, we have to rely heavily on cooperation on the international level to promote mutual regulation because this is, after all, a two-way phenomenon as a company

registered elsewhere can cause losses to Hong Kong travellers, and vice versa. Therefore, when the Secretary responds later, we hope he can talk about the aspects in which the Government promotes mutual cooperation for online regulation on the international level, so that when the legislation comes into effect, online regulation can be effective, or we are able to respond to the operating situation in the cyber world, so that the losses of travellers can be protected with the passage of this new law.

Lastly, in addition to the problems mentioned above, the Democratic Party considers that there are many unclear and inappropriate provisions in the Bill. Nevertheless, in the course of discussion, the Government has accepted some of the opinions and revised certain proposals, such as the composition of TIA or other procedures, so as to improve clarity of the Bill. We welcome such amendments and believe that the establishment of TIA can improve the current regulatory framework of the industry. We will support the Government's amendments and the whole Bill as amended.

Amongst the amendments proposed by Mr LUK Chung-hung, one of which is to amend clause 37 to allow participants of tour groups to take hold of more specific information. I think it is a very good proposal, so we will support Mr LUK's amendment in this area. As regards his another amendment to define the relationship between travel agents and tourist guides/tour escorts as an employer-employee one, I may have to learn more from Mr LUK when we debate on the amendments later before I make my final decision on whether the passage of his amendment will solve the problem or bring about even more problems. In short, will the amendment bring clarity to the employer-employee relationship for the travel trade without affecting the established operation mode of the trade as we arbitrarily make amendments in the area not covered by the law? I think we can gain some further understanding in the discussion to be held later and subsequently make our final decision. Therefore, we will give further considerations to Mr LUK's amendments after the relevant discussion.

Moreover, in his recent response to the incident of Mainland inbound tour groups not being received by Hong Kong travel agents, the Secretary said that such a practice might not necessarily contravene the laws of Hong Kong. He said the crux of the problem was whether the tourism services provided in Hong Kong include obtaining accommodation and carriage for visitors to Hong Kong. However, I would like to mention that section 4A(1)(c) of the Travel Agents Ordinance clearly stipulated that "obtaining for a visitor to Hong Kong one or

more prescribed services" also requires travel agent's permission for operation. Therefore, is there no legal provision to deal with the said situation? I think the Secretary has to give a clear illustration when responding to this point. Actually, this Bill incorporates some contents from relevant legislation to address the problem concerning the provision of corresponding tourism services in Hong Kong by travel agents outside Hong Kong. In my opinion, the Secretary's remark has precisely reflected the difficulties that I pointed out just now in my speech. Hong Kong has to collaborate at the international level or cooperate with the China National Tourism Administration to solve the problem.

My speech ends here. I support the Second Reading of the Bill, and later when we discuss the amendments—especially Mr LUK's amendments—I will listen to the relevant contents and discuss the approaches for handling to see if it is possible to achieve corresponding effects. Thank you, President.

DR CHENG CHUNG-TAI (in Cantonese): Today, we debate on the Travel Industry Bill ("the Bill") and one important part of the Bill is to establish the Travel Industry Authority ("TIA"). I consider the Bill overdue. The authorities only enact the legislation after the death of a visitor. Some Members said earlier that the authorities discussed the need to amend the legislation in 2011, so how come it was not until 2018 that the Bill was presented to the Legislative Council?

I hope Members will remember that on 19 October 2015, a scuffle involving members of a Mainland tour group happened in Hung Hom. Four people had an argument while shopping in a jewellery shop and they were dragged to the street and assaulted. Eventually, one Mainland visitor was beaten to death. Tragically, he died in a foreign place.

After the incident, two persons absconded. One of them was a Mainland tour escort, and the other was the so-called "local tourist guide". Nevertheless, the media later found that the "local tourist guide" was actually a Mainlander or a new immigrant. Certainly, the incident caused an uproar in the whole society and the international world. People realized that visitors were coerced into shopping in Hong Kong and if they made no purchase, they could not leave the shop or would even be brutally treated, and visitors might inadvertently be killed. Back then, the reputation of the entire tourism industry in Hong Kong was damaged in the international world.

Nonetheless, it was apparent to the people or the community of Hong Kong that the shops to be patronized by tour groups or that particular shop was not operated by local people. After the incident, the issue of how the industry should be regulated has become a controversial subject in the whole society. However, this unfortunate incident took a turn for the worse. Why? I believe Members may not remember that after the Mainland visitor was beaten to death, the four defendants were initially charged for manslaughter and fighting in public. After the completion of some proceedings, it was found that the visitor died of heart attack. As a result, the Mainland tour escort and the local tourist guide were charged for common assault instead and eventually sentenced to imprisonment of four to five months. The Mainland tour escort was granted bail after sentencing, but it was most absurd that he preferred to be imprisoned because he found the living expenses in Hong Kong too high. That was how the matter ended.

Regarding the incident of a visitor being beaten to death in Hong Kong and the ruling of the court that the victim died of myocardial infarction, a physical abnormality, we certainly respect the ruling. The two defendants involved were convicted of common assault and sentenced to imprisonment of four to five months. The heavy sentence would serve as a warning. Nevertheless, coerced shopping itself, not to mention beating a visitor to death, warrants a very heavy sentence as a warning in all places around the world. We do not have to look far for an example. In Beijing, people who coerce visitors of the so-called "coerced spending tours" into buying admission tickets to the Palace Museum or the Old Summer Palace are usually sentenced to one year's imprisonment.

The incident happened in 2015 and the verdict of the case was given in 2016. It was not until 2018 that the Government presented the Bill to the Legislative Council, proposing to establish TIA. According to the Government, TIA would be an independent statutory body and could avoid the situation mentioned earlier, particularly the problems reflected in the case. Can TIA really achieve this objective? After TIA is established, will regulation be conducted by trade members only? Will inquiries be conducted by peers? Will the process be open and transparent? Will information be fully made known to the public?

Various amendments are made to the Bill. For example, Mr LUK Chung-hung has proposed an amendment to tackle the problem that the existing legislation does not require travel agents to make known to participants of a tour group the availability of a local tour escort. During our discussions of these

issues, even if we disregarded the question of whether the Bill could protect local travellers and change the distorted ecology in the community or society (i.e. the presence of a large number of parallel traders, shops selling parallel goods or counterfeit goods in the streets) and focused on whether the Bill could protect Mainlanders who joined zero-fare tour groups, officers from the Policy Bureau prevaricated and were not willing to face the problems squarely.

During the discussions at the Bills Committee, many members expressed concerns about the overcrowded situations in Tung Chung and To Kwa Wan as well as their worries that the districts might become another North District. The response of the Policy Bureau was that a number of targeted measures had been taken and officers were assigned to conduct site inspections from time to time. We were even told that in future, TIA would also have the authority to assign officers to conduct site visits.

Earlier, I received a complaint from some frontline officers of the District Office in To Kwa Wan which I am unable to deal with. When law enforcement officers asked visitors outside the shops selling counterfeit chocolates, jewellery, and watches and clocks not to obstruct the road, they were shoved and threatened by either visitors or staff of those unscrupulous shops. The officers suspected that the shops sell counterfeit goods. How did I deal with the matter? I phoned the Customs and Excise Department, but the response was that nothing could be done because the shops had not contravened the Trade Descriptions Ordinance. The salespersons told visitors outside the shop that all chocolates for sale in the shop were Italian chocolates, why couldn't the Customs and Excise Department enforce the law? Since the salespersons did not specify which box of chocolate was Italian chocolate, the Customs and Excise Department could not enforce the law.

Can TIA eradicate these problems in the future? I do not believe it can, even though the Government said that TIA would have the power to refuse the registration of such shops. For instance, after the authorities sanctioned Lok Tin Audio Equipment, a shop in Tsim Sha Tsui, by refusing its registration, the shop could get around the problem by changing its name to Lok Sing Audio Equipment. How can the problem be combated?

Furthermore, I received a complaint from frontline officers of the District Office in To Kwa Wan, saying that whenever they conducted surprise inspections or provided on-site assistance at the unscrupulous shops, some people, probably

powerful people of the district, would inform the shops to take precaution actions to prevent any goods contravening the Trade Descriptions Ordinance from being found. The Bill has not addressed these problems at all in stipulating the functions of TIA. Apart from mentioning Hong Kong permanent residents, the Bill has not made any reference to the community or the nuisance caused to residents. Can the law really change the current chaotic situation in the tourism industry upon its commencement?

Certainly, I would like Members to ponder on another problem. When we talk about the tourism industry, are we referring to parallel trading industry, smuggling industry, or the genuine tourism industry? I think we are probably only talking about the parallel trading industry. May I ask what the authorities are regulating? During our past discussions, the Government said that TIA would arrange inspection of the affected areas and formulate appropriate administrative measures. If the shops made no amends after repeated advice, deliberately refused to cooperate and failed to manage inbound tours in an orderly manner, the authorities would take actions after investigation and completion of the relevant procedures.

Regarding the situation in To Kwa Wan which I mentioned earlier, do the authorities have due procedures to close down the shops? Can the chaotic situation of all shops on the street selling formula milk powder, as in the case of Tung Chung at present, be prevented? The existing Bill fails to convince us that TIA or the Government is determined to prevent the Sheung Shui scenario from happening across the territory of Hong Kong. Residents of Sheung Shui (particularly those in the Jubilee Garden area) cannot even go downstairs to have a bowl of fish ball noodles. That is why we joined members of the localism camp to launch a series of "liberation protests" at the beginning of 2015, and we were berated for being xenophobic. At present, residents of every district are xenophobic. Visitors coming to Hong Kong via the Hong Kong-Zhuhai-Macao Bridge may be diverted to Tsing Yi and residents of Tsing Yi have indicated their dislike for such visitors. Why is that so? As the saying goes, "only the wearer knows where the shoe pinches".

Let me ask a very simple question. Can the Bill prevent the recurrence of the situation in North District? An influx of a large number of visitors, particularly those from the Mainland, have disrupted the communal ecology of local districts and affected the lives of the residents in areas of clothing, food, accommodation and transportation. The future TIA fails to solve these

problems, it can at most have a little deterrent effect on zero-fare tour groups or unauthorized tour groups as mentioned earlier. Nevertheless, can TIA really make changes to the society of Hong Kong and our communities? I am not optimistic at all. Certainly, the result will depend on how determined the Government is after the commencement of the legislation.

Finally, let me raise one more point. In the future, when TIA inspects the shops in the districts, certain administrative measures may be taken, but before the implementation of such measures, will TIA follow the current practice of consulting the District Council ("DC") concerned prior to issuing licences to shops which may cause nuisance or have already caused nuisance to local residents? For example, if the Government receives an application for opening a pub in a district, it should at least consult and obtain consent from DC members before issuing the licence. How come the Government has not followed these basic or consultation procedures before establishing a "formula milk powder city" in a district? Has the mechanism of DC members been reduced to one of cronyism? Or do DC members really have powers in the system, enabling them to assist the Government and prevent other districts from having the chaotic situation, as in the case of Sheung Shui?

Regarding the Bill, at least I support Mr LUK Chung-hung's amendments. The reason is very simple. Mr LUK has proposed that more information be provided. Both consumers and residents are well aware that the Government has done many outrageous things in the districts and it is now passing the responsibilities from the Travel Industry Council of Hong Kong to TIA. Can TIA improve the impending situation of Tung Chung? I dare say that it definitely cannot.

I am still considering how I will finally vote regarding the Bill as a whole. I so submit.

MR CHARLES PETER MOK (in Cantonese): President, the Travel Industry Bill ("the Bill") that the Government moved for Second Reading today intends to update the regulation on travel agents, tourist guides and tour escorts in the travel industry. Just now, many fellow colleagues have already mentioned the need for regulation. Under the original regime, the Travel Agents Registry is responsible for the licensing of travel agents, whereas the Travel Industry Council of Hong Kong ("TIC") is responsible for trade self-regulation. In Hong Kong, problems

are often found after implementing trade self-regulation for a certain period of time, and by then the Government will gradually introduce stricter legislative regulation.

Nevertheless, many Members have also mentioned a number of non-compliance incidents of the travel trade that happened in Hong Kong in recent years, some of which were very serious indeed. Given that some cases involved the operation of Mainland inbound tour groups, the request to reform the existing regulatory regime has become stronger and stronger in society. Since rules and legislation should be updated, we surely hope that the Government will be more forward looking. We also have more expectations of the Government, hoping that the regulations will be relevant to the prevailing circumstances but not too stringent to impede innovations. However, regrettably, many similar legislative amendments in recent years have precisely faced with the problem of updating the legislation with an old mindset, which in turn might hinder innovative activities.

Regarding the major areas of the Bill, I am particularly concerned about two aspects. First, measures to strengthen the licensing regime for travel agents, including the introduction of depositing guarantee money and the setting of a higher entry threshold to the industry. To the local start-ups or business entrepreneurs with little start-up fund, will such measures undermine their opportunity of developing of new form of tourism products or services? Second, while the original purpose of establishing a licensing regime for tourist guides and tour escorts is definitely to enhance the quality and professionalism of frontline trade practitioners, the development of the new travel experiences will also be affected.

I will first talk about the problems concerning the establishment of a licensing regime for tourist guides and tour escorts. The new regime will replace the current accreditation system implemented by TIC through administrative means, and when making licensing decisions, reference will be made to TIC's current requirements, such as the age and education level of applicants, the training courses attended and examinations passed, so as to further enhance the quality and professionalism of frontline trade practitioners. Upon each licence renewal, tourist guides and tour escorts will have to complete the Continuing Professional Development Scheme specified by the Travel Industry Authority. Apparently, it is certainly good to have such kind of regulation, but the question is what kind of regulation is deemed appropriate and relevant to the prevailing circumstances. Besides protecting consumers, is it possible to ensure

the coverage of different modes of travel experience, so that the existing idea on regulation will not hinder the development of new operation mode by emerging trades, resulting in narrowing the scope of development of some tourism start-ups?

Thus, my first concern is whether the Bill will be unfavourable to the development of new travel experiences. In my opinion, the definitions of tourist guide and tour escort in the Bill are too conventional, hence failing to cover new travel experiences. For instance, there are currently many local in-depth experience tours available on the Internet to provide services to small groups of visitors. Clause 4(1)(a)(v)(A) of the Bill provides that a person needs to obtain a tourist guide's licence if he provides to a visitor "a service providing sightseeing or visits to local places of interest"; but is this provision easy to execute? Or will the Government take decoy operations to catch those people currently providing online services?

Moreover, the contents of the licensing examinations for tourist guides and tour escorts are actually not very relevant to many new travel experiences nowadays. The 150-hour Pre-service Tourist Guide Training Course includes knowledge on Hong Kong and China, how to handle different situations on coaches, field trips, practical exercises, etc. The conventional tour-guiding skills learnt by students may not totally meet the requirements for new travel experiences. However, the problem is that people currently offering new travel experience are actually not the same group of people engaging in conventional tour-guiding and their practices are different.

I think some officials may not know what kind of new travel experiences I am referring to. More often than not, foreigners visiting Hong Kong will first browse the Internet for some travel experiences, such as hiking, gourmet tour at night in a particular district (say Mong Kok), arts tour, special tour for characteristic buildings or trees in a particular area, and photo-taking tour. These are the work of tourist guides providing new travel experiences. Their professional or practical knowledge may be related to photography, architecture or people's livelihood in a particular district. There is no need to compel them to learn and use certain conventional tour-guiding knowledge.

Another important point is that the number of people joining such kind of experience tour is usually very small, may be only two or three people, and I do not know if it is appropriate to use the term tour group. Nevertheless, the Bill

also requires people providing new travel experience to obtain the conventional licence. Although it is necessary to require tourist guides to take courses on first-aid for the sake of safeguarding visitors' safety, is it necessary to force such kind of tourist guides to acquire the knowledge of scenic spots in various districts of Hong Kong? Is it possible to consider waiving tourist guides providing small-scale travel experience tour-guiding service from obtaining licence?

I know some online platforms in the market providing new travel experience tours have very strict requirements on their tourist guides. People providing tour-guiding services are required to take a trial run to see if they can manage and if they are familiar with the districts concerned. Also, the platforms set up a marking scheme to reflect the level of satisfaction of participants (i.e. visitors) for the purpose of ensuring service quality. Since visitors are attracted through words of mouth, is it unnecessary to over-regulate? Should we allow market operation to eliminate the weak so as to ensure healthy competition and development?

My second concern is about whether the requirement of depositing guarantee money and raising the entry threshold to the industry under the new licensing regime for travel agents will undermine the opportunity of local start-ups or entrepreneurs with little start-up fund in developing new forms of tourism products. The Government introduced the Bill in the hope that the new regulatory regime can protect consumers' rights, enhance the professionalism of the travel industry and promote healthy and long-term development of the trade. Such objectives are approved by all.

However, we have to carefully consider one point: while promoting healthy and long-term development of the trade is important, the appropriateness of regulation is also of great relevance and importance. Though it is certainly important to enhance professionalism of the travel industry, if the entry threshold to the industry is too high, the market will be monopolized by major some travel agents. For those operators and entrepreneurs of the travel industry who could have started their business with a small amount of capital by applying new technology or innovative ideas, are they fairly treated?

Regarding the tourism products and services provided by some large-scale travel agents in the market, they may include visiting some popular and famous scenic spots that are known to all. Very often, such kind of activities can no longer arouse the interest of visitors. Therefore, small set-up enterprises are

more suitable to provide matching services through online platform. For such enterprises, a large amount of guarantee money will indeed pose a high threshold, as they may not have any operating capital after depositing the guarantee money, hence service quality may not be assured. We really do not want to see start-up travel experience companies be throttled by the relevant requirement.

Last year, Mr WU Chi-wai enquired about the number of travel agents adopting new mode of operation. In its written reply, the Government stated that it did not have any statistics specifically on start-ups/new entrepreneurs providing travel services online. Nevertheless, the authorities should understand that the numbers of such kinds of start-ups/new entrepreneurs are on the increase, and they have important impacts on the healthy ecological environment of the emerging travel industry in Hong Kong. In terms of figures, in recent years many of the new licensed travel agents are online operators. From June 2016 to May 2017, there were altogether 83 new travel agents, amongst which more than 40% indicated the availability of websites in their licence applications. While the Government's original intent to protect consumers' rights is worth supporting, we do not want excessive regulation.

The Government's stance can be seen from its written reply to the Bills Committee, that is, all operators, be they traditional travel agents with physical presence or online travel agents, should subject to appropriate regulation so as to create a level playing field. Even though this kind of operating or regulatory approach of "one-size-fits-all" might seem fair on the surface, I do want to point out that sometimes this is not the case because if new companies are required to follow the same standard, they actually have to comply with more restrictions. Depositing guarantee money is not a problem to medium and large travel agents, but it might be a problem to some new companies of smaller scale.

I am most puzzled as the Government pointed out in its response back then that the interests of tourists, the overall reputation of the travel industry and a fair business environment for the industry should not be adversely affected as a result of information technology development. Indeed, I do not quite understand the meaning of that remark. Actually, this idea is a bit strange as well. Why would the application of information technology have adverse impact on the travel industry? If we still think in this way, no wonder Hong Kong is still considered backward in various aspects ranging from new economy to smart city. I think this logic is very weird. If the Government thinks this way, it is indeed unacceptable.

We should understand that with the advancement of technology, tourists receive more information and choices, thus diversity in tourism products and services should be encouraged and allowed. I also hope that the Government will adopt a genuinely open attitude to deal with new matters positively without resorting to old rules and old ways of thinking. As mentioned by a Member just now, every legislative amendment exercise is belated for the reason that the Government only agrees to make the amendment when it has no other alternative; and when the Government finally agrees to make the legislative amendment, it accords priority to safeguarding the vested interests and adhering to old ways of thinking. Eventually, it would be better if no amendments have been made as the amendments are not conducive to the new economy. We are now discussing the Travel Industry Bill, but I actually have the Hotel and Guesthouse Accommodation (Amendment) Bill 2018 in mind.

I hope the Secretary will respond after listening to our views, so that we will reconsider our voting inclination on the Bill upon the resumption of the Second Reading debate.

MS STARRY LEE (in Cantonese): President, the Travel Industry Bill ("the Bill") proposes to replace self-regulation of the travel industry with legislative regulation. In my view, the Bill, if passed, will represent a historic progress, meet the demand of the community and complement the development of the travel industry.

The travel industry currently accounts for a significant proportion of Hong Kong's GDP, with more and more related industries and people getting involved. A number of Honourable colleagues have talked about the background of the Bill. In fact, the main reason for the formulation of the Bill was that, for a period of time in the past, Hong Kong had been widely reported as a "city of rip-offs". In view of the more common rip-offs of tour group travellers in areas around To Kwa Wan and Hung Hom, the Hong Kong Government and the Mainland Government have expressed grave concern over the problems arising from zero-fare Mainland tour groups.

While it is not easy at all for the Bill to have reached this stage, I still think that the legislation has come a bit too late given the previous developments. Anyway, we have finally reached this stage. Thanks to the efforts of various parties, the problem of zero-fare tour groups of the travel industry has been

resolved. In theory, all zero-fare tour groups will be prohibited. However, government officials or people familiar with the sector have also been aware that the industry has already made adjustments. While zero-fare tour groups are no longer available, many inbound Mainland tour groups have been transformed into low-fare or extra value tour groups. After approaching the trade to get an understanding of the situation, I realized that some Mainland tour groups have been sponsored by corporates.

I have also been told by the trade that last year's visitor arrivals published by the Government were about 20 million, of which 5 million, about a quarter of the total, were Mainland tour group visitors. However, given that the previous regulation imposed by the Government on Mainland tour groups has focused mainly on prohibiting the sale of counterfeit goods and rip-offs of customers, the Government has failed to tackle the shops designated for Mainland tour groups and the resultant problem concerning parking spaces of tourist coaches, giving rise to the current abnormal situation.

To put it simply, of the 5 million visitor arrivals last year, over 90% of inbound visitors have visited the Kowloon City District most often. They would have breakfast, lunch and dinner at designated restaurants and visit designated shops such as chocolate shops, watch shops and gold jewellery shops. That said, in all fairness, I know that these visitors would also tour the Peak and join the Victoria Harbour night cruise. And these tour groups very often stay at Hong Kong for two days and one night.

However, due to a lack of government planning and ancillary facilities, the 5 million visitors—visitor arrivals are expected to rise significantly—have packed the Kowloon City District, causing great problems for the District. As you can imagine, the Kowloon City District is an old district with a large number of vehicles and pedestrians, narrow roads, and a small number of parking spaces. In particular, most designated restaurants are located on the ground floor of residential buildings. If those designated restaurants are crammed with a large number of visitors for breakfast, lunch and dinner, the life of the residents will be directly affected.

As such, many people have intended to incite the sentiments of the local residents over this problem. However, we must point out that the Government should also be held accountable for the problem. As a member of the Kowloon City District Council, I have been following up on this issue for many years.

Whenever I discussed this issue with the Administration in the past, they would say that this was simply a local issue which had nothing to do with visitors. According to the Administration, the large number of vehicles and pedestrians should be handled by the Police, and they had even been reluctant to increase parking spaces in the first place. In this connection, I must express my appreciation to Secretary for Commerce and Economic Development Edward YAU. In my view, the current Administration has been more proactive than its predecessors. I know that Secretary Edward YAU has specially asked the Under Secretary for Commerce and Economic Development to take note of this issue. Secretary Edward YAU and the Under Secretary have also personally acquainted themselves with the issue. The Under Secretary has even visited the Kowloon City District a number of times and discussed with the District Council and the trade on ways to further tackle the problems.

As I understand it, the Government has set up a team to study the problems of the travel industry. However, the discussion of the team should certainly not be limited to the problems arising from Mainland tour groups. I thank Mr YIU Si-wing for assisting in handling the problems in the past. I would also like to tell the Secretary that, at present, despite the assistance from various parties, there has been no notable improvement in the situation, particularly after the commissioning of the Hong Kong-Zhuhai-Macao Bridge. Since the Hong Kong-Zhuhai-Macao Bridge is indeed a fairly attractive tourist location, the trade has estimated an upward trend in the number of low-fare Mainland tour groups in the future, which is also in line with my belief. To put it simply, given the 5 million visitor arrivals last year, the future visitor arrivals may rise to 6 million or more. If we fail to provide proper ancillary facilities as soon as possible, the 6 million visitors will continue to pack the Kowloon City District, resulting in a collapse very soon.

When discussing the issue with me, the Secretary has reiterated that the Travel Industry Council of Hong Kong ("TIC") is tantamount to a "toothless tiger" at present; in the absence of legislative regulation, TIC has no deterrent effect. As such, the Secretary has lobbied for my support for the expeditious implementation of the Bill. The establishment of the Travel Industry Authority ("TIA") in future will help resolve the issue given its stronger authority and entitlement to use certain means and administrative measures. As I endorse this view, I support the implementation of the Bill as soon as possible.

However, as I understand it, upon passage of the Bill, it will take about one to two years for the new Ordinance to be enforced. In view of the current situation, the authorities cannot possibly wait for the establishment of TIA to tackle the problems. If the Government or the department in charge of tourism does not take every possible means to deal with the problems proactively, as in the case of Tung Chung where the Government had failed to tackle the problems, I believe that the Kowloon City District will possibly be the next place to suffer a collapse. Therefore, I would like to convey this message to the Secretary by means of the Bill.

In addition, I have to make a few requests and hope that the Secretary will respond later. First, in my opinion, before the establishment of TIA, the Government should continue to demand TIC, which currently plays the role as a regulatory body, to discharge its duties properly. Since it is impossible for us to require one district to receive 5 to 6 million visitors, as I said when I raised my oral question last time, the Government must require TIC to immediately stop accepting any application for operating additional designated shops in the Kowloon City District. In other words, before ancillary facilities for tourism are properly developed and the problem of large number of vehicles and pedestrians is resolved, the Government should for the time being stop accepting any application for the operation of additional designated shops in that district. Regrettably, no substantive progress in this regard has been made so far. I request the Administration to continue to take forward the relevant work because I cannot come up with any alternative methods as well. If the Government continues to accept more applications for additional shops, the problems will keep aggravating, and the diversion effect which the authorities have been reiterating will not materialize. Given the clustering effect of opening these new shops, owners will unlikely set up their business in other places if the Government does not stop accepting applications for setting up new shops in that district.

Second, I consider the current threshold for registration to be too low. I have been told by TIC that currently members of the trade are not required to inform TIC of the location of shops. As long as they have simply fitted out their shops and then lodged an application to TIC, no application has ever been rejected. In fact, in addition to planning what products to sell in order to attract visitors, the designated shops should also come up with a contingency plan on managing pedestrian and traffic flows arising from tens to hundreds of incoming tour groups every day. I believe that not all the shops may possibly be well prepared and have formulated a management contingency plan. In my view,

TIC should raise the threshold for opening new designated shops because these shops have to receive dozens of tour groups every day. As a result, they must have a contingency plan on managing pedestrian and traffic flows before opening new shops, and the contingency plan should be submitted to TIC which should in turn allow the shops some time to implement the plan. If the shops fail to implement the contingency plan or to handle a large number of complaints after their opening, TIC should issue them a warning letter or even revoke their registration because such shops are basically not suitable to operate in the area.

Take the case of the Liquor Licensing Board as an example. Given Hong Kong's small size, a license is required for selling liquor; and applicants are required to put in place noise management and other complementary measures. I am not discriminating against these designated shops. However, these shops receive dozens of tour groups every day, i.e. over 1 million to 2 million visitors a year. In the absence of any planning for managing pedestrian and traffic flows, the problems currently facing the Kowloon City District have arisen. Therefore, prior to the establishment of TIA, I hope that the authorities will do a good job to resolve these problems. Otherwise, given the continuous increase in the number of tour group visitors, I reckon that the number of designated shops will also keep increasing. By then, even if the authorities intend to manage, the situation will get out of control.

Lastly, I hope that the Secretary will include this issue as a priority item on his work schedule. Through my frequent with the trade, I learnt that the stakeholders of Mainland tour groups are small in number. As long as the authorities attach great importance to the issue and hold regular meetings with the trade through TIC, the Secretary or the Commissioner for Tourism and request them to support the relevant work, I believe that the situation will definitely improve. In the meantime, I hope that the authorities will think about diverting visitors to other districts. In the past, the Government regarded the operation of the travel industry, particularly the operation of Mainland tour groups, to be commercial in nature, and has therefore not formulated any measures in this regard. However, instead of cramming millions of visitors in one district, the authorities must come up with ways to divert visitors. In fact, there are many suitable places in Hong Kong to divert visitors. I hope that the Secretary will briefly respond later. This issue is extremely urgent, and the authorities should not wait until the establishment of TIA to tackle the problem slowly. In my view, both tasks should be carried out in tandem.

I support the establishment of TIA and hope that TIA can formulate measures and administrative means to tackle the problems arising from Mainland tour groups under the legislative regulation in future. Hong Kong recorded 5 million Mainland visitor arrivals last year, and the number of visitors is expected to rise further. If we do not attach great importance to this issue, I am worried that people with an ulterior motive will exploit the situation to launch liberation protests, and even incite conflicts between the Mainland and Hong Kong. If we do not want to see the occurrence of such incidents, I implore the Secretary to put forward measures as soon as possible such that the presence of these Mainland tour groups will not cause great nuisances to the local residents. In this way, any attempt by people to stir up conflicts will fail to achieve anything.

With these remarks, President, I support the Bill.

MR HO KAI-MING (in Cantonese): President, today I mainly speak for the frontline workers in the tourism industry, namely tourist guides and tour escorts.

President, I wonder if the Secretary knows what kind of hardship tourist guides and tour escorts are facing right now. I am a member of the Travel Industry Council of Hong Kong ("TIC") and a member of the Tour Guide and Tour Escort Deliberation Committee under TIC. I wonder if the Secretary knows under what circumstances a tourist guide or a tour escort will receive a warning letter or a reprimand letter. People may think that if one receives such a letter, he must have done something seriously wrong. But let me tell you that a tourist guide or a tour escort will receive a warning letter if he fails to produce his secondary school graduation certificate, or if he has committed some minor offences unrelated to his work. That will affect his career. There are indeed very strict requirements on practitioners of the travel industry. While we have very high expectations of these practitioners, have we given them sufficient protection and remuneration in return? President, I fail to see this situation in the travel industry of Hong Kong at the moment.

Let us not discuss the issue of labour protection for these practitioners for the time being—I will discuss this issue later—they do not even have job security. We cannot even provide stable jobs to tourist guides and tour escorts despite the very stringent regulations they have to comply with. One of the reasons is that they are all self-employed persons, and another reason is that Hong

Kong's tourism industry is unstable and experiencing a downturn. The number of visitor arrivals dropped from 61 million in 2014 to 57 million in 2016 and it only bounced back slightly to 58 million last year. The number of visitor arrivals from our neighbouring cities, including the Mainland, was 47 million at the peak in 2014, but it was only 40 million last year. How come the drop is so significant?

President, one will naturally not return to a place where he has visited several times. I have seen some Mainland Apps on travelling. Among them, there are travel tips on visits to Hong Kong. I guess all such tips will be utilized after a few visits. Although Hong Kong has slightly more tourist attractions than Macao, one should have visited all such attractions after a few visits to Hong Kong. Then what other attractions do we have? I think Hong Kong's tourism industry needs enhancement in order to perform better.

Is our improvement work sufficient? President, as regards the Travel Industry Bill ("the Bill") under scrutiny today, it is undeniable that the Bureau is doing something to regulate the undesirable practices and unlawful acts of the industry. But is that enough?

The Bill proposes to set up an independent Travel Industry Authority ("TIA") to, amongst others, license and regulate travel agents, tourist guides and tour escorts. At present the licensing work is undertaken by TIC and regulated by various trade associations. The regulation by trades associations mainly involves regulating tourist guides and tour escorts, as well as the entire framework of the industry. The purpose is to make adjustments for proprietors to increase their profits and reduce their expenses. In other words, it aims at exploiting the rights and interests of wage earners.

Why are there so many substandard tourist guides in Hong Kong who coerce visitors into shopping and bring them to shop at unscrupulous shops? The reason is very simple, which is, tourist guides and tour escorts are very poorly paid. They have no job protection, and sometimes they do not even get paid. President, to make a living, they resort to coercing visitors into shopping in order to earn commissions. This is actually a vicious cycle. Tourist guides and tour escorts should not be asked to pay out of their own pockets when they work. They are required to advance all payments of the entire tour group and then reimburse the expenses when they get paid. This situation should not have existed. However, that is exactly what is happening now.

Although the Government has promised that in future TIA may issue directions, requiring travel agent to sign an agreement: first, it must pay service remuneration to the tourist guide and tour escort; second, it must not require its tourist guide or tour escort to unreasonable advance any payment; and third, it must not delay the reimbursement for any advance payment made by its tourist guide or tour escort. This is certainly a great improvement. If anyone violates these guidelines under TIA's regulation, they will be subject to disciplinary actions. We expect that after the establishment of TIA, enforcement actions can be properly taken to protect frontline practitioners. As TIA is an independent body, it should do a better job than TIC.

President, TIC is genuinely a "toothless tiger". When discussing certain cases, TIC very often demonstrates a sense of helplessness. It fails to handle many problems because it is just a commercial organization. I hope that after the establishment of TIA, the situation will improve and TIA will be able to help the frontline wage earners.

During the scrutiny of the Bill, many tourist guides and tour escorts have asked us to point out that they actually have an employer-employee relationship with travel agents and their claim of self-employment was very often false. Visitors join tours through travel agents; the itinerary and accommodation are arranged by travel agents. Tourist guides and tour escorts have absolutely no say over these matters but they are forced to claim that they are self-employed persons. President, if these cases are taken to court, the court will certainly admit the employer-employee relationship between the two parties. If the two parties do not have such kind of relationship, wage earners will not be entitled to have holidays and labour protection, which are very important for employees.

As pointed out by many colleagues just now, most wage earners in the industry are not full-time employees. Some may just receive one or two tours. Our intention is not to provide long-term protection to them or take out long-term insurance for them. We just hope that they can get relevant protection while at work and should any accident happen, they will have some basic protection and do not have to pay all the expenses out of their own pockets. However, during the scrutiny of the Bill, the Government refused to accept this view and gave all kinds of excuses, such as the industry refused to accept the proposal. Of course the industry refused to grant protection because employers have all say. Are there any employers who are willing to bear more costs? Although employers are aware of the risks involved, some of them like to take risk and are unwilling to take out insurance for wage earners.

Therefore, Mr LUK Chung-hung has proposed an amendment to state clearly the employer-employee relationship between the two parties, so as to safeguard employers and employees. If employers take out insurance for their employees, should any accident happen to an employee, the employer and the employee will both be protected. No one knows when accidents will happen, especially in industries which involve travelling and risks. For example, no one knows when another accident of hot air balloon explosion will happen in Luxor, Egypt, but if employers take out insurance for their employees, both parties will be protected.

After the completion of scrutiny work by the Bills Committee, the Government has proposed an insurance plan, but the plan is like "chicken rib" which is totally worthless. President, I do not know if my understanding is right, under the present proposal, employees will take out insurance on their own, and employers will pay an amount between \$15 and \$30 after the tourist guide/tour escort has received a tour group. President, I believe when you take out travel insurance for your trip, the premium you pay will definitely be more than \$15. The insurance coverage is only \$1,000, which is meant for paying overseas medical expenses. President, what does that mean?

In Hong Kong, when a visitor seeks medical consultation from the accident and emergency ("A&E") department of a public hospital, the fee is \$1,230—I believe Ms CHAN Hoi-yun should know about the charge as she is very familiar with Hong Kong's health care service. In other words, if a visitor seeks medical consultation from the A&E department of a public hospital, the amount of compensation mentioned above is not enough to pay for the local medical fee. If a Hong Kong employee needs to seek medical consultation in a foreign country where medical insurance is mandatory, will \$1,000 be enough to pay for the expenses? How can the Government propose such a useless plan and ask wage earners to accept it? I merely hope that employers will provide insurance protection for wage earners so that when they have an accident, they would not be in a miserable plight of having no compensation at all.

Nevertheless, after a prolonged discussion, the Bureau still insisted on this option which provides inadequate protection. It is far from the employment insurance that we demand. The representatives of trade unions are thus very frustrated with the Bill. We hope that Honourable colleagues will support Mr LUK Chung-hung's amendments to provide wage earners with the protection they duly deserve in an employer-employee relationship.

President, apart from providing labour protection for the practitioners of the industry as I said earlier, drawing up a comprehensive plan for the development of the whole industry is also required. TIA can plug the loopholes but how can it find new sources of visitors? That may not be TIA's responsibility. I can use 1 000 words to list out all tourist attractions in Hong Kong and another 1 000 words to list out all Michelin-starred restaurants in Hong Kong, and then there are few attractions left. The situations in countries like Japan are very different. We can go to Wuhan in the Mainland to appreciate cherry blossoms. In Korea, other than appreciating the natural landscape, we can also buy local brand beauty products. Korea also offers medical beauty tours to attract people to go there for shopping and plastic surgery. Besides, visitors can also go to Jeju Island to take a driving test, which has become a new attraction.

Looking back at the past 10 or 20 years, what new tourist attractions do Hong Kong have? Frankly, President, every time when my overseas relatives come to Hong Kong, I either bring them to take Ngong Ping cable car to see the Tian Tan Big Buddha, take the peak tram to the Victoria Peak, or visit the Ocean Park with concessionary tickets from The Hong Kong Federation of Trade Unions. Even I get bored of these activities. Are there any other tourist attractions in Hong Kong that are particularly appealing? Recently, there is a new programme called the Hong Kong Pulse Light Festival, but this programme can hardly be compared with the tourism programmes in other overseas places or economic entities I mentioned earlier.

There are resources in Hong Kong but they have never been well consolidated. Of course, as reflected from the policy address, the Government has provided resources to finance the development of new attractions but that is not enough. I hope that after the establishment of TIA and the passage of the Bill, the Government will consolidate all tourism resources in Hong Kong to develop new tourism attractions that will not affect the daily lives of the people but still appeal to foreign visitors. For example, Mainland visitors were once very interested in receiving vaccination in Hong Kong, but owing to the lack of planning and regulation by the Government, we failed to attract them to come to Hong Kong for vaccination. Even worse, there has been a short supply of vaccines, including those against cervical cancer and influenza, and we have to rely on the supply of the private market. As the Government had not imposed any regulation or issued any guidelines, eventually the visitors were vaccinated

but Hong Kong people could not get the vaccination they needed. The lack of regulation by the Government is the root cause of the problem. Hong Kong should have the capability to handle the issue properly.

We hope that the authorities will enhance the overall planning for the tourism industry with more creativity, so as to create a new and dynamic atmosphere and revitalize the industry. While endeavouring to discard the undesirable practices of the industry, we should also find new sources of visitors. I hope Honourable colleagues will support Mr LUK Chung-hung's amendments to plug more loopholes and provide more protection for frontline wage earners so that they can go to work happily. Hong Kong can then become "a city of smiles". Only through these measures can we bring genuine development to our tourism industry. President, I so submit.

MR CHAN CHI-CHUEN (in Cantonese): President, Mr HO Kai-ming said in his speech just now that some people came to Hong Kong for vaccination. I will first give a reply in this regard. Many events can be linked up with the travel industry and developed as separate industries, such as going to South Korea for cosmetic surgery; going to Hong Kong for medical treatment, childbirth in the past, and even vaccination. But the Government needs to provide support in terms of policies or administrative measures. Being sick today, I went to a clinic to seek medical treatment, and I talked with a doctor about the issue of vaccination. I wonder whether I became sick because the influenza vaccine I received last week contained particles. The doctor said that a Mainlander came to Hong Kong for vaccination, but due to illegible characters in his injection record, the doctor dared not vaccinate him. The doctor did not want to turn him down and thus said that the vaccine required was not available. As such, if the travel industry wants to integrate with other industries, the Government really needs to offer support, rather than adopt a laissez-faire attitude or resolve the problems only when pharmaceutical products are snapped up and Hong Kong people are affected.

As regards the Travel Industry Bill ("the Bill"), from the announcement by then Chief Executive Donald TSANG of reviewing the regulatory framework of the travel industry in the Policy Address in 2010 to the Third Reading and passage of the Bill today in 2018 for setting up a Travel Industry Authority ("TIA"), we have waited a good 10 years or so.

Why did the Government make the decision to initiate a reform? As indicated by many Members, the driving force was the zero-fare or low-fare Mainland tour groups. Mainland tourists could visit Hong Kong by paying a small amount of money or even no money at all. How could there be such a good thing? "Sheep's wool comes off the sheep's back". When money could not be made through tour fees, the only way to make money was to arrange shopping tours, and business operators would naturally rebate commissions to travel agencies, tourist guides and tour escorts. When tour group members were unwilling to make purchases or if the money spent failed to meet the target amount, the tour would not have sufficient income, meaning that efforts made would be of no avail. The notorious incident concerning a rogue tourist guide thus happened, and there are still similar incidents today. When a zero-fare tour group had failed to meet the target purchase amount, its participants were chided in a couch by the rogue tourist guide, who said, "Now you owe me, rather than the other way around. I have provided you with food and accommodation, but you refuse to contribute." The video clip went viral on the Internet, watched by people from the four places across the Taiwan Strait. The China Central Television even covered the incident under the title of "tourism scandal". This certainly dealt a blow to the image of Hong Kong, and the Government ultimately had to announce the review of the regulatory framework of the travel industry.

Following the conclusion of a review that had lasted two and a half years, the Government proposed in 2013 to set up a new TIA. Before the passage of the Bill, travel agents are licensed and regulated under two different frameworks. They have to first apply to the Travel Agents Registry for licences, and then they are regulated by the Travel Industry Council of Hong Kong ("TIC"). Tourist guides and tour escorts are only issued passes, rather than any official licences, by TIC. Following the establishment of a new TIA, all travel agents, tourist guides and tour escorts will be issued licences and regulated by TIA. The frameworks will be streamlined and consolidated. If anyone wants to apply for a tourist guide or tour escort licence, they must pass the licensing examination under the new mechanism, and complete courses designated by TIA. The addition of one layer of certification will ensure the quality of tour escorts.

A key element of the Bill is that TIA will ultimately have the power to "establish and implement an administrative scheme for regulating shops that inbound tour groups are arranged to patronize" under clause 153(2)(j) of the Bill. Shops that tour groups patronize need not be licensed, but they will be put under

regulation as long as they are registered shops with TIA by travel agents. This arrangement will help avoid the problem of zero-fare and low-fare tour groups, and cases of coerced shopping in shops can be reported.

The Bills Committee on Travel Industry Bill ("the Bills Committee") has discussed this problem in detail and concluded that the approach of only targeting at shops was not adequate because apart from protecting the rights and interests of visitors, TIA was also duty-bound to ensure that tour groups would not cause nuisances to local communities. Many pro-establishment Members, particularly those who serve local communities, have all shared their stories about how tour groups have affected the order of local communities and people's lives. Earlier, it was reported in the media that a restaurant in Tin Wan was packed with people during lunch and dinner time as it received tour groups from time to time. Batches of visitors waited outside the restaurant for their meals, and the queue stretched five or six shops and even occupied the carriageway in some cases. A netizen once filmed the scene of over 100 Mainland visitors packing the pedestrian passage of Tin Wan Street. There were so many people that a carriageway of the road was occupied, obstructing passengers boarding and alighting buses at a bus stop. Police officers were called to maintain order on the site. According to local residents, this problem has persisted for years and no improvement has been made. As the narrow local pedestrian passages can hardly accommodate hundreds of people, the problem has caused nuisances to the local community over the years.

This is just one of the many examples. I would also like to tell my personal experience. At one time I lived in the vicinity of Lockhart Road and Tonnochy Road, where there are several upstairs restaurants that serve tour groups. Hence, at mealtimes, several tour groups, each comprising some 100 people, throng Lockhart Road, and local residents have difficulties passing through the crowd to return home. Even if someone called the Police, police officers could only maintain order and were unable to resolve the problem. Certainly, restaurants want to do business and they cannot reject the patronage of customers just because there are too many of them. It is now very difficult to operate large restaurants, and the patronage of tour groups is of great help to them. Under such circumstances, can restaurants and tour groups make a better arrangement for mealtimes and expedite the process of assembling and dispersing visitors? Should TIA play a role in this regard? Not only should shop services be regulated, but the impact on the entire community should also be a concern

and addressed properly. If tour group members cause resentment or clash with members of local communities, the overall image of Hong Kong will be tarnished.

Another issue on which the Bills Committee has spent a lot of time is the illegal parking of tourist coaches. Members of local communities often say that the problem of indiscriminate parking of tourist coaches is serious. Very often the arbitrary parking of such coaches on the road or on double yellow lines for picking up passengers blocks traffic and affects the view of people crossing the street, giving rise to a series of dangers. I am also a victim in this connection. I live in North Point. Members may go and observe the situation at Java Road outside Exit A of MTR North Point Station. Some improvements have been made lately; but some time ago, the free activities of visitors in the area or the assembly of visitors at the Station for boarding the coaches to North Point Pier had resulted in traffic congestion. During busy hours when there are many such tour groups, I have to make a detour to avoid entering the MTR station via Exit A.

The Government has adopted certain measures, such as increasing the number of parking spaces and offering parking concessions, but the problem is inadequate law enforcement on the part of the Police, as no prosecutions have been instituted nor fines imposed. Hence, tourist coaches naturally park at the most convenient place for picking up/dropping off passengers. In certain cases, the problem is not related to the parking spots of tourist coaches, but the meeting points selected by persons-in-charge of the tour groups. The influx of a large number of visitors has caused significant and long-term impacts on local communities, thus infuriating local residents. The peripheral services of tour groups are indeed related to the travel industry, but it seems that the Government cannot tell us whether such services can be put under regulation, much to our dismay. If we merely count on the Police and the Transport Department to deal with the problems upon receiving reports or complaints from members of the public, the measures are irrelevant, failing to suit the remedy to the case and solve the problems at their roots.

In fact, not only should shops associated with coerced shopping be regulated, activities that affect the living of local residents should also be regulated, so as to alleviate the situation of customers packing pedestrian passages and roads. For example, travel agents, tourist guides and tour escorts

are duty-bound to request tourist coach companies to urge their drivers to abide by traffic rules and refrain from indiscriminate parking. If there are frequent occurrence of indiscriminate parking, complaints, warnings and even fined imposed by the Police, the reputation and rating of the relevant travel agents, tourist guides and tour escorts should all be affected accordingly, so as to meet the objective of setting up a new regulatory framework to re-establish positive public perception of the tourism industry of Hong Kong.

In addition, the Bills Committee also discussed protection accorded to outbound tour groups. This is one of the reasons why Mr LUK Chung-hung from The Hong Kong Federation of Trade Unions ("FTU") has proposed his amendments. Last year, a Hong Kong tour group encountered a fatal traffic accident in Nansha, Guangdong. This incident has revealed that quite a number of travel agencies have, for the sake of cutting cost, arranged short-haul Mainland tour groups to meet and dismiss in the Mainland. The tour will not be accompanied by a Hong Kong tour escort and will not be protected by the Travel Industry Compensation Fund and the Package Tour Accident Contingency Fund Scheme. Local travellers cannot, through the travel regulatory mechanism of Hong Kong, monitor the safety and service quality of the tour group, thus they cannot get personal protection. That said, following the incident, the authorities failed to formulate any feasible plan to protect participants of such kind of tour group, and thus travellers have to keep their finger crossed. In other words, if people join such type of outbound tour, they pay a lower fare but have to face higher risks. While participants of such tour groups are Hong Kong people and publicity is likewise conducted in Hong Kong, they will not be protected in case of accidents.

I am afraid there will be an increasing number of such tour groups which play edge ball. Seeing the presence of grey areas, travel agencies will appoint more non-local tour escorts and tourist guides, so as to evade Hong Kong regulation. In case of personal accident or property loss, as neither the tour escorts nor tourist guides are persons registered in Hong Kong and services are provided by Mainland travel agents, TIA has no capacity to punish those people and agents who have been derelict in their duties.

For this reason, Mr LUK Chung-hung from FTU has proposed amendments to provide that a licensed travel agent that has not arranged a tour escort to accompany an outbound tour group must display, in the prescribed way,

the prescribed information to the participants of the tour group or on the vehicle for transporting the tour group, so as to keep the participants of the tour group well informed and thus protect their rights and interests. This is the most basic protection for Hong Kong people who join an outbound tour.

However, in its reply to the Legislative Council, the Administration said that administrative measures would be adopted to require the travel agent to provide such information in its brochures. This is obviously inadequate. Participants of the tour group may not be able to see information provided in a brochure or on a website. As outbound tour groups will be involved in security and insurance issues, the mere provision of such information in a brochure can hardly enable the participants to understand that the tour groups may not be protected by the Travel Industry Compensation Fund and the Package Tour Accident Contingency Fund Scheme of Hong Kong. We should at least let the participants know that if the tour group is not protected by the relevant Fund or Scheme, they should at least separately take out travel insurance on their own to protect themselves after enrolling in the tour group. However, as such outbound tour groups aim to reduce costs and offer low prices, and penny-pinching travellers fail to separately take out travel insurance, ultimately no one will be held accountable in case of an accident.

In fact, in order to rebuild non-local visitors' confidence in the travel industry of Hong Kong, the passage of the Bill today is only the first step. We still need time to observe how the new TIA will operate in the future, whether it will have power, and whether it will be able to protect the safety, rights and interests of visitors.

In addition, the Government should not merely pay attention to group tour services. Rather, it should start by addressing issues in a broader context, including the impact of visitors on the environment of local communities, and the capacity of various districts to receive visitors. Tour operators certainly hope to benefit from the influx of visitors. A senior figure from the Hong Kong Tourism Board once said that there was no reason to drive off visitors, adding that if a factory received a large number of orders, it should expand its manpower and facilities. That said, we cannot create another Hong Kong. Certainly, the Government can reclaim land, but reclamation has yet to commence.

We need to adopt a holistic approach to address the issue and avoid sparking outcry from local communities. This is a reciprocal process. Concessions should not be merely made by local residents. If visitors cause no nuisances, local residents will not give them a hard time and will not initiate any liberation movement. We hope that visitors coming to Hong Kong will have a pleasant sightseeing and shopping experience. If we want to maintain Hong Kong's reputation as a hospitable city and Hong Kong people to treat visitors politely, certain conditions are required, that is, support is needed in terms of transport, management and visitor receiving capacity. These are all factors that the Government needs to consider. That said, I support the Bill as a whole.

MR DENNIS KWOK (in Cantonese): President, the Civic Party supports both the Travel Industry Bill ("the Bill") and the establishment of the Travel Industry Authority ("TIA") by the Government. However, I would like to talk about the history of the Bill at this juncture before we vote.

Just now, a fellow colleague said that the Government commenced, as early as 2011, a public consultation on the review of the operation and regulatory framework of Hong Kong's travel industry. Upon comprehensive consideration of all the views, the Government decided to establish TIA and formulate a new legislation to provide for the powers and composition of the regulatory body, and formulate a set of rules to regulate the licensing regime for travel agents, tourist guides and tour escorts, as well as to regulate Hong Kong's travel industry in a holistic manner, with a view to enhancing the quality of the trade and promoting healthy and long-term development of the industry.

More than eight years have passed since former Chief Executive Donald TSANG announced the regulation of the travel industry in his Policy Address in October 2010, and the Bill is finally introduced today. Why did the Government not draft a relatively simpler ordinance but had to spend eight years over two terms of Government to draw up the Bill? This reflects that the pace of the Government in drawing up certain essential bills is really disappointing.

How come such a long time is taken to draft the bills required? Sometimes, the Panel on Administration of Justice and Legal Services will review law reform recommendations proposed by the Law Reform Commission which

had spent extended period of time to complete the relevant work. Upon the submission of report by the Commission, the Government would often spend another 10-odd years before implementing the reform.

There are views that Hong Kong has lagged behind in respect of law reform over the past decade or two. As a matter of fact, the Government should be held responsible to a great extent in this regard. This is because if legislation fails to keep pace with time, it will lag behind. The Bill is a very good example to prove that Hong Kong is indeed too slow in its legislative pace.

For bills that run counter to vested interests or crucial principles or bills that are highly controversial (such as the bill to amend copyright legislation), they might not be enacted in the end due to various reasons, such as strong opposition, time-consuming. However, most of the voices in the Council are supportive of the Bill, and consider that regulation is needed for the travel industry. Under such circumstances, why did the Government still take over eight years to draft the Bill? What has actually gone wrong with our legislative or consultative procedures, such that eight years are required for the passage of the Bill? I wish to take this opportunity to urge the Government for a due review.

Secretary Edward YAU, when you were the Secretary for the Environment, I trust you have never thought about having to take over to deal with the Bill after becoming the Secretary for Commerce and Economic Development eight years later. This is indeed perplexing.

Certainly, there is not just a single option for regulation. I recall that a number of options were proposed back then. Option 1 was to retain the current two-tier regulatory regime, reform the Travel Industry Council of Hong Kong ("TIC") and specify its role as a public association. Option 2 was to transfer certain regulatory functions from TIC to a government department.

Option 3 was to establish a new and independent statutory body to regulate the travel sector, so as to enhance the independence and credibility of the regulatory framework of the travel industry and effectively address the concern over "insiders regulating insiders", thereby responding to the request of members of community. This option could even allow TIC to continue representing the trade, and reflect opinions to the Government and relevant bodies. Nevertheless, when this option was proposed back then, the consultation document pointed out

that the implementation of Option 3 required amendments to legislation and TIC's Memorandum and Articles of Association ("MAA"), and it was expected that a bill could be introduced into the Legislative Council in about two and a half years, while the amendments to TIC's MAA would take six to nine months, and the two amendments might be pursued concurrently. In addition, preparatory work such as the appointment of board members and recruitment of office staff might take about six months to one year. Notwithstanding, a bill could be introduced into the Legislative Council in October 2013, and amendment of MAA could be made in October 2014; consequently, regulation could formally commence before October 2015.

Option 4 was to set up a government department to take over from TIC and be responsible for regulation.

The policy intent for establishing TIA is very clear, and that is, to deal with various problems of the travel industry over the years. In my view, it is surely necessary to regulate the conducts of tourist guides, tour groups or tour escorts; but Members always bundled this issue with the problems created by Mainland visitors in Hong Kong. We have to deal with the two matters separately. Just now when many Members spoke, they mentioned the situations of the communities where they live, or the chaotic scenes of over 100 tour groups visiting Tung Chung. I believe these tour groups have indeed caused tremendous nuisances to the local residents, but this was definitely not related to the conducts of tourist guides, tour groups or tour escorts. Probably, it was because all tour groups go to certain places, or all visitors go shopping or dining at certain places. Even if TIA is established, can it solve the social problems caused by the influx of visitors to Hong Kong? I trust it is not so simple, and may not be possible. This is because TIA regulates the licensing of tourist guides and tour escorts and the suitability of their conducts. Clause 99(3)(c) of the Bill provides that if the act or conduct of a tourist guide or tour escort brings, or poses an imminent risk of bringing, the travel industry of Hong Kong into disrepute, his licence may be revoked or suspended.

I have joined some committees for regulating certain conducts of the trade, such as the committee to monitor the estate agents' execution of code of practice. How should we judge if the conduct of a tourist guide or tour escort in escorting a tour group will bring, or pose an imminent risk of bringing, the travel industry of Hong Kong into disrepute? Many Members mentioned that hundreds of visitors

flocked into the community for meal at the same time, yet this has no direct relationship with the business practice or conduct of tour escorts or tour groups. Such kind of problems will not spontaneously be solved with the establishment of TIA or its regulation. Certainly, we hope this new regulatory body can issue clear guidelines to tour escorts, so as to minimize the impacts caused to the community by tour groups.

Surely, as a layman, I do not know if the guidelines can alleviate the impacts, especially negative impacts, on society posed by tour groups. Nevertheless, I truly hope that after the establishment of TIA and commencement of the Ordinance, express provisions will be formulated regarding the internal disciplinary mechanism, and the regulation of travel agents and tourist guides, etc. TIC had no enforcement power in the past, so it has all along been criticized for its ineffective regulation or its incapability to handle problems identified. We are convinced that the situation will improve after the establishment of the independent TIA with legal powers.

The Civic Party considers this reform imperative. We support the establishment of TIA to regulate of travel agents, tourist guides and tour escorts, and hope that TIA will step up enforcement upon its establishment. Upon the commissioning of the Hong Kong-Zhuhai-Macao Bridge, Tung Chung is packed with a large number of tour groups with no Hong Kong receiving agent. Some Mainland tour escorts are suspected of coming to Hong Kong on visit visas for engaging illegally in tour-escorting service. Some Hong Kong tour escorts just ignore their duties and allow their tour group members to go for free activities. The future TIA should step up its efforts to combat non-compliant cases and should not fail to exercise its powers. Therefore, we hope that upon the establishment of TIA, such situations can be eradicated, and at least the adverse impacts of tour groups on the community can be minimized.

Apart from the perspective of visitors, TIA should also conduct regulation from the perspective of members of the public by considering the impacts of tour groups on Hong Kong residents. Hence, provisions such as tour groups should not use public transport or cause nuisances to Hong Kong people should be formulated.

Earlier on, I mentioned that clause 99(3)(c) of the Bill might not be able to deal with the impacts on Hong Kong by tour groups and visitors, and this is the issue that people are most concerned at the moment. I can only place my hope

on this new regulatory body. I hope that trade members, non-trade members and people familiar with the operation of such kind of regulatory establishments, will give good advice and suggestion, so that the tour groups or tourist guides can pay heed to the needs of members of the public.

Certainly, we understand that there are cultural differences around the world. While some acts are acceptable in Hong Kong, they may cause an outcry elsewhere. There is an advertisement in the Mainland lately that created a great disturbance. I have seen the advertisement and do not think there are big problems. Nevertheless, I believe that the travel industry will also encounter the same problem, and that is, some acts acceptable in some countries or places may arouse wide media coverage and some negative sentiments in other societies.

I hope that the community will return to its senses, and TIA will make good use of its powers upon the passage of the Bill to perform a good job in regulating members of the trade, so as to raise *(The buzzer sounded)* ... the overall quality of the travel industry.

PRESIDENT (in Cantonese): Mr KWOK, please stop speaking.

MR HOLDEN CHOW (in Cantonese): President, I speak in support of the Second Reading of the Travel Industry Bill ("the Bill"). It is widely known that the Bill has been in the pipeline for some time. Generally speaking, the Bill seeks to strengthen law enforcement by the relevant parties by setting up the Travel Industry Authority ("TIA"). In view of the previous malpractices in the travel industry, TIA may, as a statutory body, exercise more effective regulation under its statutory power. From this perspective, the Bill will benefit the Hong Kong community as a whole. For this reason, I will support the Second Reading of the Bill.

President, a lot of views which were put forward during the deliberation of the Bill are worth sharing with fellow Members here. Among them, one suggestion was that, to facilitate TIA's regulation of malpractices of the travel trade in the future, the Bill empowers TIA to issue administrative measures or administrative guidelines. TIA will have statutory powers to take disciplinary actions against licensed travel agencies or travel agents upon confirming the

complaints about their actual violation of relevant guidelines or codes in the future. In my view, this approach of handling complaints will be more effective than the current arrangement.

In addition, I would like to raise a very important question. What exactly will be the wording or content of the administrative measures or guidelines to be issued by TIA in the future? I believe that all of us are concerned about this question. In its reply to the Counsel to the Legislative Council, the Administration stated that clause 55 of the Bill provides that TIA has the statutory power to issue relevant administrative guidelines, directives or codes of conduct, etc. Upon receipt of complaints, TIA is also empowered to launch investigation and even enter the travel agency involved to carry out an investigation. Clauses 71 and 72 of the Bill have also set out the relevant provisions. In my view, these clauses have clearly set out the future complaint handling mechanism.

Going back to the question I raised just now: What will be the content of the guidelines or codes of conduct to be formulated by TIA? In fact, according to the Bill, TIA will consider whether the acts of a licensee will bring Hong Kong's travel industry into disrepute. Frankly speaking, literally, this criterion can be very broad in meaning. I am not a travel expert, nor do I have any experience in this industry. However, as an outsider, I have noticed that in recent years that problems such as conflicts between visitors and local residents have repeatedly occurred. I hope that TIA will take these problems into consideration when formulating the guidelines or codes of practice in the future. When handling the problems caused by the travel trade or tour groups to the local community, TIA should spare no efforts in examining and balancing the interests of various parties. Of course, we may not possibly cite immediately an example of the wording of the guidelines or codes now. A long period of deliberation and discussion is required, and the views of the travel trade must be heard. However, I wish to highlight the public's actual expectations on TIA. After its establishment, I hope that TIA will further consider the situation of local residents before formulating any codes or guidelines, with a view to achieving better results.

The recent condition of Tung Chung is worth mentioning. Upon the commissioning of the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port, more visitors have flocked to Tung Chung, resulting in a certain degree of impact and congestion in the district, thereby affecting the lives of the local residents. One

of the reasons was that some Mainland tour groups have found to have violated the Mainland laws. We have also noticed that some Mainland tour groups have actually not made any reception arrangement with Hong Kong receiving agents, nor have they even arranged any tourist guides and tour escorts before coming to Hong Kong. Under clause 40(1) of Division 2 of Part 3 of the Bill, "No person may, without a tourist guide licence, work as a tourist guide." Anyone who contravenes this provision is liable on conviction on indictment to a maximum imprisonment of one year.

President, I have earlier written a letter to urge the authorities to further explain the pertinent provision which I personally have some expectations. Will the provision be the basis of law enforcement after taking effect in the future? If a Mainland tour group has failed to arrange a qualified, licensed Hong Kong tourist guide for tour-escorting duties, and has instead violated the regulation by hiring an unlicensed tourist guide, once the non-compliance is revealed, is it possible to enforce the law and make arrest based on this provision? If this provision can be used as the basis of law enforcement, I believe that some progress can be made in combating non-compliant Mainland tour groups. I hope that the authorities will give further explanation on this if possible later.

However, I must emphasize that we cannot merely rely on Hong Kong to combat non-compliant tour groups. The support of the Mainland government is also very important. In a consolidated reply dated last week to a joint letter from Ms Starry LEE and me, the Hong Kong and Macao Affairs Office of the People's Government of Guangdong Province pointed out that the Mainland authorities have stepped up law enforcement efforts to combat non-compliant Mainland tour groups. They will basically not give permission to any tour groups which are found to have problems. Through the collaboration between the Mainland and Hong Kong authorities, I believe that the effect will be further enhanced.

Given the support of the Mainland authorities, the SAR Government has recently carried out measures. In the past two weeks, the tourist traffic in Tung Chung has actually improved to a certain extent. However, the Government should definitely not let its guard down. During the coming New Year and Lunar New Year, tourist arrivals will reach a peak and the Government should make proper preparation. I would like to make a specific suggestion. At the Passenger Clearance Building of the Hong Kong Port area, the Government should expeditiously make arrangements for the operation of temporary shops to

sell daily necessities, so that Mainland tourists who intend to go shopping in Hong Kong can stay at the Hong Kong Port area for spending. It will not be necessary for them to flock to Tung Chung. I believe that this will help alleviate the problems of Tung Chung. I take this opportunity to make this suggestion and hope that the Government can draw up a timetable to expeditiously implement the arrangement in a proper manner.

Lastly, during the discussion on the Bill, we have reiterated that the Bill was attributable to the zero-fare Mainland tour groups which had existed for a period of time. Such non-compliant tour groups may have far-reaching impact on the reputation of the travel trade, and will even affect Hong Kong's reputation as a premier tourist city. I urge the Government to step up law enforcement and crackdown efforts. During the scrutiny of the Bill, I had taken the opportunity to reiterate that the authorities had to combat malpractices such as zero-fare tour groups and coerced shopping, etc., which would tarnish the reputation of the travel trade and of Hong Kong as a premier tourist city. I also hope that the authorities will listen to the views and combat contravention more effectively by means of the Bill. The authorities should also require all units related to the travel industry to strictly abide by the administrative guidelines and codes of conduct formulated by TIA in the future. I hope that the authorities will give appropriate response later and safeguard Hong Kong's reputation as a premier tourist city.

President, I so submit.

PRESIDENT (in Cantonese): Mr Paul TSE, do you wish to speak?

MR PAUL TSE (in Cantonese): President, thank you for reminding me for I have forgotten to press the "Request to speak" button. Having heard many colleagues speak on this subject, I think I should also make a response although I may not be fully prepared.

First, I certainly welcome that the Travel Industry Bill ("the Bill") has finally been submitted to this Council, giving us a chance to further regulate the travel industry and hopefully the industry will make improvements.

Some colleagues have talked about history. If I remember correctly, in 2010, I was the representative of the tourism industry in the Legislative Council. I do not want to say that I succeeded in doing something, but I did convince the then Chief Executive that a review or even a reform of the travel industry was required. Some colleagues have criticized the long delay. They queried why after raising the need for regulation in 2010, it has taken so many years, during which Hong Kong was served by different Chief Executive and public officers, for the Bill to be presented to the Legislative Council. Perhaps I can respond to Mr Dennis KWOK who asked this question. Some ordinances, such as the Land Titles Ordinance, have yet to come into effect years after their enactment. Some may never come into effect. Why is that so, President?

Speaking of the travel industry, I believe the biggest problem lies in the conflict of interest among various parties. As the stakeholders of the industry engaged in arm-wrestling and during the process, not only the industry itself but Hong Kong as a whole was implicated. During that period of time, owing to various changes in society, economic changes, the ups and downs of the travel trade, as well as natural or man-made disasters, it was not appropriate to forcibly or expeditiously impose regulation. Hence, it seems that the issue has been handled in a dilatory manner.

I understand that the Bill cannot totally address all the problems that we are concerned about. For example, many colleagues, especially those with District Council background, are still very worried if the passage of the Bill will result in enhanced licensing and regulations. In fact, the travel industry is involved with many aspects, such as entry into and departure from Hong Kong, and the support of peripheral services, which include industries and trades such as airlines, hotels and restaurants.

To regulate inbound tourism, it cannot be achieved by one Policy Bureau or one simple ordinance. As a matter of fact, I had proposed to reform the tourism industry and improve the Travel Industry Council of Hong Kong ("TIC"), and I even considered establishing a Tourism Bureau. The Tourism Bureau, if established, would have the advantage of being on a par with other Policy Bureaux with similar powers to undertake coordination work at a higher and broader level.

For instance, during the SARS epidemic, there were many serious problems. A certain Policy Bureau might consider it necessary to immediately enforce strict quarantine measures, even closed an entire hotel building. In

carrying out those special measures, the Policy Bureau only considered from the perspective of public health, having no regard for the travel industry and the overall economy of Hong Kong. As a result, many problems had arisen during the quarantine and closure of the hotel. Under such extreme difficulties, the authorities certainly had to adopt some extreme measures. We understood the situation, but if we had a Tourism Bureau, which was on a par with the bureau in charge of public health, to coordinate and enforce the agreed policy, the effect would be better than entrusting the work to a low-ranking travel regulatory organization or government official. At that time, as the authorities had to force through certain special measures, the strong power employed might have aroused fear. That was one of the examples.

In another example, a colleague, who also belongs to the travel industry, has given me advice. He now works in my Member's office. He is well aware that the travel industry is not only diversified and highly flexible, but can also be considered as organic, meaning that it is changing all the time. We cannot wait until all facilities, such as car parks, shops and restaurants, are ready and then invite visitors to come. That does not work. Fortunately, we still have some natural or historic attractions, or some modern man-made attractions such as the Hong Kong Disneyland and Hong Kong Ocean Park to attract visitors. With these advantages, we do our best to meet challenges and address all problems. We just cannot wait till all problems are solved before receiving visitors.

I believe that all trades, countries and places will always have to meet challenges and difficulties in the course of pursuing economic benefits. We cannot possibly just want to have the good side and discard the bad side. Many colleagues have talked about the situation in the district where they live. I used to live in Patterson Street in Causeway Bay for a long time. Causeway Bay is packed with tour groups, Individual Visit Scheme ("IVS") visitors, individual commuters and local people, as well as protestors every year, as Causeway Bay is a famous region of demonstration. All these people have congested the public walkways and seriously affected the ecology of the district. Yet, we have to put up with the situation.

Of course, people may, upon hearing my remarks, say that I can choose to live elsewhere, but no matter where we live in Hong Kong, no matter whether there are bars or shops for tourists in our neighbourhood, we still have to strike a balance, make compromises or choices. If unfortunately, we have no choice but live in a residential and commercial district, we have to face a lot of difficulties in

striking a balance. As I chose to live in Causeway Bay, I had to endure thousands or tens of thousands of tourists, IVS visitors and people dragging their suitcases around each weekend. Sometimes, I sympathize with those tourists. Even when they make purchases in large big department stores, they are treated poorly as if they are refugees. If they go shopping in overseas countries, the environment is more comfortable and they need not worry about rip-off shops. I think that is a reality.

I must mention another point. In all places of the world, even if there are no industries that can be developed, as long as there are some tourism resources, tourism can facilitate economic development or speedy recovery of the place. As I said earlier, when something brings advantages, it will also bring disadvantages, it all depends on how one handles the situation.

If one wants to operate a travel agent or engage in travel-related business, the threshold is relatively low and hence people with relatively little education, new immigrations, or new arrivals to Hong Kong who have not fully integrated into the society if Hong Kong are particularly suitable to work in this industry. Under these circumstances, it is very important to maintain the flexibility and tolerance of the industry and may be conducive to solving many problems. I think similar trades include taxi or minibus trades. There are also problems in regulating these trades, but as it is easy to join these trades, many people can work as self-employed drivers and they can join the trade to make a living when they cannot find other jobs. Another example is hawking. It is not advisable to impose very harsh regulation on these trades as people will then hardly make ends meet.

Concerning the regulation of the travel industry, this is only the first step forward. If the Government wants to properly handle various problems, the Bill is only the first step. Do not be so naïve as to think that after the Bill is passed, the problems described by Ms Starry LEE in the Kowloon City District or the various problems brought up by colleagues can be resolved immediately. The travel industry can bring many benefits, as well as challenges and difficulties. When problems come up, we should try to consider them from various perspectives and handle them with tolerance. In respect of law enforcement, we should do whatever is required but do not think that the problems can be solved by seriously combating malpractices. In respect of the present situation in Tung Chung, I think that representatives of the tourism industry, leaders of the trade or even members of the District Council concerned are treating the problems in an

over simplified manner, and they have not tried to solve the problems from a perspective of forbearance.

Some Members mentioned the unauthorized tour groups. People may not understand what they are. At present, the Mainland travel agents authorized by the China National Tourism Administration to organize tour groups to Hong Kong must comply with Hong Kong's requirement of providing local receiving arrangements. Apart from the authorized travel agents, there are thousands of unauthorized small travel agents that are practically unregulated and they have no contact with the counterparts in TIC. Of course, this is a rather technical issue and I do not wish to go into too much detail. As the travel industry is highly flexible and provides many employment opportunities for people of different walks of life, it is not easy to regulate.

Actually, the title of TIC is somewhat pretentious. When it was first established, it only regulated some local outbound travel agents. I recall that when Mr Harold WU initiated the establishment of TIC, he suggested that the title could sound more impressive by using the "travel industry" instead of "travel agents" and the grand term "Council". In fact, for many years, TIC had only regulated outbound travel agents of Hong Kong, i.e. the travel agents that we can always find in advertisements. But of course, that was the situation in the early days. Later on, Hong Kong people have better means to go travelling, and with China's reform and opening up, many Mainland compatriots have more opportunities to travel abroad, and Hong Kong and Macao, being their top destinations, are the first to benefit. With the benefits, many problems have arisen that required regulation.

Some colleagues have mentioned the "Ah Zhen Incident", which I still remember vividly. At that time I had to deal with the problem on behalf of the tourism industry and it was indeed rather shocking. Yet, I must stress that when dealing with problems concerning the tourism industry, one has to understand its flexibility and its organic feature. As in the case of dealing with issues such as cross-boundary pollution—sorry, I do not mean to smear anyone by saying so—I just want to say that in dealing with cross-boundary problems such as waste or air pollution, Hong Kong alone does not have full control of the problem. It must properly communicate with the organizations in charge in our neighbouring areas. Hong Kong cannot act behind closed doors, thinking that it can contain the problems by keeping them out of our doors.

In the amendment stage, I will discuss the provisions one by one and will provide additional information on some technical arrangements. At the present stage, I just wish to point out that we must understand that the Bill has made one big step forward. I was once a member of TIC and had helped in handling complaints and appeals. Also, through my exposure in other aspects, I share the views raised by some Members that TIC is controlled by major travel agents and those with vested interests, thus giving rise to many unfair situations and small travel agents are being suppressed by various parties. Moreover, as TIC was first organized by outbound travel agents, it had no idea how to regulate inbound tour groups or inbound travel agents. Owing to TIC's ignorance of and inability to regulate inbound tourism, greater conflicts of interests have arisen, resulting in more problems.

A great progress has now been made in two areas. First, the regulation will be more systematic and more stakeholders of inbound travel business will get involved. More importantly, the stakeholders who have been neglected in the past, including tourist guides and tour escorts, will have the chance to participate in the regulatory work. A big step forward has at least been made in these two areas. As regards other details, I will make a more detailed analysis later on. On the whole, I think this is a historic moment and we have the chance to make a big step forward. Thank you, President.

MR KWONG CHUN-YU (in Cantonese): President, Members have elucidated the background of the Travel Industry Bill ("the Bill"), which seeks to repeal and replace the Travel Agents Ordinance (Cap. 218 of the Laws of Hong Kong), and in particular, to introduce a new regulatory regime, which includes the establishment of the Travel Industry Authority ("TIA") to regulate the licensing and regulation of travel agents, tourist guides and tour escorts, and to administer the Travel Industry Compensation Fund ("TICF").

Referring to TICF, I am compelled to share a very painful experience of a few months ago, and that is, the closure of Action Travel Services Limited ("Action Travel"). We want to make use of this opportunity of scrutinizing the Bill to mention this name again in this Chamber and the problems arising from its closure, with an aim to urging the Government to step up supervision in the future.

This travel agency used to take orders from regular customers and purchase cheap air tickets and accommodation for them, but it closed down all of a sudden. I still remember that late one night, I received requests for assistance from members of the public, who then swarmed to the police station to make reports. I also rushed to the police station, where I met Mr LAU Kwok-fan. Both of us were busily engaged in providing assistance to the victims who had bought air tickets from Action Travel before its closure.

When people planned for a trip, they may not necessarily collect information about travel policy and protection, nor are they aware of the protection provided for them under the laws of Hong Kong. Actually, compensation from TICF is offered to assist victims who have purchased "packages". What is meant by "packages"? It means the purchase of air tickets plus accommodation, air tickets plus local activities, or both of them. In short, a customer will be protected under TICF only if he has purchased two kinds of products at the same time.

The victims were thrown into confusion in the police station on that day, not knowing what to do. The travel agency had closed down but the victims might have paid a considerable sum of money, for example, one of them had paid more than \$100,000 to purchase air tickets for the whole family. We cannot help asking why the laws of Hong Kong would allow a travel agency to close down all of a sudden, and the customers are left unprotected. The crux of the issue is whether this small travel agency had paid the levy in respect of the outbound fare received from customers. The answer is it might not have done so. Therefore, even with the protection of TICF, it was uncertain if people who had purchased "packages" could receive an amount of compensation at 90% of the fare paid.

The closure has resulted in significant implications and aroused people's concern of whether small travel agencies operating in Hong Kong should be subject to more stringent supervision, and whether the victims who had been misled into believing this small travel agency are protected. I am very grateful to the Travel Industry Council ("TIC") for the assistance provided back then, which has at least cut the red tapes and provided support by all means with respect to TICF. Although some victims were unable to produce receipts with e-levy stamps, payment of compensation had been provided from TICF as far as

possible. Nonetheless, Members must not forget that in this tragic incident, a large number of victims had only purchased air tickets and have yet to know if they can claim compensation.

As a matter of fact, the incident has rung an alarm that we are obliged to examine whether Hong Kong should step up its supervision of travel agencies, or should actions only be taken when there are similar cases of closure of travel agencies or when there are hundreds of victims. Travelling should be enjoyable, but it ends up in sorrow and even incurs loss of money.

I notice that following technological development, the Bill is now closely related to online transactions. In view of the fact that members of the public can easily purchase air tickets and accommodation on the Internet, we certainly hope that the Bill will focus more on this area. In the Bill, the scope of clause 4(1)(b) has been extended to cover online travel agencies. The provision is very specific, in that a person carries on travel agent business if he obtains for another person carriage from Hong Kong to a place outside Hong Kong, obtains accommodation at a place outside Hong Kong, or actively markets to the public of Hong Kong any of those business activities. However, I am very worried if the Bill can succeed in regulating online transactions.

This provision requires that online travel agencies operating outside Hong Kong and actively marketing to Hong Kong residents must obtain a licence, but can this provision be enforced? We certainly hope that the law enforcement departments or government departments concerned can enforce the law in the future, but we must understand that if the Government fails to clearly explain how these travel agents will be required to apply for licences, I am worried that the law may not be enforced in the future, especially against those travel agencies outside Hong Kong. Therefore, we very much hope that the Government can provide more information to enable us to gain a better understanding of why it is confident that certain websites will be subject to regulation. For example, we have often seen a television advertisement calling on people to visit a certain website when planning for an overseas trip, so how the Government is going to require and urge these websites to apply for licences and thereby imposing strong and efficient supervision on them. At present, there is no relevant provision and I believe members of the public who are concerned about the Bill would also feel very concerned about this matter.

On the other hand, I also notice the regulation of shops patronized by inbound tour groups. In the Bill, clause 152(b) "regulate shops that inbound tour groups are arranged to patronize in relation to that patronage" and clause 153(2)(j) "establish and implement an administrative scheme for regulating shops that inbound tour groups are arranged to patronize". Both of them are our concerns. According to the Government, TIA would continue to implement TIC's existing Refund Protection Scheme (Registered Shops) for Inbound Tour Group Shoppers, which is an administrative scheme for regulating shops that inbound tour groups are arranged to patronize. In other words, in the event of any accident, a series of measures will be taken by TIA, and a shop that fails to comply with the administrative measures will be subject to disciplinary actions. Literally speaking, these measures look very powerful, but we are worried that the Bill has only empowered TIA to monitor shops related to Mainland tour groups. In the case where customers gather outside the shops, TIA is only responsible for formulating the so-called crowd management measures. For non-compliant shop, will their licences be revoked or other tougher penalties imposed?

At present, there are actually several problems in Hong Kong, for example, as Members mentioned earlier, some streets in Kowloon City are often occupied by tour groups. The relevant authorities are duty-bound to tackle these problems. However, this involves questions concerning the appropriate enforcement effort, the conduct of spot checks, the collection of evidence, and whether or not a shop would be accused of not properly implementing crowd control when a crowd of people is found gathering outside it. We are afraid that the justification is too weak because we should at least be informed if the Bureau can issue warnings or take enforcement actions when the shop concerned has failed to adopt the relevant crowd control measures or properly manage the pavement outside the shop. I have doubts about the situation.

In addition, many people have also expressed concern about the operation of Mainland inbound tour groups business, which is the so-called unauthorized travel agents mentioned by Mr TSE just now. Mr Holden CHOW is also very concerned about this matter because whenever we think of these tour groups, it seems that people would like to hold Mr Holden CHOW accountable.

Coming back to the Bill. Clause 5, in particular, provides for the "Meaning of carrying on Mainland inbound tour group business". This provision is somewhat similar to clause 4, which also defines the scope of

regulation of Mainland inbound tour groups by means of transport, accommodation, itinerary, etc. However, clause 6(3) on "Prohibitions" stipulates that a licensed travel agent can only cooperate with travel agents approved by a regulatory organization in the Mainland, that is, it prohibits unauthorized tour groups that are not registered with either the Mainland or Hong Kong or their arrival to Hong Kong is unapproved. To eradicate these tour groups, much effort will have to be made in respect of law enforcement, investigation and collection of evidence.

Assuming that the Bill is passed, how can we tell from actual operation which tour groups are unauthorized? For example, if there is a crowd of people gathering in Tung Chung, how can the authorities distinguish if they have joined the unauthorized tour groups organized by travel agents that are not registered with either the Mainland or Hong Kong or their arrival was unapproved? This is indeed a test for law enforcement officers, and I trust that this has a lot to do with the composition, establishment and future empowerment of TIA proposed in the Bill.

As we can see from the Bill, the work of the Government has clear directions. However, apart from directions, we also hope that there will be proposals so that we are at least informed of the enforceability of the provisions contained in the Bill in the future. If what have been laid down can only be said but not be done, we will feel pretty worried. The Government proposes to regulate online travel agents by requiring them or those operating overseas but actively markets to Hong Kong residents to apply for licences. What is the definition of "actively"? Is placing television advertisement considered as "actively"? Is placing online advertisements considered as "actively"? How can the Government require online travel agents to apply for licences by then? What if they refuse to be licensed? What if we cannot stop them from marketing in Hong Kong? On the other hand, how can the Government effectively and properly regulate those unauthorized tour groups? Are we going to allow the visitors to flock to different parts of Hong Kong such that various districts fall one by one, while leaving the Bill to purely serve the purpose of window-dressing? This is the issue that I would like to bring up.

With regard to the composition of TIA, it has been brought up for discussion by colleagues earlier on. It has altogether 30 members, including a chairperson, a vice-chairperson and no more than 28 ordinary members. All of them will be appointed by the Chief Executive, and it must be ensured that more

than 50% of the appointed members are trade members. We are now groping our way across the river and no one knows how TIA is going to operate, whether it can work with the industry and whether it can effectively relay the views of various parties in the future.

As I have said right at the beginning of my speech, TICF had been very helpful in some minor incidents that happened in the past. Such being the case, can TICF keep abreast of the times or take this opportunity to make further improvements? The present Bill has basically retained the previous TICF, but an improvement has been made to obviate the need to purchase a number of items at the same time. Even if a customer had purchased a few items separately from the same travel agent, he would be entitled to protection and this is a small step forward. And yet, I cannot help wondering if TICF is likely to be the victims' last resort when a local travel agency closes down. I saw that Mr LAU Kwok-fan has also pressed the "Request to speak" button, and I believe he would share my view. Both of us have the experience of handling requests for assistance from hundreds of people, so it is natural for us to ask if further improvements can be made to the future TICF, or how "non-package" victims can prove that they have purchased "package" items, which I mentioned earlier on, from a certain travel agency. I also want to highlight that in that incident of the closure of a travel agency, someone had broken into the travel agency to look for the levy stamps in order to become eligible for compensation.

Judging from this, Hong Kong's travel industry still has a long way to go before achieving perfect supervision and administration, both internally and externally. Anyhow, regardless of whether it is one small step or just half a step, the travel industry is after all an important mirror of a city. It is imperative to make visitors feel that Hong Kong is a home away from home, and at least provide the most basic protection for Hong Kong people who travel abroad to take a short break. I look forward to *(The buzzer sounded)* ...

PRESIDENT (in Cantonese): Mr KWONG, please stop speaking.

MR KWONG CHUN-YU (in Cantonese): ... the establishment of TIA.

MR LAU KWOK-FAN (in Cantonese): President, I speak in support of the Government's proposed amendments to the Travel Industry Bill ("the Bill"). With the changes of the times and the rapid development of the Internet, consumers will not only purchase travel products from the physical stores of travel agents. Therefore, the Government has proposed amendments to improve the Bill that only targeted physical stores in the past, so that different business modes such as online shops will be regulated by the Government and license applicants are also required to provide more detailed information.

As we all know, online shopping has lately become a trend in Hong Kong. For Hong Kong people who love to travel, online travel agents that do not require people to sign up for tours or purchase services in person are undoubtedly more convenient; thus they have become increasingly popular in recent years. However, it cannot be ignored that some online travel agents do not have branch addresses in Hong Kong, so they can operate without a license and are not subject to the regulation of the Travel Industry Authority ("TIA"). Once these travel agents unfortunately close down, it is very likely that the money of consumers who have purchased services from them will go down the drain.

To address this problem, the Government has proposed amendments to regulate online travel agents and require these travel agents to apply for travel agency licences from TIA. The relevant requirements are the same as those for travel agents setting up physical stores and consumers are also protected under the Travel Industry Compensation Fund ("TICF"). I strongly support the amendments.

We welcome the Government's amendments to the Bill in keep abreast of the times, so as to better protect consumer rights, but we hope that the Government can make relevant arrangements as early as possible. Today, I would like to cite the case of the unfortunate closure of a travel agent as an example and discuss whether the relevant ordinance can be further optimized.

As an Honourable colleague has just mentioned, Action Travel Services Limited ("Action Travel") suddenly announced closure in March this year due to operational difficulties. Hundreds of consumers who had purchased travel products suddenly became victims and their total losses exceeded \$5 million. However, the consumers were not provided with stamped receipts for some transactions relating to travel packages and air tickets that were sold by the company to customers before its closure. This incident has wide-ranging impacts indeed.

After the incident, the affected victims and I repeatedly communicated with the government departments concerned and asked the Government to do its utmost to assist the consumers who suffered losses and demanded compensations to them under TICF. In fact, the ordinance lacked flexibility in the past, even if the receipts were not stamped, the cases would only be covered under TICF if the requirement of "two out of three conditions" was met. I would like to take this opportunity today to thank Secretary Edward YAU, Chairman of TICF Management Board Kevin LAM, Registrar of Travel Agents Brendan AU and the Commissioner for Tourism for actively coordinating and communicating with TICF in respect of the incident and exploring how to remove barriers or provide special treatment to the victims so that they can receive some compensations. TICF Management Board finally accepted my proposal and satisfied that Action Travel had paid stamp fees for the transactions. At the end of May, it was decided to provide 90% ex gratia compensation for consumers who bought Action Travel packages, including those who did not have stamped receipts. Frankly speaking, up till now, I still receive messages from a lot of victims in the WhatsApp group that they have received cheques and that they are very grateful for the arrangements made by us and government departments.

However, the handling of these special circumstances depends on the coordination by the Secretary and TICF Management Board. Under the newly amended Bill, consumers must purchase two of the following services or arrangement i.e. transportation, accommodation or an activity in the destination from a travel agent before they will be protected under TICF. As compared with the previous arrangement, I think there are improvements but the coverage is still insufficient.

(THE PRESIDENT'S DEPUTY, MS STARRY LEE, took the Chair)

Nowadays, many Hong Kong travellers rarely buy full packages from the same travel agent. Owing to the price factor, they may buy air tickets from travel agent A, make hotel reservation from travel agent B and buy transportation packages from travel agent C, etc. Under the existing provisions, if a travel agent closes down, a consumer who has purchased two of the three items that I have just mentioned will be eligible for compensation. Therefore, Hong Kong people who adopt the new travel mode will not be protected. Victims who only bought air tickets from Action Travel have not received compensations so far, and we are helpless about this situation.

We welcome the Government's act of amending the Bill to enhance regulation of online shops so as to keep abreast of the times. However, there are still deficiencies as the Administration has failed to improve the relevant legislation to meet the changing travel habits of Hong Kong people. Therefore, as a member of the Bills Committee, I have communicated with the Government, the trade and the Commissioner, hoping that they will consider extending the coverage of TICF to all travel products, so as to perfect the relevant legislation by ensuring that consumers who only purchase air tickets or hotel accommodation will also be protected.

Nevertheless, I understand that the above extension requires the consensus of the whole community, including consumers and the trade. I also understand that the trade may have various concerns at the moment and that it is necessary to pass the Bill expeditiously to regulate the inbound or outbound segments of the travel industry in Hong Kong which are rife with a lot of problems. Therefore, the Bills Committee has closely communicated with the Government, hoping that consumers will have more confidence after the passage of the Bill. I do not know whether the Government will respond to my remarks again later but the Government has promised to start reviewing the coverage of TICF in the second half of this year or in 2019 and submit a report in 2020 to expound on the coverage of travel products. I hope the Bureau will respond to this later.

Therefore, I support the amendments proposed by the Government and I also hope that the Government will complete the relevant studies and amend the Bill as soon as possible, so as to solve the problem that outbound travellers who purchased single travel products will not be protected, and to provide better protection to the rights and interests of consumers. I hope the Government will fully respond later.

Nonetheless, I understand that the Bill must be implemented to enhance the regulation of Hong Kong's travel industry and I also understand that even if the Bill is passed and implemented, there are still many circumstances requiring gradual improvements, including the unauthorized tour groups or "L endorsements" mentioned earlier. Yet, given that consensus has been reached in certain areas and the implementation of the Bill is pressing, I will support the Bill and the amendments.

Deputy President, I so submit. Thank you.

(Mr Alvin YEUNG stood up)

DEPUTY PRESIDENT (in Cantonese): Mr Alvin YEUNG, what is your point?

MR ALVIN YEUNG (in Cantonese): Deputy President, I request a headcount.

DEPUTY PRESIDENT (in Cantonese): Mr Alvin YEUNG requested a headcount.

Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber, but some Members did not return to their seats)

DEPUTY PRESIDENT (in Cantonese): Will Members please return to their seats. The Council will now continue.

Ms Tanya CHAN, please speak.

MS TANYA CHAN (in Cantonese): I will speak on the Travel Industry Bill ("the Bill"). As Members can see, the Bill is voluminous. Regarding the establishment of a new framework, I will give my support.

I do not know if any Member has raised this point earlier. Anyway, if you remember, Deputy President, during that term of the Legislative Council when we first became legislators, a consultation exercise was conducted on certain problems in the travel industry. Members of the travel industry had all along adopted a self-regulatory model to monitor one another, with the Travel Industry Council of Hong Kong ("TIC") acting as their representative. But, as we noticed, many problems existed in the travel industry back then.

Deputy President, if you remember, when we were scrutinizing the Residential Properties (First-hand Sales) Bill, we became aware that first-hand sales of residential properties were initially regulated by the industry itself,

relying on the Estates Agents Authority for regulation, with frontline staff members being the main subjects of regulation. Under the existing laws, the employers of the travel industry (i.e. travel agents) are regulated under the Travel Agents Ordinance, but regulation on frontline staff members is, similarly, not necessarily adequate. Finally, the Residential Properties (First-hand Sales) Bill was passed in that term of the Legislative Council. After the commencement of the legislation, detailed information on the properties must be provided in the sales brochures by developers, the font size of the printed information is prescribed by statutory requirements and criminal liabilities are even stipulated.

From the paper on the Bill, we noticed that after conducting the public consultation exercise, the authorities put forward several options for selection by members of the public and the travel industry. Eventually, people hoped that the regulatory regime could be reformed, thus the Advisory Committee on Travel Agents ("the Advisory Committee") was established. Certainly, the Advisory Committee did not operate smoothly right from the start. I had the honour to participate in the work of the Advisory Committee for a few years. Although meetings were not often held (about once every three months), we had a good understanding of the industry, particularly the difficulties and challenges faced by travel agents, and how complaints (including those involving tourist guides and tour escorts) and issues about zero-fare tours which were popular back then were handled. Certainly, these issues were not easy to deal with.

Although the Advisory Committee had made efforts, the results were ineffective and problems had not been fully solved. Finally, as stated by the public, if we continued to rely on self-regulation of the industry, it would be difficult to regulate those members of the industry which did not follow orders. During the deliberation of the Bill, we noticed that the Bill can deal with problems of travel agents, tourist guides and tour escorts in a more comprehensive manner.

Furthermore, in relation to the entire framework or regulatory regime, the Bill seeks to establish a statutory body, i.e. the Travel Industry Authority ("TIA"). As a statutory body, the powers of TIA come from the laws. The laws set down certain requirements on the structure and functions of TIA, e.g. the number of members, its Chairperson and Vice Chairperson, etc.

Most importantly, as I have noticed as a member of the Public Accounts Committee, the Bill sets down certain requirements on the statutory body of TIA. TIA has to submit information to the Government and the Commerce and Economic Development Bureau and it is subject to audit by the Director of Audit. This will at least ensure that TIA will not be unregulated, but has its functions and legal liabilities.

Certainly and most importantly, after TIA has made decisions or issued orders, aggrieved travel agents or tourist guides, etc. can lodge appeals via an independent appeal mechanism. In other words, there are channels to monitor the power of TIA so that it will not be vested with excessive power. Just like the case of the West Kowloon Cultural District Authority, we added many provisions in the relevant bill back then to clearly stipulate its powers and limitations. Nevertheless, if there are still unclear matters or if the authorities act slightly beyond their powers, we cannot institute judicial reviews all too often. We have tried to make the provisions as clear as possible so that appointed members of TIA can represent various sectors and understand their responsibilities. I think that is most important. A statutory body should not be vested with unlimited power; instead it should have legal liabilities.

Deputy President, the travel industry is an important pillar of Hong Kong. Nevertheless, the infrastructures which have recently commenced operation serve visitors more than Hong Kong people. Take the Guangzhou-Shenzhen-Hong Kong Express Rail Link as an example, the local passenger to non-local passenger ratio was initially estimated to be 5:5, but recent figures show that it is approximately 2:8, meaning that only 20% of the passengers are local people while 80% are non-local passengers, mainly Mainland visitors. Certainly, everyone who visits Hong Kong is a visitor. Besides, the Hong Kong-Zhuhai-Macao Bridge which commissioned recently is very often used by Mainland visitors. The tourist spots in Hong Kong, or rather, places which are not intended to be tourist spots, have suddenly become places where visitors will go. Thus, under these circumstances in particular, regulation of the industry has become all the more important.

Deputy President, I support the Bill mainly because that it criminalizes unscrupulous acts in the travel industry. Certainly, I remember that at first, some members of the industry voiced their objections to the Bill and even launched a movement against it. For example, tourist guides refused to wear their identification cards as clearly required by TIC; and they also refused to

comply with all other requirements of TIC. What could TIC do to them? It could not do anything. However, now that the Bill has provided criminal liabilities, are we ruthlessly driving away members of the industry? Surely not. Instead, we hope that the industry can develop in a healthier and steadier manner and take care of the needs of all tourists and visitors. The recent development of Hong Kong shows that much importance has been attached to inbound visitors from the Mainland. But, I think it is more important for Hong Kong to remain open to the world and continue to develop inbound tourism business from other countries too. This will promote a balanced development of the whole travel industry of Hong Kong. Otherwise, if undue stress is placed on a certain stream of business, I think it will be inappropriate.

After the new regulation regime is established, certain requirements will be imposed on tourist guides and tour escorts, including age, education level, participation in training courses etc. I hope that practitioners in the industry can smoothly adjust to these changes. Besides, it is also mentioned in the paper that the authorities hope that tourist guides or tour escorts will enrol in the continuing professional development courses upon each licence renewal. Sometimes, there may be new practices in the travel industry of which not all practitioners are aware. They may not be aware of some changes in laws, regulations or requirements. By enrolling in the continuing professional development courses, frontline practitioners will understand the latest changes in the industry as a whole, or the needs of visitors, so that they can provide more user-friendly services.

As I said earlier, in the past, tourist guides might not wear passes and travel agents might even hire unlicensed tourist guides. After the commencement of the legislation, offenders may have to bear criminal liabilities. I believe Members have heard of cases concerning coerced shopping, such as stopping visitors from leaving the shop by locking the gates, resulted in fights between the two parties. This will definitely affect the reputation of Hong Kong. Certainly, if tourist guides or tour escorts have such records, the authorities will review their situations when considering their licence renewal applications, including whether they are still appropriate to get the licence; whether they have fulfilled the relevant requirements; and even whether they have any record of misconduct. This will at least make frontline practitioners very concerned because licence renewal is a precondition for work. Without a licence, they cannot make money. I hope the authorities will deal with this issue appropriately.

Furthermore, the paper mentioned the Travel Industry Compensation Fund and the Travel Industry Development Fund to be established to provide training and information and technology, etc. Whether money will be appropriately spent is our concern. As TIA will be comprised of many representatives of the travel industry, money of the Funds should be used to assist the industry and even benefit the related retail trades and other businesses. Apart from upgrading the qualifications and credentials of travel agents and frontline practitioners, TIA can also put forward proposals to the Commerce and Economic Development Bureau to facilitate visitors in other aspects, such as enhancing the use of e-money and facilitating visitors' understanding of the transportation network of Hong Kong to make travelling easier. I think the Funds not only can assist frontline practitioners, but also indirectly help the travel industry of Hong Kong.

Deputy President, as I said at the beginning of my speech, I support the Government to take this chance to establish TIA which is not easy to come by as the preparation work has extended for years. I joined the Bills Committee on the Travel Industry Bill but later withdrew because its work was not at all easy. Members spent a long time scrutinizing the Bill, as in the case when we scrutinized the Private Columbaria Bill back then. The Civic Party supports the Government to establish TIA. We hope that members of TIA will, apart from performing their role of regulating the industry, also use their powers to enable the travel industry of Hong Kong to develop in a better way. I so submit.

DEPUTY PRESIDENT (in Cantonese): Does any other Member wish to speak?

MR KENNETH LEUNG (in Cantonese): Deputy President, I speak in support of the Travel Industry Bill ("the Bill"). The Bill has not been easy to come by. It has been deliberated at some 20 meetings, various stakeholders have made different interpretations of the Bill and some amendments have been proposed.

Let me talk about the historical background of regulating the travel industry. Quite a number of industries were originally self-regulatory. For example, I was once a member of the Board of the Estate Agents Authority ("EAA"). Initially, the estate agency trade was self-regulatory, but problems with sales practices had later arisen, such as real estate agents scrambling for

clients in public places. Some black sheep among practitioners of the travel industry have either adopted unscrupulous means to induce consumers to join tour groups, or provided guide-touring services, such as leading tour groups to scenic spots and historical sites of Hong Kong, without receiving proper training. A global trend is that such service trades are mainly regulated by an independent body.

To ensure the sound operation of a regulatory system, the Government needs to pay attention to several issues. Although in the process of scrutinizing the Bill, we have already spent a lot of time considering a number of issues, I still take pains to raise a few issues. First, members of the statutory body that regulates the industry should include consumers, non-trade members and trade members. A balance must be struck in this regard. I think the Administration has sought to strike a balance as far as possible in the Bill. As for the disciplinary hearing mechanism, many people have placed emphasis on the disciplinary committee. If a practitioner has not committed a criminal offence but only committed an act of misconduct, he will certainly have to attend a disciplinary hearing. The composition of the disciplinary committee should also strike a balance by having representatives of various parties. I had dealt with a number of disciplinary cases involving real estate agents, such as sales practices, posters displayed by real estate agents showing the conditions of a property, etc. Problems with sales practices in the travel industry include a three-day-two-night tour publicized by a travel agency only has itinerary arrangements for two days.

The second issue is governance. The framework and manpower arrangement of the Travel Industry Authority ("TIA") are important. However, Deputy President, to ensure that the travel industry is well-disciplined and can continue to contribute to the economy of Hong Kong, a complaints handling system and law enforcement system are both very important. Under the Bill, TIA is empowered to recruit staff for law enforcement. Apart from TIA staff, the Police also have the power to enforce the law. As different people can take law enforcement actions under the Bill, I ask the Secretary to explain their respective powers and responsibilities. In the case of EAA again, many law enforcement officers are frontline staff of EAA. Under the Bill, both the Police and TIA staff can enforce the law, and thus we need to clearly know their respective powers and responsibilities.

The third issue is the imposition of penalties. I certainly hope that practitioners of the travel industry will strive to promote the travel industry of Hong Kong, but if they have contravened the law inadvertently or committed an act of wrongdoing, I hope there is an element of flexibility in imposing penalties. Different approaches should be adopted depending on different scenarios. The most serious scenario is the commitment of a criminal offence, which is already covered by provisions of the Bill. That said, TIA should introduce a mechanism for imposing different penalties: the lightest penalty being a verbal warning, and a written warning for more serious cases. A person being regulated can even be required to receive training, so as to avoid the imposition of other penalties. A more serious penalty is to suspend the practitioner's licence and the most serious penalty is to revoke his license. This is indeed a severe penalty, but the severity of penalty should be proportional to the misconduct committed.

An appeal mechanism has also been formulated under the Bill. I hope that the appeal mechanism will operate efficiently, and TIA will not, as in the case of the Medical Council of Hong Kong, take several years to handle an appeal case. Certainly, we will only learn about the operation of the disciplinary hearing and appeal mechanisms after the Bill has come into effect. I hope that the disciplinary hearing and appeal mechanisms will be education oriented and avoid making practitioners lose their jobs. I also hope that no one will mistakenly believe that TIA is set up for the purpose of undermining the livelihood of practitioners. I hope that the industry as a whole will make progress in terms of ethics, vision and knowledge.

Apart from the Bill, TIA will inevitably issue a lot of ethical codes and guidelines. Deputy President, ethical codes and guidelines are not laws, but if a practitioner fails to comply with any ethical codes or guidelines, he will also be punished under the penalty mechanism, including being issued a warning or required to receive training. I hope that following its establishment of TIA in the future, the communication with the industry will be stepped up, because in many cases, ethical codes or guidelines are issued quietly, and practitioners of the travel industry are so busy that they may not be aware of the ethical codes or guidelines issued. At the same time, I also hope that TIA will hold talks from time to time and provide practitioners with the latest information, so that they will know what ethical codes or guidelines they must comply with.

Certainly, I also hope that practitioners will be professional and continuously increase their value. In the long run, practitioners will need to receive continuing and professional education, so as to enhance their hospitality or professional ethics. However, I very much hope that this will not place a heavier burden on them, and I therefore would like to make two requests to the Secretary. If the Government requires practitioners to receive continuing education, it would be best if they do not have to pay for the continuing education. The Bill has not provided specific initiatives, but I hope TIA will provide free learning courses for members of the industry and will allow them to participate in e-learning. Tourist guides often need to handle special cases, and they can enhance their professional ethics by learning how to handle such cases online. E-learning and free learning are very important, and that is also a global trend. If these two areas are properly managed, the disciplinary committee may not need to handle any cases in the long run.

Finally, I would like to talk about the resources of TIA. There are many practitioners in the travel industry. How many people should TIA recruit to effectively realize its objectives? I hope that the Government will establish a seed fund for TIA following the passage of the Bill. At the same time, I also hope that TIA will not impose more fines for obtaining more operating capital. I believe the Secretary will tell me that all fines collected by TIA will go to the coffers of the Government. This is my interpretation of the Bill. I hope that the Secretary will give a clarification in his reply.

In addition, what about the annual fees to be collected from the travel industry? I do not wish to see that the establishment of TIA will exert a heavier burden on the industry. I hope that the Government will provide more subsidies or financial support, and TIA will be a streamlined rather than an overstaffed organization, and it will act under the principle of value for money.

With these remarks, Deputy President, I support the Second Reading of the Bill.

DEPUTY PRESIDENT (in Cantonese): Does any other Member wish to speak?

DR HELENA WONG (in Cantonese): Deputy President, the Democratic Party supports the Second Reading of the Travel Industry Bill ("the Bill"). We had previously invited the Secretary for Commerce and Economic Development to inspect Kowloon West. However, since he was not available, he asked the Under Secretary to join us. I believe that the Deputy President should be well aware that Kowloon West, particularly Kowloon City, has been hard hit by the travel industry.

The travel industry is an important pillar industry of Hong Kong. We hope that it can do a good job. However, in view of the current situation of Kowloon City, I really have to voice complaints on behalf of Kowloon West residents. When the Legislative Council By-election was held last weekend, many people gathered at the district. I inspected the district twice and found the situation extremely horrifying. Shortly before lunch time, there were a lot of people crowded in To Kwa Wan, with both sides of the streets teeming with people. Why were so many people queuing up there? In fact, some restaurants in the district target at receiving low-fare Mainland tour groups. After one tour group of visitors finish their meal, the next tour group will follow. Visitors waiting for their turn to take meals have to wait on the streets. At first, I thought a charitable organization was holding a rice distribution event, but it turned out that all the people on the streets were visitors.

More seriously, more than 100 visitors are waiting on the street, forming queues extending from one street to another, seriously blocking the entrance to the shops on both streets. As other people cannot patronize those shops, I learnt that many of which had to close down. Tenants of small shops in the vicinity of those restaurants targeting at receiving Mainland tour groups are really tragic and miserable. Since the entire street is crammed with restaurant patrons, customers can hardly enter the shops nearby to make purchase. Upon passage of the Bill, can these problems really be resolved? I have doubts about this.

Apart from restaurants, a number of Members are aware that the picking up and setting down of passengers by tourist coaches has also posed risks. It is extremely precarious when tourist coaches stop at yellow lines. During our inspection of the Jubilant Place and its vicinity in To Kwa Wan with the Under Secretary, we noticed that the picking up and setting down of passengers by tourist coaches there had not only posed risks but also blocked traffic. When I inspected the Sunshine Plaza and its vicinity with the Member representing the tourism industry, we noticed that the narrow streets were packed with visitors,

with no one at the scene to maintain order. District Tourism Ambassadors were somewhat at a loss given that nothing could actually be done. Should crowd control be implemented? Should there be someone to maintain order? Where should tourist coaches be parked, and where should they pick up and set down passengers? These are all major issues which will have an impact not only on road traffic but also people's livelihood.

I have recently received complaints from a number of owners of Grand Waterfront. A concern group has also been set up by the residents of the residential estate. What is their concern? Grand Waterfront is located next to the Kowloon City Ferry Pier where participants of Victoria Harbour cruise embark and disembark. While the upper floors of Grand Waterfront are residential units, some restaurants in the shopping arcade on the lower floors target at receiving low-fare Mainland tour groups. Some of the restaurants only serve low-fare Mainland tour groups but not residents of Grand Waterfront and residents living nearby, hence infuriated the residents. The shopping arcade on the lower floors of Grand Waterfront is managed by the Henderson Land Development Company Limited ("Henderson"). After all, should the shopping arcade be positioned to support the tourism industry or cater for the needs of the local community? Henderson supports the tourism industry by allowing restaurants targeting at receiving low-fare tour groups to reject the patronage of local residents, resulting in serious conflicts between tourists and residents of Grand Waterfront and those of the neighbourhood. The request for a dialogue has also been unsuccessful ...

DEPUTY PRESIDENT (in Cantonese): Dr WONG, I remind you that the Bill seeks to regulate the activities of travel agents, tourist guides and tour escorts. However, your discussion is mainly on the impact of the tourism industry on Kowloon West. Please return to the question under debate and focus on the Bill.

DR HELENA WONG (in Cantonese): Deputy President, these are exactly what I have been talking about. Can the Bill focus on tackling these issues by regulating this type of business activities related to the tourism industry in the district? Of course, some people have argued that regulating such activities under a complaint handling mechanism would be better than not regulating, and so on. However, I believe that the Government should consider intervening in and mediating the conflicts between the residents and tourists. Otherwise, it

would be impossible to resolve the conflicts. While the residents intended to communicate with the operator of the shopping arcade (namely Henderson), the latter has given a lukewarm response and has even cancelled a scheduled meeting. The residents have no alternative but to stage a protest outside the residence of "Uncle Four".

Deputy President, upon passage of the Bill, I hope that the Government will review whether it has the capacity to help resolve the conflicts in the district. Otherwise, if the Hong Kong's tourism industry only receives this type of low-fare tour groups, it will not basically bring much benefit to our economy and will instead create great nuisance to local residents.

Upon commissioning, the Hong Kong-Zhuhai-Macao Bridge has created considerable problems for the residents of Tung Chung. I hope that the Government will consider, from various perspectives, ways to help resolve the difficulties caused by the tourism industry to the local community. It is desirable to set up the Travel Industry Authority, but I believe that there are still inadequacies. Apart from the tourism trade, the Government, the Police, the Transport Department and various departments should also offer their assistance. Otherwise, the current problems of the travel industry cannot be resolved even by passing the Bill.

DEPUTY PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Commerce and Economic Development to reply. Then, the debate will come to a close.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Deputy President, Honourable Members, first of all, I must express my wholehearted thanks to Mr YIU Si-wing, Chairman of the Bills Committee on the Travel Industry Bill ("the Bills Committee"), participating members of the Bills Committee, the Legislative Council Secretariat and its team of legal

advisors, members of the travel industry, and other groups and individuals for their efforts during the past 20 months which have made the completion of the scrutiny of the Travel Industry Bill ("the Bill") possible.

Since the Government presented the Bill at the beginning of last year, the Bills Committee has held a total of 19 meetings. Many Members said earlier that efforts had been made on the Bill for years; actually, the scrutiny of the Bill itself has taken place in 19 meetings over 20 months. During this time, Members have discussed the provisions of the Bill thoroughly, extensively and comprehensively and provided many useful opinions. After this Council has proceeded to the Committee stage to consider the Bill, I will explain in detail how I have incorporated the views of Members in preparing the amendments proposed by the Government.

The Government attaches much importance to the sustainable development of the travel industry, as many Members have agreed in their speeches. We have prepared the Bill with the policy objectives of enhancing the professionalism of the industry and promoting its long-term development. Most members of the industry have been properly running their businesses. However, there have been incidents of inbound visitors being coerced into shopping or other cases of contravention which many Members have mentioned earlier. Those are acts which members of the industry should not commit, or acts which are not in the interests of the industry. In fact, such acts will damage the image and reputation of the travel industry of Hong Kong and not help our economy. Thus, there are views in society that we should reform the existing regulatory regime of the travel industry.

Under the circumstances, the Government has, after conducting public consultation, decided to establish an independent statutory body, i.e. a Travel Industry Authority ("TIA"), to take up the licensing and trade regulatory roles from the Travel Agents Registry ("TAR") and the Travel Industry Council of Hong Kong ("TIC") to comprehensively and fairly regulate travel agents, tourist guides and tour escorts.

The Bill has three key elements, namely: (1) establishing TIA as the regulatory body for our travel industry; (2) regulating the trade and combating unscrupulous acts through a statutory licensing regime; and (3) fostering the healthy long-term development of the industry through the establishment of the Travel Industry Development Fund.

The new regulatory regime will regulate the industry from three aspects, namely: (1) enacting primary legislation by means of the Bill; (2) enacting subsidiary legislation; and (3) introducing administrative measures to be formulated and issued by TIA. Certain criminal offences targeted against major unscrupulous acts will be set out in the primary and subsidiary legislation. Offenders on conviction will be liable to a maximum punishment of a fine and imprisonment, and those that are licensees will also be subject to disciplinary proceedings as stipulated in the Bill. Licensees that contravene administrative requirements will be subject to the disciplinary proceedings and sanctions.

Regarding the licensing regime of travel agents, the Bill mainly regulates travel agents that carry on outbound or inbound travel business activities in Hong Kong. Besides, with the advancement of technologies, many people purchase travel services through online travel agents. Thus, the Bill provides that persons who carry on any outbound travel business activities in Hong Kong or from a place outside Hong Kong, and actively market such business activities to the public of Hong Kong will be required to obtain licences. This measure seeks to incorporate those online travel agents that carry on business in the outbound travel services market under the new regulatory regime, with a view to according greater protection to visitors. In this connection, Members including Mr WONG Ting-kwong and Mr WU Chi-wai raised their concerns earlier about law enforcement outside Hong Kong. Let me give a simple response. The Bill provides a solid legal basis for TIA to follow up suspected offence cases involving those travel agents through complaints received or based on reasonable suspicion, and exercise the powers of investigation in Hong Kong provided for in the Bill to investigate whether the persons involved have committed the relevant offence under the Bill. Where necessary, TIA will endeavour to liaise and follow up such cases with regulatory authorities and law enforcement bodies outside Hong Kong.

(THE PRESIDENT resumed the Chair)

Furthermore, TIA will also publish up-to-date lists of licensed travel agents from time to time and assist local consumers in identifying and choosing licensed travel agents through public education, promotional activities, etc. to ensure that they are appropriately protected under the law.

Regarding the requirements related to the issue and renewal of travel agent licences, the Bill has been drawn up mainly with reference to the Travel Agents Ordinance and the existing requirements of TIC, supplemented with certain new requirements, including those of depositing guarantee money by bank guarantee and appointing authorized representatives.

In relation to regulation of tourist guides and outbound tour escorts, the Bill will formally establish a statutory licensing regime to replace the existing accreditation system implemented by TIC through administrative means. In future, a person working as a tourist guide or tour escort without a licence will commit an offence liable to punishment of imprisonment and a fine upon conviction, which will greatly increase the deterrent effect. Regarding the requirements for issuing and renewing tourist guide licences and tour escort licences, references will be drawn from the existing requirements of TIC, including completion of the Continuing Professional Development Scheme as specified. Some Members have also raised questions on this issue earlier.

Targeting against unscrupulous acts in the travel industry, TIC has made much efforts over the years, but since it has no statutory powers, its regulatory effect is limited. About two years ago, the non-cooperation movement against the regulatory measures implemented by TIC launched by individual members of the industry reflected the inadequacy of the existing regime. Thus, the Tourism Commission had reviewed the Bill during its drafting stage to ensure that it contains provisions on criminal offences, so as to effectively combat unscrupulous acts, including carrying on travel agent business without a licence; working as a tourist guide or tour escort without a licence; cooperating with an unauthorized Mainland travel agent; failing to display the prescribed information about a tour group on a vehicle arranged for transporting the tour group; and failing to wear a tourist guide pass, etc. These acts will be incorporated into the scope of regulation. Furthermore, as coerced shopping has vexed the industry for a long time, the Bill will also empower TIA to prescribe licence conditions through subsidiary legislation to prohibit travel agents and tourist guides from committing any act of coerced shopping. Any travel agent or tourist guide that breaches a licence condition will be subject to criminal penalties and disciplinary orders.

We recognize that tourist guides or tour escorts, as frontline trade practitioners, mainly follow the instructions of travel agents whilst working. The Bill will empower TIA to formulate a series of administrative measures to

clarify the work relationship between tourist guides/tour escorts and travel agents, so as to enhance the protection of the rights of tourist guides and tour escorts. These measures include requiring a travel agent to provide a job sheet for its tourist guide(s) or tour escort(s) and sign a service agreement with them whereby a travel agent must pay them service remuneration; must not require them to bear or unreasonably advance any payment for a tour group received; and must not delay the reimbursement for any advance payment made by its tourist guide(s) or tour escort(s). Any travel agent that contravenes any of these administrative directives will be subject to disciplinary orders.

Mr LUK Chung-hung proposed at the Bills Committee to add a provision in the Bill to make it a mandatory requirement in the law for travel agents to enter into an employer-employee relationship with tourist guides and tour escorts. The Government cannot endorse this proposal. I would like to point out here that the Government does not agree to make such a compulsory requirement for members of an individual industry to enter into an employer-employee relationship. Mr LUK Chung-hung's proposal has ignored the actual operation of the industry at present, and it will unnecessarily stipulate in the law to mandate the relationship between practitioners of the industry and travel agents. The Government shares the views of the majority of members of the travel industry, including some associations of practitioners of the travel industry, that Mr LUK's amendment is unacceptable. When we discuss Mr LUK's amendment later, I will give a more detailed response.

Regarding disciplinary matters concerning travel agents, tourist guides and tour escorts, the Bill empowers TIA to establish a disciplinary committee to inquire into complaints and suspected unscrupulous acts of licensees and make disciplinary orders, such as warning, demerit points, financial penalty, licence suspension or even revocation. Any licensee who is dissatisfied with a disciplinary order can appeal to a Government-appointed appeal panel independent from TIA. In addition, an independent panel will be appointed by the Secretary for Commerce and Economic Development under TIA to handle disputes between consumers and licensees that do not involve disciplinary matters.

Regarding financing arrangement, TIA will have three major sources of revenue: (1) levies on outbound fares; (2) licence fees; and (3) registration fees on inbound tour groups from the Mainland to be paid by travel agents, and TIA will

run on a self-financing basis. To reduce the impact brought about by the new regulatory regime on the trade, the Administration proposes maintaining licence fees and TIA levies for five years at the prevailing levels upon the full implementation of the new Ordinance, and making suitable adjustments thereafter in an orderly manner. As regards registration fees on inbound tour groups from the Mainland, the present level is considerably low, thus the Government will gradually make suitable adjustments. The Government will, in accordance with the established practice, seek approval from the Legislative Council to provide funding for TIA to support its initial operation.

Regarding the Travel Industry Compensation Fund, the Bill will empower TIA to continue running the current Compensation Fund to provide travellers with *ex gratia* payments in respect of eligible outbound travel services. In addition, to facilitate the continuous development of Hong Kong's travel industry, the Bill will empower the Secretary for Commerce and Economic Development to prescribe by subsidiary legislation a certain percentage of the Compensation Fund to be set aside for establishing a new fund called the "Travel Industry Development Fund", so as to provide the travel trade with financial support in areas such as training and information technology application.

To ensure a smooth transition, upon the full commencement of the new regulatory regime, all existing travel agent licences, as well as tourist guide passes and tour escort passes issued by TIC, will remain valid until they expire, or three months after the commencement date of the new regulatory regime, whichever is the later.

Mr Tony TSE and several other Members said earlier that they did not want to see government departments follow different policies without coordination; instead, they would like to see that they collaborate, assist and coordinate with one another in their work. In this regard, I can assure Members that the Government attaches much importance to coordination of policies in promoting the overall development of the travel industry, as Members will know. After formulating the Development Blueprint for Hong Kong's Tourism Industry ("the Blueprint"), we have held high-level tourism coordinating meetings chaired by the Financial Secretary to coordinate the work of bureaux and departments in implementing the Blueprint, including its short-, medium- and long-term measures. After the passage of the Bill, the Tourism Commission under the Commerce and Economic Development Bureau will continue to perform its role

in policy planning. In accordance with the Blueprint mentioned in the Policy Address earlier, the Tourism Commission, together with the relevant bureaux and departments, will take forward the work with the Hong Kong Tourism Board, TIC and various stakeholders.

Five Members, including Mr Holden CHOW, Mr YIU Si-wing, Ms Starry LEE, Mr Alvin YEUNG and Mr WU Chi-wai, mentioned issues regarding transportation and arrangements concerning local districts generated by the travel industry after the commissioning of the Hong Kong-Zhuhai-Macao Bridge ("HZMB"). As Members can see, over the past four weeks, we have engaged in interdepartmental coordination work to handle problems that have arisen each week. The Government as a whole has engaged in interdepartmental collaboration and even cross-boundary collaboration with a view to making prompt responses, including making transportation arrangements such as arranging coach services, managing passenger clearance, providing new facilities at the Passenger Clearance Building, diverting visitors, or even making arrangements concerning local receiving agents of Mainland inbound tours with the travel trade. It is worth noting and as pointer out by some Members earlier, local receiving agents might not be able to perform an effective role. Nevertheless, according to the results of the survey conducted by TIC during the last weekend, local receiving agents have made arrangements for 90% of the tours visiting Hong Kong via HZMB. This is a huge improvement compared to the initial situation and business opportunities have been provided to the travel trade. Thus, apart from working in this respect, we have also been coordinating and collaborating with Mainland Government departments and their related authorities to improve the situation during the past few weeks and will continue to pay attention to these matters.

Similarly, Ms Starry LEE and Dr Helena WONG mentioned some problems in the districts. Members also mentioned in their speeches that the Policy Bureau under my purview and the Tourism Commission were willing to coordinate with other relevant departments. In particular, during the peak travel seasons, e.g. in the evening before the Golden Week, we engaged in interdepartmental collaboration and liaised with the District Council or the District Office to do the relevant work. Before and after the commencement of the new legislation, we will continue with such work. Although the new legislation may not cover all travel-related work, Members agree that at least in terms of management, we must promptly make regulatory improvements.

President, during the deliberation of the Bills Committee, members from different political parties and groups supported the Bill in general and gave many valuable opinions. Today, more than 20 Members have spoken on the Bill. The amendments which I will later move in the Committee stage have incorporated the views of members expressed in the deliberation of the Bill. These amendments were submitted to the Bills Committee for consideration and discussion and were supported by members. The Bills Committee will therefore not propose any amendment to the Bill.

After the passage of the Bill, the Government will immediately commence its work for the next stage to establish TIA. The authorities and TIA will draft the relevant subsidiary legislation and submit it to the Legislative Council for scrutiny in the hope that the new regulatory regime can be implemented as soon as possible.

President, with these remarks, I implore Members to support the Bill and the Government's amendments which I will move later.

Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Travel Industry Bill be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): Travel Industry Bill.

SUSPENSION OF MEETING

PRESIDENT (in Cantonese): Honourable Members, it is now after seven in the evening. I think this Council will not be able to complete the procedure of the committee of the whole Council in the remaining time. I now suspend the meeting until 9:00 am tomorrow.

Suspended accordingly at 7:12 pm.

Companies (Amendment) Bill 2018

Committee Stage

Amendments moved by the Secretary for Financial Services and the Treasury

<u>Clause</u>	<u>Amendment Proposed</u>
33(5)	In the proposed section 359(5)(a), in the Chinese text, by adding “的業務” after “受規管活動”.
34(3)	In the Chinese text, by deleting “2(a)” and substituting “(2)(a)”.
34(5)	In the Chinese text, by deleting “2(a)” and substituting “(2)(a)”.
37	By deleting subclause (3) and substituting— “(3) Section 366(4)— Repeal “the conditions specified in section 1(14) of Schedule 3 are not satisfied” Substitute “a condition specified in section 1(12A) of Schedule 3 is not satisfied, or the condition specified in section 1(14) of that Schedule is not satisfied.”. (4) Section 366(5)— Repeal “the conditions specified in section 1(14) of Schedule 3 are not satisfied” Substitute “a condition specified in section 1(12A) of Schedule 3 is not satisfied, or the condition specified in section 1(14) of that Schedule is not satisfied.”.”.
60	(a) By renumbering the clause as clause 60(1). (b) By adding— “(2) Section 559(1)(b), Chinese text—

Repeal

“文本”

Substitute

“通知”.”.

- 64(5) In the proposed section 619(4)(b)(i), by deleting “or 153C(3)”.
- 85(6) In the proposed section 2(1), by deleting “Part 9” and substituting “this Schedule and Part 9”.
- 85 By adding—
“(7) Schedule 1, section 4(1) and (2)—
Repeal
“this Ordinance”
Substitute
“this Schedule and Part 9”.”.
- 86(22) In the Chinese text, by deleting “第 1 條 2(5)” and substituting “第 2(5)條”.
- 92 In the proposed section 4A—
(a) in the heading, by deleting “**names registered for limited company**” and substituting “**registered names**”;
(b) in subsections (1) and (2), by deleting “limited”.

Appendix I**WRITTEN ANSWER****Written answer by the Secretary for Food and Health to Dr LO Wai-kwok's supplementary question to Question 4**

In 2016, the number of new cases of eczema and dermatitis handled by the specialist dermatology clinics of the Department of Health ("DH") was 1 138. DH does not keep the breakdown on the number of children and adolescents with eczema. Eczema is a common skin disease and in most cases, the conditions are mild and can be well managed in the primary care settings. They normally do not warrant referral to specialist dermatology clinics for further treatment.