## 立法會 Legislative Council

LC Paper No. ESC114/18-19 (These minutes have been seen by the Administration)

Ref: CB1/F/3/2

#### **Establishment Subcommittee of the Finance Committee**

## Minutes of the 14<sup>th</sup> meeting held in Conference Room 2 of Legislative Council Complex on Tuesday, 30 April 2019, at 2:30 pm

## **Members present:**

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

Hon Holden CHOW Ho-ding (Deputy Chairman)

Hon James TO Kun-sun

Hon WONG Ting-kwong, GBS, JP

Hon WONG Kwok-kin, SBS, JP

Hon Steven HO Chun-yin, BBS

Hon WU Chi-wai, MH

Hon YIU Si-wing, BBS

Hon CHAN Chi-chuen

Dr Hon KWOK Ka-ki

Hon KWOK Wai-keung, JP

Hon Christopher CHEUNG Wah-fung, SBS, JP

Dr Hon Fernando CHEUNG Chiu-hung

Hon IP Kin-yuen

Dr Hon Elizabeth QUAT, BBS, JP

Hon Martin LIAO Cheung-kong, SBS, JP

Hon POON Siu-ping, BBS, MH

Dr Hon CHIANG Lai-wan, SBS, JP

Ir Dr Hon LO Wai-kwok, SBS, MH, JP

Hon CHUNG Kwok-pan

Hon Alvin YEUNG

Hon CHU Hoi-dick

Hon HO Kai-ming

Hon SHIU Ka-fai

Hon YUNG Hoi-yan

Dr Hon Pierre CHAN

Hon CHAN Chun-ying, JP Hon Jeremy TAM Man-ho Hon AU Nok-hin Hon Vincent CHENG Wing-shun, MH Hon Tony TSE Wai-chuen, BBS

#### **Member absent:**

Hon SHIU Ka-chun

## **Public Officers attending:**

Ms. Kinnie WONG Kit-yee Deputy Secretary for Financial Services and the Treasury (Treasury) 1 (Acting) Mr Brian LO Sai-hung, JP Deputy Secretary for the Civil Service 1 Deputy Secretary for Transport and Ms Angela LEE Chung-yan, JP Housing (Transport)5 Ms Maisie CHENG Mei-sze, JP Director of Marine Mr WONG Sai-fat Deputy Director of Marine Deputy Director of Marine Mr Freely CHENG-kei, JP (Special Duties) Permanent Secretary for Commerce and Mr Clement LEUNG Cheuk-**Economic** Development man, JP Creative (Communications and Industries) Deputy Secretary for Commerce and Mr Edward TO Wing-hang, JP **Economic** Development (Communications and Creative Industries)(Special Duties) Mr Tony YIP Ka-sing Principal Assistant Secretary Commerce and Economic Development (Communications Creative and Industries)(Special Duties) Permanent Secretary for Food and Ms Elizabeth TSE Man-yee, JP Health (Health) Mr Howard CHAN Wai-kee, JP Deputy Secretary for Food and Health (Health)1 Dr Constance CHAN Hon-yee, Director of Health JP Dr Amy CHIU Pui-yin, JP Deputy Director of Health Permanent Secretary for Transport and Mr Joseph LAI Yee-tak, JP

Housing (Transport)

Mr Kevin CHOI, JP Deputy Secretary for Transport and

Housing (Transport)2

Miss Amy TSE Sen Yee Assistant Commissioner for Transport

(Bus and Railway) (Acting)

Ms Candy KWOK Wai-ying Assistant Commissioner for Transport

(Management and Paratransit)

#### **Clerk in attendance:**

Ms Connie SZETO Chief Council Secretary (1)4

#### **Staff in attendance:**

Mr Hugo CHIU Senior Council Secretary (1)4
Ms Alice CHEUNG Senior Legislative Assistant (1)1

Miss Yannes HO Legislative Assistant (1)7
Ms Haley CHEUNG Legislative Assistant (1)10

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#### Action

The Chairman drew members' attention to the information paper ECI(2019-20)1, which set out the latest changes in the directorate establishment approved since 2002 and the changes to the directorate establishment in relation to the nine items on the agenda. She then reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP"), they should disclose the nature of any direct or indirect pecuniary interest relating to the item under discussion at the meeting before they spoke on the item. She also drew members' attention to RoP 84 on voting in case of direct pecuniary interest.

EC(2018-19)31

Proposed creation of two permanent posts of one Administrative Officer Staff Grade B (D3) and one Assistant Director of Marine in the Marine Department ("MD") (D2) with effect from 1 June 2019 or upon approval of the Finance Committee, whichever is later to enhance marine safety and to lead a new division in the department to strengthen the regulatory regime of local vessels upon the disbandment of the Task Force on Reform in MD

#### Action

- 2. The Chairman remarked that the staffing proposal was to create two permanent posts of one Administrative Officer Staff Grade B ("AOSGB") (D3) and one Assistant Director of Marine ("AD of M") (D2) in the Marine Department ("MD") with effect from 1 June 2019 or upon approval of the Finance Committee ("FC"), whichever is later to enhance marine safety and to lead a new division (i.e. Local Vessels ("LV") Division) in the department to strengthen the regulatory regime of local vessels upon the disbandment of the Task Force on Reform in MD. She pointed out that discussion of the item was carried over from the meeting on 3 April 2019.
- 3. <u>The Chairman</u> remarked that the Subcommittee had received a submission from Hon SHIU Ka-chun requesting information from the Administration on this proposal. She had instructed the Secretariat to request a written response from the Administration.

(*Post-meeting note:* The supplementary information provided by the Administration was circulated to members on 17 May 2019 vide LC Paper No. ESC111/18-19(01).)

#### Enhancing marine safety

- 4. <u>Dr KWOK Ka-ki</u> reiterated his support for this staffing proposal. He enquired about the measures introduced by MD for enhancing the safety awareness of mariners and the effectiveness of those measures, as well as how the creation of the proposed two permanent directorate posts could contribute to enhancing marine safety. He was concerned about the recent marine accidents involving local and Mainland vessels near the maritime boundary between Hong Kong and the Mainland that had resulted in injuries and fatalities. He asked how MD would follow up on marine accidents involving non-Hong Kong vessels and how investigations would be conducted. <u>Mr Steven HO</u> opined that MD should strengthen cooperation and liaison with the maritime authorities of the Mainland and step up education initiatives for enhancing cross-boundary maritime safety awareness.
- 5. In a consolidated response, <u>Director of Marine</u> ("DM") and <u>Deputy Director of Marine</u> ("DD of M") remarked that if approval was given to the staffing proposal, MD would have two deputy directors, namely the newly created Deputy Director of Marine (2) ("DD2") and Deputy Director of Marine (1) ("DD1") which would be taken up by the existing Deputy Director of Marine. DD1 would focus on delivery of functions on the professional side, including maintaining and enforcement of ship safety standards, port operation and navigation safety etc., and enable deployment of resources in a more focused manner for enhancing marine safety. On maintaining navigation safety, MD currently maintained surveillance over

Hong Kong navigable waters through the Vessel Traffic Centre ("VTC"). VTC had a system that could track a maximum of 10 000 targets at any one time, which could ensure vessels staying on the right routes as well as their compliance with International Collision Regulations. VTC Operators would provide marine traffic information and advice to mariners by radiotelephone communication. MD also organized talks on marine safety for local and overseas mariners (including mariners from the Mainland) and disseminated marine safety information. If marine accidents took place within Hong Kong waters, MD would conduct investigations, and, where necessary, prosecute mariners in breach of the law.

- 6. Regarding follow-up actions on marine accidents which took place in the open sea and involving local and Mainland vessels, <u>DD of M</u> expressed that MD would maintain communications with the marine authorities of the Mainland regarding any investigations and, where appropriate, conduct joint investigations. If the accident involved Mainland crew members, the relevant Mainland regulatory authority would send a copy of the report to MD after completion of the investigation and the prosecution.
- 7. At the request of Dr KWOK Ka-ki, <u>DD of M</u> undertook to provide the following supplementary information: the number of Mainland shipping companies and trade members participating in talks organized by MD on enhancement of marine safety, and the number of prosecuted and convicted Mainland shipping companies and crew members involving in marine accidents with personal injuries or deaths within Hong Kong waters in recent years and the relevant sentences.

(*Post-meeting note:* The supplementary information provided by the Administration was circulated to members on 10 May 2019 vide LC Paper No. ESC103/18-19(01).)

- 8. <u>DM</u> noted Mr Steven HO's views that MD should provide a copy of the investigation report to the relevant Hong Kong shipping companies or crew members upon completion of an investigation on a marine accident so that the latter could file claims for compensation expeditiously.
- 9. <u>Dr KWOK Ka-ki</u> noted that the Mainland imposed compulsory installation of Automatic Identification System ("AIS") on all vessels. He enquired about the effectiveness of AIS on reducing the risks of vessel collision.
- 10. <u>Mr Steven HO</u> pointed out that the problem of the vessel surveillance system failing to detect small to medium sized vessels had been partially resolved with the promotion on the use of radar reflector.

#### Action

He opined that the majority of the marine accidents were attributable to sub-standard attitudes of the mariners when operating a vessel, and urged MD to enhance education and publicity on marine safety for crew members in order to reduce the risks of marine accidents.

11. <u>DD of M</u> advised that AIS was not an anti-collision system, and its function was to display the movement of vessels which had installed the system. Mariners were still required to observe the marine traffic situation and pay attention to the display on the radar to avoid collision with other vessels. According to independent investigations on marine accidents conducted by MD, marine accidents could be attributed to a number of factors, including the attitudes of the mariners when operating a vessel and malfunctioning of apparatus on board the vessels.

#### Planning and management of vessel berthing spaces

12. Mr Jeremy TAM was concerned about the serious problem of illegal subletting of vessel berthing spaces in recent years. He asked if there was a special division or team in MD to handle this matter. DM replied that the Planning and Services Division under MD was responsible for management of vessel berthing spaces, and the division was led by the incumbent DD of M. Given that management of vessel berthing spaces involved planning and formulation of policy, MD was of the view that it would be more appropriate for the proposed post of DD2 to be created to take over the division. DD2 could leverage on his/her management and administration experience as an AOSGB to carry out the planning and implementation of policies relating to vessel berthing spaces in a more effective manner.

## Reform on the organization structure of MD

13. <u>DM</u> remarked that consideration would be given in due course to Mr Jeremy TAM's suggestion of spinning off the Marine Accident Investigation and Shipping Security Policy Branch ("MAISSPB") from MD, or, instead of having MAISSPB reporting to AD of M as in the current proposal, having MAISSPB reporting to D of M direct to ensure that investigations carried out by MAISSPB would be independent and impartial.

## Voting on the item

14. As members raised no further questions on the item, the Chairman put the item to vote. She was of the view that the majority of the members voting were in favour of the item. She declared that members of the Subcommittee agreed to recommend the item to FC for approval.

15. <u>Dr KWOK Ka-ki</u> requested that the item be voted on separately at the relevant FC meeting.

EC(2018-19)32

Proposed retention of two supernumerary posts of one Administrative Officer Staff Grade B (D3) and one Administrative Officer Staff Grade C (D2) in the Communications and Creative Industries **Branch** the Commerce of Economic Development Bureau for a period of three years from 17 June 2019 or with immediate effect upon approval of the Finance Committee, whichever is later to continue the review and amendment of the Broadcasting Ordinance (Cap. 562) and the **Telecommunications** Ordinance (Cap. 106) and to formulate legislative proposals to regulate person-to-person telemarketing calls

- The Chairman remarked that the staffing proposal was to retain two supernumerary posts of one Administrative Officer Staff Grade B (D3) and one Administrative Officer Staff Grade C (D2) in the Communications and Creative Industries Branch of the Commerce and Economic Development Bureau ("CEDB") for a period of three years from 17 June 2019 or with immediate effect upon approval of FC, whichever is later to continue the review and amendment of the Broadcasting Ordinance (Cap. 562) ("the Broadcasting Ordinance") and the Telecommunications Ordinance (Cap. 106) ("the Telecommunications Ordinance") and to formulate legislative proposals to regulate person-to-person telemarketing calls ("P2P calls").
- 17. Dr Elizabeth QUAT, Chairman of the Panel on Information Technology and Broadcasting, reported the key points of the discussion on this proposal at the meeting of the Panel held on 12 November 2018. She pointed out that the Panel did not oppose the proposal in principle and agreed that the proposal be submitted to the Establishment Subcommittee ("ESC") and FC for consideration. Members of the Panel noted the proposed retention of the two aforementioned directorate posts to continue the review and amendment of the Broadcasting Ordinance and the Telecommunications Ordinance and to formulate legislative proposals to regulate P2P calls. Members of the Panel were concerned about whether the review and amendment of the ordinances could be completed in three years. The Administration advised that the relevant work was expected to

complete before the end of this term of the Legislative Council.

Strengthening regulation of person-to-person telemarketing calls

*Mode of regulation* 

- 18. Mr CHAN Chun-ying expressed support for this staffing proposal. Regarding CEDB's proposal that members of the public could register on their own initiative their phone numbers with the Do-not-call Register to opt out of receiving P2P calls, he considered it too complicated and suggested that the Administration should develop free call-filtering applications for downloading by members of the public and step up public publicity and education on the use of these applications as an alternative to statutory regulation.
- 19. Permanent Secretary for Commerce and Economic Development (Communications and Creative Industries) ("PSCED") advised that CEDB had conducted a public consultation on "Strengthening the Regulation of Person-to-Person Telemarketing Calls" ("the public consultation") in 2017 and set out various options of regulation in the consultation paper. The findings showed that the majority of the public supported strengthening the regulation of P2P calls by legislation and the establishing the Do-not-call Register to put in place an opt-out arrangement for members of the public. The Do-not-call Register was user-friendly in that members of the public could call an automated registration hotline and register through a free-of-charge interactive voice response system. CEDB expected that the implementation of the regulatory regime, together with the call-filtering applications available in the market, could help to mitigate the nuisance caused by P2P calls.
- 20. <u>PSCED</u> further advised that CEDB planned to carry out public education and publicity on call-filtering applications, including introducing to members of the public such applications and issues requiring attention during installation. In collaboration with other organizations, the Administration was working on public education programmes targeting the elderly to enhance the protection against telephone deception and provide more information on the use of call-filtering applications.
- 21. <u>Mr WU Chi-wai</u> and <u>Mr Jeremy TAM</u> suggested that the Administration should consider assigning phone numbers with prefixes comprising the same group of numbers for application by business operators for making P2P calls, so as to facilitate identification of such numbers by the public. <u>Mr TAM</u> said that consideration should be given to providing members of the public with the option to unsubscribe from the person-to-person telemarketing lists of individual business operators. He

requested CEDB to provide the number of complaints relating to P2P calls received in recent years. Mr WU enquired about the estimated number of phone numbers to be used for person-to-person telemarketing purposes in future.

22. PSCED replied that CEDB had considered the proposal of assigning to telemarketers phone numbers with the same prefix but considered that the proposal would reduce the flexibility in number assigning and cause the 8-digit phone numbers to be used up very soon, in which case the existing 8-digit numbering plan would have to be replaced by a 9-digit one, leading to an increase in social costs. In the public consultation paper, CEDB pointed out that the proposal was considered not feasible and that the reasons involved in this conclusion had been analyzed. Given that the future business development was unforeseeable, it would be difficult to estimate the number of phone numbers required for assigning to telemarketers if this proposal were to be implemented. He added that when working on the legislative proposals for strengthening the regulation of P2P calls, consideration would be given to Members' views and other regulatory approaches apart from legislation, and that in formulating the bill, communication would be maintained with the relevant organizations in the industry, such as the Business Facilitation Advisory Committee. said that the supplementary information requested by Mr Jeremy TAM would be provided after the meeting.

(*Post-meeting note:* The supplementary information provided by the Administration was circulated to members on 14 May 2019 vide LC Paper No. ESC106/18-19(01).)

## Difficulties in law enforcement

- 23. Mr SHIU Ka-fai was worried that strengthening the regulation of P2P calls by legislation would stifle normal business promotion activities and increase the operational costs because it would be difficult for commercial organizations to confirm with their customers one by one as to whether their phone numbers were registered with the Do-not-call Register. He opined that the legislative proposals could hardly have any effect on unscrupulous businessmen, who were in a minority but, on the contrary, would affect many law-abiding businessmen. Mr CHAN Chun-ying, Mr WU Chi-wai and Mr AU Nok-hin expressed similar concerns and urged CEDB to consider during the legislative process whether the compliance costs of the business sector were reasonable and draw up guidelines on compliance with the law for the business sector.
- 24. <u>Mr CHAN Chun-ying</u> and <u>Mr SHIU Ka-fai</u> were concerned about how the Administration could address the difficulties in enforcement after

legislation was enacted to strengthen the regulation of P2P calls, including the difficulties in recording the contents of P2P calls as evidence given their verbal nature and in combating P2P calls from overseas call centres. Given the aforementioned difficulties in enforcement, Mr AU Nok-hin opined that the standard of proof should not be too high.

- 25. Mr WONG Ting-kwong expressed support for this staffing proposal in order to strengthen the regulation of P2P calls. He considered that regulation should target "cold calls" without affecting the normal promotional activities of the business sector. He also pointed out that the subject of regulation should be commercial organizations commissioning P2P telemarketing services rather than call centres making P2P calls. In that case, even if Hong Kong commercial organizations had commissioned overseas call centres to make P2P calls for business promotion, the Administration could still enforce the law on these Hong Kong commercial organizations.
- 26. <u>PSCED</u> reiterated that the findings of the public consultation showed that the majority of the public supported the regulation of P2P calls by legislation. The Administration reported the findings of the public consultation to the Panel on Information Technology and Broadcasting in 2018 and mentioned that it would strike a balance between public interests and the compliance cost of enterprises by all means. CEDB had reported the major parameters of the proposed legislative framework for strengthening regulation of P2P calls at the joint meeting of the Panel on Information Technology and Broadcasting and the Panel on Commerce and Industry ("the joint meeting") in April 2019.
- 27. PSCED advised that following the full implementation of the Electronic Messages Ordinance Unsolicited (Cap. 593) ("UEM Ordinance") in December 2007, which regulated various types of unsolicited electronic messages (including e-mails, short messages, faxes or pre-recorded telephone messages), it was the Administration's practice to issue warning letters and advisory letters to non-complying commercial organizations, and as the number of complaints/reports against the various types of unsolicited electronic messages under regulation had dropped substantially in recent years, it was evident that certain effect had been achieved through law enforcement efforts. CEDB would take into account the experience of the enforcement of UEM Ordinance in introducing legislation to strengthen the regulation of P2P calls. that the legislative proposals for strengthening the regulation of P2P calls would provide exemption for P2P calls of a business nature, such as calls relating to after-sale services (including reminders of the expiry of contracts or provision of information on maintenance services). Moreover, even though the phone numbers were registered on the

Do-not-call Register, individual commercial organizations could continue to call these numbers for person-to-person telemarketing purposes with the consent of their clients. During the drafting process of the bill, CEDB would maintain communication with the relevant trade organizations, such as the Business Facilitation Advisory Committee, with a view to minimizing the compliance costs of the business sector and providing guidelines on compliance for the sector.

#### Regulation of television and sound broadcasting

- 28. <u>Dr KWOK Ka-ki</u> criticized that the development of free television stations and digital audio broadcasting in Hong Kong was lagging behind. He asked CEDB about the objectives of the review of the television and sound broadcasting regulatory regimes and whether specific measures would be drawn up to facilitate the development of the television industry and digital broadcasting, such as lowering the capital requirement for investment in the television and broadcasting industries to attract more investors and enhance competition.
- 29. Mr AU Nok-hin and Mr CHAN Chi-chuen were concerned that the development of sound broadcasting would be impeded because the Government's sound broadcasting regulatory regime was conservative and even harsher than the regulation of the Internet, not to mention the requirement of an enormous amount of capital for investment in the industry. Mr AU asked CEDB whether the regulation of the sound broadcasting industry in Hong Kong would be further relaxed after drawing reference from the review of broadcasting legislation in other countries.
- 30. <u>PSCED</u> advised that the review was conducted in response to the rapid development of entertainment platforms of the Internet and the new media, with the objectives of removing restrictions for the traditional media (i.e. television and sound broadcasting), abolishing obsolete provisions and rationalizing the administrative measures, so as to provide a more balanced competitive environment for the broadcasting market and encourage innovation and investment. The fact that two new free television stations had come into operation in recent years reflected that the traditional media did not lack investors and was developing in a sustained manner.
- 31. <u>PSCED</u> further advised that the regulation and development direction of the broadcasting industry varied in different countries and places. In the review of the broadcasting regulatory regime, it was confirmed that the existing licensing regime could effectively enable parties interested in operating broadcasting services to apply to the Communications Authority or the Chief Executive in Council for an operator licence in accordance with the law.

- 32. <u>Mr AU Nok-hin</u> asked the Administration whether, in the review of television and sound broadcasting regulatory regimes, studies would be conducted on stipulating even allocation of publicity time by television and radio stations to candidates in elections in order to ensure fairness in elections.
- 33. <u>PSCED</u> advised that matters relating to election campaigns were under the ambit of the Electoral Affairs Commission. He would refer Mr AU Nok-hin's enquiries to the Commission.

## Regulation of the Internet

- 34. The Chairman noted that in recent years, a number of countries had started discussions on the regulation of the dissemination of undesirable information (such as information with violent and pornographic contents) and infringement of privacy on the Internet, as well as the possible impacts of the Internet on elections. She asked the Administration whether consideration would be given to including these issues in the broadcasting and telecommunications review. She urged CEDB to study the impacts of the rapid development of the Internet and new media on the traditional media and the differences in the audience between the two types of media, and closely keep in view the discussions conducted on the regulation of the Internet in overseas countries.
- 35. Mr CHAN Chi-chuen considered that the regulatory measures for the Internet might not be practicable and that most undesirable video and audio contents were already regulated by the existing laws. Hence, he did not support imposing statutory regulation on the Internet. Mr AU Nok-hin echoed similar views and noted that the public consultation on phase one of the broadcasting and telecommunications review conducted by CEDB in 2018 covered areas including cross-media ownership restrictions. He asked whether a person operating an Internet-based platform and a traditional media corporation would be subject to the same regulation for the different media platforms operated by the person.
- 36. Deputy Secretary for Commerce and Economic Development (Communications and Creative Industries)(Special Duties) said that when CEDB conducted public consultation on the Review on Television and Sound Broadcasting Regulatory Regimes in 2018 and commenced work on the relevant legislative amendments, reference was drawn from the figures of the relevant surveys. It was found that the number of audience and the revenue from advertisements of the Internet and new media had increased significantly in recent years. PSCED added that CEDB had noted that other countries, such as the United Kingdom, had conducted discussions on

the regulation of Internet-based television and radio services but encountered difficulties in implementation. For example, it was difficult for the regulatory measures to cover contents involving overseas servers or those retransmitted via the Internet. Having weighed the relevant developments, CEDB considered that other than imposing regulation on undesirable information on which a consensus was reached in society, it was difficult to regulate online video and audio contents at this stage, and the duties of the two directorate posts proposed for retention did not involve the regulation of the Internet. CEDB would continue to keep in view closely the relevant discussions in the international community and review the situation in Hong Kong. At present, there was no cross-media ownership restriction in respect of the Internet. Network operators were not subject to specific cross-media restrictions in respect of their ownership of broadcasting licences.

#### Tenure and duties of the directorate posts proposed for retention

- 37. Mr CHAN Chi-chuen said that the two directorate posts proposed for retention had heavy and complex duties. He enquired about whether the extension of the two posts for only three years would suffice to complete the relevant duties and the timetable of CEDB for amending the Broadcasting Ordinance and the Telecommunications Ordinance. Mr AU Nok-hin made similar enquiries and asked about the difficulties encountered in the amendment exercise of the ordinances since the creation of the two directorate posts in June 2016.
- 38. PSCED replied that the two directorate posts proposed for retention were responsible for the amendment of the Broadcasting Ordinance and the Telecommunications Ordinance and formulation of legislative proposals to strengthen the regulation of P2P calls. The two directorate posts were proposed to be retained for three years until 2022 and time had been set aside for completing the aforementioned tasks. In respect of the work on broadcasting, the amendment bill received its First and Second readings in the Legislative Council ("LegCo") in end-March 2019, and a Bills Committee had been set up by the LegCo to scrutinize the bill. consultation on the public the amendment of Telecommunications Ordinance in end-February 2019. Views collected during the consultation period were being analyzed, and it was expected that the amendment bill would be introduced into LegCo in late 2019 or early 2020. With regard to the legislative proposals for strengthening the regulation of P2P calls, CEDB had already reported the proposed legislative framework at the joint meeting. It was expected that the bill would be introduced into LegCo in late 2019 or early 2020. of these two posts proposed for retention would fully co-operate with LegCo and assist Members in the deliberations on the said bills.

39. At the request of Mr WU Chi-wai, <u>PSCED</u> advised that supplementary information would be provided on the duties of the two directorate posts proposed for retention as well as the details and implementation schedule of their work in the review and amendment of the Broadcasting Ordinance and the Telecommunications Ordinance.

(*Post-meeting note:* The supplementary information provided by the Administration was circulated to members on 14 May 2019 vide LC Paper No. ESC106/18-19(01).)

- 40. Mr Holden CHOW noted that the duties relating to the broadcasting and telecommunications review were the responsibilities of the two directorate posts proposed for retention, which included ensuring that the legal framework could keep pace with the application of fifth generation mobile communications (commonly known as 5G) services. He was concerned about whether the extension of the two directorate posts for only three years would suffice to cope with the law reforms required for the introduction of 5G services and the work for promoting the application of 5G services. Mr Martin LIAO expressed similar concerns and suggested that the holders of these two directorate posts should maintain close communication with the business sector on the introduction of commercial 5G services in 2020.
- 41. <u>PSCED</u> advised that the two directorate posts proposed for retention would be responsible for completing the relevant legislative amendments to dovetail with 5G services. The promotion of 5G services and the development of related technologies would be the responsibility of other permanent staff members in CEDB and the Office of the Communications Authority.
- 42. <u>Mr CHAN Chi-chuen</u> enquired about whether CEDB had plans to launch the next phase of the review of the Broadcasting Ordinance and if so, the details of its plans, and whether the two directorate posts proposed for retention would have any involvement in such work.
- 43. <u>PSCED</u> replied that the two directorate posts proposed for retention were responsible for the review and amendment of the broadcasting and telecommunications ordinances and formulation of legislative proposals for strengthening the regulation of P2P calls. In CEDB, there were other permanent staff members responsible for broadcasting and telecommunications policies and duties relating to regulation. In the future, CEDB would mainly work on mid-term review of free TV licences.

#### Voting on the item

44. <u>The Chairman</u> put the item EC(2018-19)29 to vote. At the request of members, the Chairman ordered a division, and the division bell rang for five minutes. Seventeen members voted for the item, three members voted against it. <u>The Chairman</u> declared that the Subcommittee agreed to recommend the item to FC for approval. The votes of individual members were as follows:

For

Mr WONG Ting-kwong Mr WONG Kwok-kin Mr Steven HO Mr YIU Si-wing Mr KWOK Wai-keung Mr Christopher CHEUNG Dr Elizabeth OUAT Mr IP Kin-yuen Dr POON Siu-ping Dr CHIANG Lai-wan Mr HO Kai-ming Mr Holden CHOW Dr Pierre CHAN Mr CHAN Chun-ying Mr Vincent CHENG Mr AU Nok-hin Mr Tony TSE (17 members)

Against

Dr KWOK Ka-ki Mr SHIU Ka-fai (3 members) Mr Alvin YEUNG

45. <u>Dr KWOK Ka-ki</u> requested that the item be voted on separately at the relevant FC meeting.

(At 4:45 pm, the Chairman declared that the meeting be suspended for five minutes. The meeting resumed at 4:52 pm.)

EC(2018-19)34

Proposed establishment changes arising from the re-organization of the Department of Health ("DH") with immediate effect upon approval of the Finance Committee to take forward new statutes being introduced to step up protection of public health, as well as new initiatives and expanded services relating to Chinese medicine, disease prevention and health promotion, and strategic information technology development in DH

- 46. The Chairman remarked that the staffing proposal was proposed in relation to the establishment changes arising from the re-organization of the Department of Health ("DH") with immediate effect upon approval of FC to take forward new statutes being introduced to step up protection of public health, as well as new initiatives and expanded services relating to Chinese medicine, disease prevention and health promotion, and strategic information technology development in DH.
- 47. Dr Pierre CHAN, Chairman of the Panel on Health Services, reported the salient points of the discussion of the Panel on this item at its meeting held on 18 February, 2019. He pointed out that members generally agreed on the need for additional directorate staff to take up the relevant duties, and the Panel did not object to the Administration's submission of the proposal to ESC for consideration. Members were concerned about the number of posts to be created for non-directorate staff and the promotional ranks under the proposed re-organization of the DH. Some members opined that DH should formulate key performance indicators to assess the effectiveness of various initiatives (including vetting of proprietary Chinese medicines registration) subsequent to the re-organization. Furthermore, members were concerned about DH's creation of a supernumerary Dental Consultant post by holding against a frozen Dental Consultant post in the Hospital Dental Service ("HDS") for overseeing the implementation of the Special Oral Healthcare Programmes ("SOHP"). Members called on the authorities to devise a long term manpower arrangement for provision of SOHP and HDS expeditiously. The supplementary information provided by the Administration in response to the matters arising from the discussion at the meeting was circulated to members vide LC Paper No. CB(2)1112/18-19(01). Dr CHAN also expressed support for the staffing proposal.
- 48. From LegCo's joint-Panel duty visit in Yangtze River Delta Region conducted in April 2019 ("the Duty Visit"), <u>Dr Elizabeth QUAT</u> noted the progress achieved on the Mainland in the development of telehealth in Chinese medicine services. She asked if consideration would be given to the development of telehealth in Hong Kong and the relevant strategies. <u>Dr QUAT</u> also pointed out that while Hong Kong was heading towards to becoming a smart city, many other cities were also proactively exploring ways to improve the provision of medical services with the aid of technology. She called on DH to study ways for application of technology in the area of medical services expeditiously.
- 49. <u>Permanent Secretary for Food and Health (Health)</u> pointed out that the current-term Government attached great importance to the development of medical technology, and that studies in this area would be conducted

expeditiously. Regarding the development of Chinese medicine, the Chinese Medicine Development Fund had been set up to promote the research and development of Chinese medicine and the development of the trade. Director of Health added that practitioners in Western medicine had been having discussions on the subject of application of telehealth. Members of the industry had concerns on certain issues including its implications on legal, ethical and doctor-patient relationship. The Chinese medicine sector had not yet discussed on this subject, and the Chinese Medicine Council of Hong Kong would keep monitoring relevant developments.

#### Voting on the item

- 50. As members raised no further questions on the item, the Chairman remarked that she would soon put the item to vote. The Chairman directed members to be summoned as a quorum was not present. A quorum was present at 5:02 pm. The Chairman put the motion to vote. She was of the view that the majority of the members voting were in favour of this item. She declared that the Subcommittee agreed to recommend the item to FC for approval.
- 51. No members requested the item to be voted on separately at the relevant FC.

## EC(2018-19)33

Proposed creation of one permanent post of Administrative Officer Staff Grade C (D2) in the Transport Branch of the Transport and Housing Bureau with immediate effect upon approval of the Finance Committee to take forward various new initiatives for enhancing public transport services

- 52. <u>The Chairman</u> remarked that the staffing proposal was to create one permanent post of Administrative Officer Staff Grade C (D2), designated as Principal Assistant Secretary (Transport) (12) ("PAS(T)(12)"), in the Transport Branch of the Transport and Housing Bureau ("THB") with immediate effect upon approval of FC to take forward various new initiatives for enhancing public transport services.
- 53. The Chairman advised that the Administration consulted the Panel on Transport on this proposal on 16 November 2018. Members of the Panel did not object to the Administration's submission of the proposal to ESC for consideration. Members expressed concerns about the proposed responsibilities of the post, which mainly involved the implementation of

time-limited new initiatives, and the possible overlapping of the duties with the existing Principal Assistant Secretaries ("PASs"). Some members enquired about the justifications for creating a permanent post instead of a time-limited post in the proposal and whether the Administration would review and redistribute the responsibilities of the existing PASs after approval of the proposal. The Administration had already addressed members' concerns at the Panel meeting.

#### Creation of the proposed post on a permanent basis

- 54. Noting that the Administration had advised in its paper that enhancing the operational safety of franchised buses ("buses") was a continuous task, Mr WU Chi-wai enquired whether this implied that it would take a very long time for the Government to fully implement the recommendations put forward in the Report of the Independent Review Committee on Hong Kong's Franchised Bus Service ("IRC Report"). Pointing out that quite a number of duties to be undertaken by PAS(T)(12) were time-limited in nature, Mr WU asked why the Administration did not create the post on a supernumerary basis in the first place. He also considered that creation of a permanent post on the ground of enhancing the operational safety of buses and implementing the Public Transport Fare Subsidy Scheme ("PTFS Scheme") was not fully justified.
- 55. Mr Steven HO remarked that some of the duties of PAS(T)(12)were time-limited in nature, and was concerned whether the workload of the post would be persistent. Given that enhancing the operational safety of buses was an ongoing task of THB, which should have already assigned dedicated officers to handle it, Mr HO queried why it was still necessary to Mr HO pointed out that in Report No. 72 of the create the proposed post. Director of Audit, the Labour Department was criticized for, while increasing manpower through implementing various new schemes, its failure to conduct ongoing review of the effectiveness of and demand for such schemes, which resulted in ineffective use of resources. reminded THB to draw lessons from this and carefully review its staffing Mr Tony TSE expressed similar concern, and enquired arrangement. whether PAS(T)(12) would take up other duties in future.
- 56. <u>Dr KWOK Ka-ki</u> requested the Administration to further elaborate on how PAS(T)(12) would enhance the operational safety of buses.
- 57. <u>Mr AU Nok-hin</u> enquired about the long-term work involved in implementing the PTFS Scheme. <u>Mr AU</u> also suggested that the Administration should, in reviewing the PTFS Scheme, examine whether it was appropriate to adopt standardized subsidization arrangements for all public transport modes, and study the feasibility of offering different

subsidy rates to different transport modes.

- 58. Permanent Secretary for Transport and Housing (Transport) ("PS(T)") and Deputy Secretary for Transport and Housing (Transport)2 ("DS(T)2") advised that while some of the duties of PAS(T)(12) were time-limited in nature, quite a number of duties (including enhancing the operational safety of buses and implementing the PTFS Scheme) were regular in nature. On enhancing the operational safety of buses, in addition to the phased implementation of the 45 safety-related recommendations put forward in IRC Report and briefing LegCo on the progress, the post was also tasked to review other relevant issues, including establishing guidelines on the working hours and rest times of bus captains, as well as enhancing the operational safety of buses with the use of technology, which included not just installing safety devices on buses but also examining ways to enhance safety management by applying technology. As for the PTFS Scheme, the Administration undertook to commence the first review around a year after implementation of the Scheme (i.e. in early 2020), and examine ways to make improvement. The scope of the review included public transport services covered by the Scheme, the amount of subsidy, and applicable electronic payment systems, DS(T)2 added that THB was in need of an additional directorate officer to handle matters including the operational safety of buses and PTFS Scheme, and stressed that THB would review its internal work and staffing arrangements from time to time.
- 59. In response to the concern about creation of the post on a permanent basis, <u>PS(T)</u> stressed that the Administration would not propose creation of permanent posts in a casual manner. A number of duties of PAS(T)(12) required long-term follow-up, which might also generate other long-term tasks. For instance, the proposed post would be tasked to study ways to improve transport planning with the use of real-time arrival information, enhance the regulation of water taxis after launching a pilot water taxi scheme, extend the experience of enhancing the operational safety of buses to other public transport carriers and so on.
- 60. Mr WU Chi-wai requested the Administration to provide supplementary information on the specific tasks of PAS(T)(12) and the timetable for taking forward various tasks, and whether a report would be submitted to LegCo in case the Government failed to complete such tasks.

(*Post-meeting note:* The supplementary information provided by the Administration was circulated to members on 10 May 2019 vide LC Paper No. ESC104/18-19(01).)

#### Ferry services and the pilot water taxi scheme

- Mr YIU Si-wing expressed support for the staffing proposal. 61. pointed out that the trade welcomed the pilot water taxi service launched by the Administration. and urged Administration communication with the trade. He also enquired about implementation timetable for the scheme (including when the specific routes and berthing points would be decided).
- 62. Expressing concern about whether there would be sufficient demand for the water taxi service, <u>Mr AU Nok-hin</u> suggested that the Administration should enhance the flexibility of the pilot water taxi scheme and consider providing more berthing points along the Victoria Harbour (such as Kowloon City, Sai Wan Ho and Lei Yue Mun).
- 63. Mr Jeremy TAM enquired about the long-term development direction of water taxis, and how the service would complement other public transport modes. He pointed out that as evidenced by the successful experience of in-harbour ferry services overseas, provision of sufficient feeder modes at piers was crucial. He reminded the Administration to, in developing water taxis, examine the adequacy of feeder services and parking spaces at water taxi berthing points. He also suggested that the Administration should make reference to the Information Note on waterborne transport services in selected places (LC Paper IN11/18-19) prepared by the Legislative Council Secretariat.
- 64. PS(T) and DS(T)2 responded that the Administration was making preparations for the pilot water taxi scheme, and had been discussing Subject to the prevailing details of the scheme with the trade. circumstances, it was expected that the water taxi service could commence in the second quarter of 2020 at the earliest. If the pilot scheme was well received, the Administration would consider promoting the service to ease land traffic congestion and attract tourists. At present there were five principal berthing points for water taxis (including Kai Tak, Hung Hom, Tsim Sha Tsui East, West Kowloon and Central). Operators were welcome to put forward their views on berthing points. If they were interested in providing additional berthing points, the Government would give it consideration. In designing the pilot scheme, the Administration had taken into account the concern raised by Mr Jeremy TAM. It would review the feeder modes at water taxi berthing points, and study whether the existing public landing steps on both sides of the Victoria Harbour could be used by water taxis in the future.
- 65. Mr YIU Si-wing said that quite a number of street sleepers had been staying at some public piers, which caused inconvenience to pier users.

He enquired whether PAS(T)(12) would examine ways to improve the facilities of public piers (particularly Kwun Tong Public Pier and piers to be used by water taxis) and the management of public piers. Mr YIU also asked whether the post would be responsible for handling ferry services other than the "Central-Hung Hom" ferry route.

66. <u>DS(T)2</u> advised that PAS(T)(12) would assume the duties of re-commissioning the "Central-Hung Hom" ferry route and launching the pilot water taxi service as Hung Hom (South) Ferry Pier was the destination of water taxis. Another PAS of THB was responsible for work relating to other local ferry services. As regards pier management, <u>DS(T)2</u> and <u>Assistant Commissioner for Transport (Management and Paratransit)</u> advised that for public piers managed by the Transport Department ("TD"), TD would relay to the relevant departments the views on improvement of public pier facilities. TD would also follow up on cases relating to street sleepers at piers raised by Members.

#### Application of information technology in public transport services

- 67. Mr Holden CHOW noted that one of the duties of PAS(T)(12) was to provide a real-time arrival information system ("the real-time system") for green minibuses ("GMBs"). He pointed out that while some bus companies had launched similar systems years ago, the information provided was often inaccurate. He enquired whether the Administration would step up efforts to monitor the real-time systems of bus companies, and how it would prevent the occurrence of similar problems in the GMB real-time system. Mr CHOW suggested that the Administration should request bus companies to focus on improving those routes with relatively more complaints about real-time arrival information.
- 68. Mr AU Nok-hin expressed similar concerns. Pointing out the higher frequency of re-routing for GMBs than buses, he was concerned about how the accuracy of the GMB real-time system could be ensured. Mr AU also enquired whether the data of the GMB real-time system would be made public, and whether the Administration had assessed the usage rate of the existing real-time systems installed on public transport modes.
- 69. <u>PS(T)</u> acknowledged that there was room for improvement for the real-time systems of bus companies. Given the complex traffic conditions in Hong Kong, the real-time systems of bus companies needed a longer break-in period. The Administration was currently conducting proof-of-concept trials on the GMB real-time system, and would draw reference from the experience of bus companies in developing the system. The transport data collected by the system would also be opened for public access. <u>DS(T)2</u> added that the Administration had requested bus companies

to improve their real-time systems. Given that GMB services were provided separately by a number of operators, the Government would fund the development and installation of the real-time system for GMBs.

- 70. Dr Elizabeth QUAT remarked that notwithstanding the Administration's immense efforts to implement the smart mobility development strategy, members of the public currently had encountered difficulties accessing the real-time information of public transport modes The Government had also rejected her suggestion of on the Internet. drawing reference from the practice in other jurisdictions requesting public transport operators to open up their data. Dr QUAT pointed out that she noted from the Duty Visit that a smart platform had been established in Hangzhou, on which effective traffic management could be achieved with the use of real-time information provided by various transport modes. opined that the Administration should make reference to the experience of the Mainland. In addition to opening up public transport data, master planning should also be conducted to improve traffic conditions with the use of real-time traffic information. She enquired about the work of PAS(T)(12) that involved the promotion of smart mobility.
- 71. <u>Ir Dr LO Wai-kwok</u> expressed support for the staffing proposal. He also agreed that the Administration should draw reference from the experience of the Mainland in implementing a smart mobility development strategy.
- 72. PS(T) responded that the Administration was stepping up its efforts to apply more technologies in public transport services in a progressive Taking the opening up of transport data as an example, Citybus Limited, New World First Bus Services Limited and New Lantao Bus Company (1973) Limited had agreed to open up their transport data in due The Administration was currently discussing with The Kowloon Motor Bus Co. (1933) Ltd. and the MTRC Limited for the opening up of transport data. It was expected that upon completion of the GMB real-time system, most public transport carriers (i.e. ferries, buses, light buses and trams) would open up their data. PS(T) also pointed out that under the Smart City Blueprint for Hong Kong, master planning had been conducted and a number of measures that facilitated traffic management would be introduced. In addition to smart lampposts, the Administration would also take forward the installation of in-vehicle units in vehicles, which could not only provide data that facilitated traffic analysis and urban management, but also enable motorists to make toll payments for tunnels and roads without stopping the vehicles.

## Relaxing the vehicle length restriction of green minibuses

- 73. Mr Jeremy TAM welcomed the Administration's proposal to relax the vehicle length restriction of GMBs from the current 7 metres to 7.5 metres, which could facilitate the introduction of light buses with more environmental benefits and/or barrier-free facilities by the trade. He enquired how the Administration would handle the licensing issues relating to 7.5-metre light buses. He was also concerned that some road sections in Hong Kong might not be suitable for use by 7.5-metre light buses. He requested the Administration to carefully study whether there was a need to widen such road sections, or restrict the use of such road sections by 7.5-metre light buses where necessary.
- 74. <u>Assistant Commissioner for Transport (Management and Paratransit)</u> advised that in introducing 19-seat light buses, TD had reviewed the usage of the existing light bus stops, and completed the relevant improvement works. TD would also review the vehicle length restriction at road sections of the existing light bus routes. <u>PS(T)</u> and <u>DS(T)2</u> added that TD had basic information as to whether roads across the territory were suitable for use by 7.5-metre light buses, and would carry out improvement works on a need basis.

## Conducting a comprehensive transport study

- 75. <u>Ir Dr LO Wai-kwok</u> enquired whether the Administration would conduct the fourth territory-wide comprehensive transport study.
- 76. <u>PS(T)</u> responded that given the relatively simple traffic conditions in Hong Kong in the past, the Government could formulate public transport policies by conducting comprehensive transport studies. But in view of the current complex traffic conditions in Hong Kong, the Administration considered it preferable to conduct in-depth studies on individual aspects of public transport for formulating various transport policies.

# Allowing access to public transport for persons carrying compressed oxygen cylinders for self-medical use

77. <u>Dr Fernando CHEUNG</u> pointed out that the Administration submitted papers to the Panel on Transport and the Joint Subcommittee on Long-term Care Policy in April 2012 and December 2017 respectively, indicating that it planned to submit shortly to LegCo the legislative proposal for allowing access to public transport for persons carrying compressed oxygen cylinders for self-medical use, and formulate guidelines on the actual operation. Nevertheless, the Administration had so far failed to make any progress in such work. He queried whether there

was any dereliction of duty on the part of government officials. Dr KWOK Ka-ki shared Dr CHEUNG's concern, and pointed out that the Administration had not given any concrete response notwithstanding long-standing calls from the community over the years.

- 78. PS(T) and DS(T)2 responded that as the safety of various transport modes was currently regulated by different pieces of legislation, passengers carrying compressed oxygen cylinders for self-medical use were subject to different requirements. The long-term goal of the Administration was to standardize such requirements imposed by various public transport modes through legislative amendments. Nevertheless, consensus could not be reached even after prolonged discussions as the legislative proposal involved a number of stakeholders (including patient groups, public transport operators and driver associations) and government departments. This notwithstanding, the Administration would consult the Panel on Transport in May 2019 on the legislative proposal for allowing access to bus services for persons carrying compressed oxygen cylinders for self-medical use, and would submit the legislative amendments to LegCo in due course. DS(T)2 added that other PASs instead of PAS(T)(12) would be responsible for the matter.
- (At 6:21 pm, the Chairman directed that the meeting be extended by 15 minutes. No members raised any objection.)
- 79. As members raised no further questions on the item, the Chairman put the item to vote. She was of the view that the majority of the members voting were in favour of this item. She declared that the Subcommittee agreed to recommend the item to FC for approval.
- 80. No members requested that the item be voted on separately at the relevant FC.
- 81. The meeting ended at 6:31 pm.