REPORT OF THE

PUBLIC ACCOUNTS COMMITTEE

ON

THE REPORTS OF THE DIRECTOR OF AUDIT

ON

THE ACCOUNTS OF THE GOVERNMENT OF

THE HONG KONG SPECIAL ADMINISTRATIVE REGION

FOR THE YEAR ENDED

31 MARCH 2019

AND THE RESULTS OF

VALUE FOR MONEY AUDITS (Report No. 73)

February 2020

P.A.C. Report No. 73

CONTENTS

		Paragraph	Page
Part 1	**Introduction**		
	The Establishment of the Committee	1	1
	Membership of the Committee	2	1
Part 2	**Procedure**		
	The Committee's Procedure	1	2 - 3
	Confidentiality undertaking by members of the Committee	2 - 3	3
	The Committee's Report	4 - 5	3
	The Government's Response	6	4
Part 3	**Report of the Public Accounts Committee on Report No. 70 of the Director of Audit on the Results of Value for Money Audits** ***[P.A.C. Report No. 70]***		
	Laying of the Report	1	5
	The Government Minute	2 - 6	5 - 10
Part 4	**Supplemental Report of the Public Accounts Committee on Report No. 70 of the Director of Audit on the Results of Value for Money Audits** ***[P.A.C. Report No. 70A]***		
	Laying of the Report	1	11
	The Government Minute	2 - 8	11 - 18

CONTENTS

		Paragraph	Page
Part 5	**Report of the Public Accounts Committee on the Reports 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 and the Results of Value for Money Audits (Report No. 71)** ***[P.A.C. Report No. 71]***		
	Laying of the Report	1	19
	The Government Minute	2 - 69	19 - 56
Part 6	**Supplemental Report of the Public Accounts Committee on Report No. 71 of the Director of Audit on the Results of Value for Money Audits** ***[P.A.C. Report No. 71A]***		
	Laying of the Report	1	57
	The Government Minute	2 - 6	57 - 60
Part 7	**Committee Proceedings**		
	Consideration of the Director of Audit's Report	1	61
	Meetings	2	61
	Arrangement of the Report	3 - 4	61
	Acknowledgements	5	61
Part 8	**Observations of the Public Accounts Committee on the 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 2019**	1	62

CONTENTS

		Paragraph	Page
Part 9	**Chapter**		
	1. Planning, provision and management of public toilets by the Food and Environmental Hygiene Department		
	A. Introduction	1 - 9	63 - 65
	B. Planning and provision of public toilets	10 - 41	66 - 77
	C. Management of public toilet works projects	42 - 73	77 - 89
	D. Management of public toilets	74 - 117	89 - 104
	E. Conclusions and recommendations	118 - 120	104 - 116
	2. Provision of consultancy, research and development and training services by the Hong Kong Productivity Council		
	A. Introduction	1 - 17	117 - 123
	B. Provision of consultancy and manufacturing support services	18 - 62	124 - 140
	C. Research and development projects	63 - 83	140 - 146
	D. Provision of training programmes	84 - 105	146 - 154
	E. Conclusions and recommendations	106 - 108	154 - 167
	3. Governance and administrative issues of the Hong Kong Productivity Council	1 - 6	168 - 171

CONTENTS

		Paragraph	Page
4.	**Control of wild and stray animal nuisances**	1 - 5	172 - 175
5.	**Special education**	1 - 7	176 - 179
6.	**Judiciary Administration's work in implementing projects under Information Technology Strategy Plan**	1 - 6	180 - 183
7.	**Statistical services provided by the Census and Statistics Department**	1 - 5	184 - 186
8.	**Procurement of goods and services by the Immigration Department**	1 - 5	187 - 189
9.	**Child Development Fund**	1 - 7	190 - 193

SIGNATURES OF THE CHAIRMAN, DEPUTY CHAIRMAN AND MEMBERS OF THE COMMITTEE 194

CHAPTERS IN THE DIRECTOR OF AUDIT'S REPORT NO. 73 DEALT WITH IN THE PUBLIC ACCOUNTS COMMITTEE'S REPORT 195

CONTENTS

		Page
Appendix relating to Part 1: "Introduction"		
Appendix 1	Rules of Procedure of the Legislative Council of the Hong Kong Special Administrative Region	196 - 197
Appendix relating to Part 2: "Procedure"		
Appendix 2	Paper presented to the Provisional Legislative Council by the Chairman of the Public Accounts Committee at the meeting on 11 February 1998 on Scope of Government Audit in the Hong Kong Special Administrative Region - 'Value for Money Audits'	198 - 200
Appendices relating to Part 5: "Report of the Public Accounts Committee on the Reports 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 and the Results of Value for Money Audits (Report No. 71) *[P.A.C. Report No. 71]*"		
Appendix 3	Letter dated 23 January 2020 from Director of Lands	201 - 202
Appendix 4	Letter dated 15 January 2020 from Secretary for Home Affairs	203 - 204
Appendix relating to Part 6: "Supplemental Report of the Public Accounts Committee on Report No. 71 of the Director of Audit on the Results of Value for Money Audits *[P.A.C. Report No. 71A]*"		
Appendix 5	Letter dated 15 January 2020 from Director of Food and Environmental Hygiene	205 - 207

CONTENTS

		Page
Appendix relating to Part 7: "Committee Proceedings"		
Appendix 6	Witnesses who appeared before the Committee	208 - 209
Appendices relating to Chapter 1 of Part 9: "Planning, provision and management of public toilets by the Food and Environmental Hygiene Department"		
Appendix 7	Speech made by Director of Audit at the public hearing on 14 December 2019	210 - 214
Appendix 8	Opening statement made by Secretary for Food and Health at the public hearing on 14 December 2019	215 - 216
Appendix 9	Opening statement made by Director of Food and Environmental Hygiene at the public hearing on 14 December 2019	217 - 220
Appendix 10	Letter dated 3 January 2020 from Director of Food and Environmental Hygiene	221 - 306
Appendix 11	Letter dated 11 December 2019 from Commissioner for Tourism	307 - 312
Appendix 12	Letter dated 13 January 2020 from Director of Food and Environmental Hygiene	313 - 323
Appendix 13	Letter dated 29 January 2020 from Director of Architectural Services	324 - 352
Appendix 14	Letter dated 11 December 2019 from Director of Food and Environmental Hygiene	353 - 437

CONTENTS

		Page
Appendix 15	Letter dated 7 January 2020 from Director of Water Supplies	438 - 443
Appendix 16	Letter dated 24 January 2020 from Director of Food and Environmental Hygiene	444 - 468
Appendix 17	Letter dated 3 February 2020 from Director of Architectural Services	469 - 472
Appendix 18	Letter dated 4 February 2020 from Director of Food and Environmental Hygiene	473 - 483
	Appendices relating to Chapter 2 of Part 9: "Provision of consultancy, research and development and training services by the Hong Kong Productivity Council"	
Appendix 19	Speech made by Director of Audit at the public hearing on 13 December 2019	484 - 486
Appendix 20	Opening statement made by Secretary for Innovation and Technology at the public hearing on 13 December 2019	487 - 489
Appendix 21	Opening statement made by Executive Director of Hong Kong Productivity Council at the public hearing on 13 December 2019	490 - 493
Appendix 22	Letter dated 3 January 2020 from Executive Director of Hong Kong Productivity Council	494 - 579
Appendix 23	Letter dated 3 January 2020 from Commissioner for Innovation and Technology	580 - 682

CONTENTS

		Page
Appendix 24	Letter dated 21 January 2020 from Commissioner for Innovation and Technology	683 - 686
Appendix 25	Letter dated 11 December 2019 from Commissioner for Innovation and Technology	687 - 704
Appendix 26	Letter dated 16 December 2019 from Executive Director of Hong Kong Productivity Council	705 - 720
Appendix 27	Letter dated 2 January 2020 from Executive Director of Hong Kong Productivity Council	721 - 767
Appendix 28	Letter dated 22 January 2020 from Executive Director of Hong Kong Productivity Council	768 - 787
Appendix 29	Letter dated 11 December 2019 from Executive Director of Hong Kong Productivity Council	788 - 809

Appendices relating to Chapter 3 of Part 9: "Governance and administrative issues of the Hong Kong Productivity Council"

Appendix 30	Letter dated 13 February 2020 from Executive Director of Hong Kong Productivity Council	810 - 840
Appendix 31	Letter dated 2 January 2020 from Secretary for Innovation and Technology	841 - 845
Appendix 32	Letter dated 2 January 2020 from Secretary for Financial Services and the Treasury	846 - 848

CONTENTS

		Page
Appendix 33	Letter dated 2 January 2020 from Commissioner for Innovation and Technology	849 - 858
Appendix 34	Letter dated 2 January 2020 from Director of Audit	859 - 861
Appendix relating to Chapter 4 of Part 9: "Control of wild and stray animal nuisances"		
Appendix 35	Consolidated reply dated 3 January 2020 from Director of Agriculture, Fisheries and Conservation and Secretary for the Environment	862 - 882
Appendices relating to Chapter 5 of Part 9: "Special education"		
Appendix 36	Letter dated 17 January 2020 from Secretary for Education	883 - 916
Appendix 37	Letter dated 7 January 2020 from Director of Social Welfare	917 - 925
Appendix relating to Chapter 6 of Part 9: "Judiciary Administration's work in implementing projects under Information Technology Strategy Plan"		
Appendix 38	Letter dated 7 January 2020 from Judiciary Administrator	926 - 941

CONTENTS

		Page
Appendices relating to Chapter 7 of Part 9: "Statistical services provided by the Census and Statistics Department"		
Appendix 39	Letter dated 9 January 2020 from Secretary for Financial Services and the Treasury	942 - 943
Appendix 40	Letter dated 8 January 2020 from Deputy Commissioner for Census and Statistics	944 - 952
Appendix relating to Chapter 8 of Part 9: "Procurement of goods and services by the Immigration Department"		
Appendix 41	Letter dated 2 January 2020 from Director of Immigration	953 - 960
Appendix relating to Chapter 9 of Part 9: "Child Development Fund"		
Appendix 42	Consolidated reply dated 14 January 2020 from Secretary for Labour and Welfare and Director of Social Welfare	961 - 973
ACRONYMS AND ABBREVIATIONS		974 - 977

The Establishment of the Committee The Public Accounts Committee is established under Rule 72 of the Rules of Procedure of the Legislative Council of the Hong Kong Special Administrative Region, a copy of which is attached in *Appendix 1* to this Report.

2. **Membership of the Committee** The following Members are appointed by the President under Rule 72(3) of the Rules of Procedure to serve on the Committee:

Chairman	**:**	Hon Abraham SHEK Lai-him, GBS, JP
Deputy Chairman	**:**	Hon Kenneth LEUNG
Members	**:**	Hon Paul TSE Wai-chun, JP Hon Steven HO Chun-yin, BBS Hon LAM Cheuk-ting Hon SHIU Ka-fai, JP Hon Tanya CHAN
Clerk	**:**	Anthony CHU
Legal Adviser	**:**	YICK Wing-kin

The Committee's Procedure The practice and procedure, as determined by the Committee in accordance with Rule 72 of the Rules of Procedure, are as follows:

(a) the public officers called before the Committee in accordance with Rule 72 of the Rules of Procedure, shall normally be the Controlling Officers of the Heads of Revenue or Expenditure to which the Director of Audit has referred in his Report except where the matter under consideration affects more than one such Head or involves a question of policy or of principle in which case the relevant Director of Bureau of the Government or other appropriate officers shall be called. Appearance before the Committee shall be a personal responsibility of the public officer called and whilst he may be accompanied by members of his staff to assist him with points of detail, the responsibility for the information or the production of records or documents required by the Committee shall rest with him alone;

(b) where any matter referred to in the Director of Audit's Report on the accounts of the Government relates to the affairs of an organisation subvented by the Government, the person normally required to appear before the Committee shall be the Controlling Officer of the vote from which the relevant subvention has been paid, but the Committee shall not preclude the calling of a representative of the subvented body concerned where it is considered that such a representative could assist the Committee in its deliberations;

(c) the Director of Audit and the Secretary for Financial Services and the Treasury shall be called upon to assist the Committee when Controlling Officers or other persons are providing information or explanations to the Committee;

(d) the Committee shall take evidence from any parties outside the civil service and the subvented sector before making reference to them in a report;

(e) the Committee shall not normally make recommendations on a case on the basis solely of the Director of Audit's presentation;

(f) the Committee shall not allow written submissions from Controlling Officers other than as an adjunct to their personal appearance before the Committee; and

(g) the Committee shall hold informal consultations with the Director of Audit from time to time, so that the Committee could suggest fruitful areas for value for money study by the Director of Audit.

2. **Confidentiality undertaking by members of the Committee** To enhance the integrity of the Committee and its work, members of the Public Accounts Committee have signed a confidentiality undertaking. Members agree that, in relation to the consideration of the Director of Audit's reports, they will not disclose any matter relating to the proceedings of the Committee that is classified as confidential, which shall include any evidence or documents presented to the Committee, and any information on discussions or deliberations at its meetings, other than at meetings held in public. Members also agree to take the necessary steps to prevent disclosure of such matter either before or after the Committee presents its report to the Council, unless the confidential classification has been removed by the Committee.

3. A copy of the Confidentiality Undertakings signed by members of the Committee has been uploaded onto the Legislative Council website.

4. **The Committee's Report** This Report by the Public Accounts Committee corresponds with the Reports of the Director of Audit on:

- the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2019; and

- the results of value for money audits (Report No. 73),

which were tabled in the Legislative Council on 27 November 2019. Value for money audits are conducted in accordance with the guidelines and procedures set out in the Paper on Scope of Government Audit in the Hong Kong Special Administrative Region - 'Value for Money Audits' which was tabled in the Provisional Legislative Council on 11 February 1998. A copy of the Paper is attached in *Appendix 2*.

5. In addition, this Report takes stock of the progress of the action taken by the Administration on the recommendations made in the Committee's Report Nos. 70, 70A, 71 and 71A and offers the Committee's views on the action taken. These are detailed in Parts 3, 4, 5 and 6 of this Report.

6. **The Government's Response** The Government's response to the Committee's Report is contained in the Government Minute, which comments as appropriate on the Committee's conclusions and recommendations, indicates what action the Government proposes to take to rectify any irregularities which have been brought to notice by the Committee or by the Director of Audit and, if necessary, explains why it does not intend to take action. It is the Government's stated intention that the Government Minute should be laid on the table of the Legislative Council within three months of the laying of the Report of the Committee to which it relates.

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

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

Consumer protection against unfair trade practices, unsafe goods, and short weights and measures
(Chapter 2 of Part 4 of P.A.C. Report No. 70)

3. The Committee was informed that:

Enforcement work against unfair trade practices

- the Customs and Excise Department ("C&ED") and the Office of the Communications Authority ("OFCA") had conducted a comprehensive review on the enforcement issues of the Trade Descriptions Ordinance (Cap. 362) to further enhance enforcement effectiveness in protecting consumers. OFCA had promulgated a performance pledge for the enforcement of Cap. 362 to enhance transparency and accountability;

- C&ED had promulgated revised guidelines to improve complaint handling mechanisms and ensure the accuracy of reporting achievement of key enforcement targets in the Controlling Officer's Report;

- C&ED had made use of exception reports generated from computer system to monitor progress of investigation cases;

- enhancements to the computer system interface between C&ED and the Consumer Council ("CC") to facilitate case referral were completed in October 2018. OFCA and CC had agreed to share unfair trade

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

Enforcement work against unsafe goods, and short weights and measures

- C&ED had set out clearer instructions for frontline officers to increase the effectiveness of spot checks relating to the Consumer Goods Safety Ordinance (Cap. 456) and the Toys and Children's Products Safety Ordinance (Cap. 424), and had also stepped up spot checks on online sales;

- more test purchases were conducted by C&ED to enhance the enforcement of the Weights and Measures Ordinance (Cap. 68), and revised guidelines were also issued by C&ED to ensure timely approval of work plans on Cap. 68;

Other consumer protection measures

- CC had implemented a dedicated spreadsheet programme to analyze data on consumer complaints and generate monthly reports for the purpose of accurately monitoring the attainment of the two performance targets on handling consumer complaints;

- CC had conducted a data collection and analysis exercise from January to June 2019, and concluded that the two performance targets concerning the timeline in handling consumer complaints could be shortened as recommended by the Audit Commission ("Audit"). The new performance targets were implemented in late September 2019;

- CC had reminded its case officers to avoid making duplicate entries of an inquiry letter in the Complaint Case Management System ("CCMS") when multiple copies of the same letter were sent via different channels. Automatic reminders were properly issued and there had been no recurrence of system error;

- CC had implemented a system under which the dashboard of CCMS was regularly used to compile a list of traders with repeated cases of undesirable trade practices. The list was then discussed at monthly case review meetings for follow-up actions; and

- OFCA had relaxed the eligibility criteria for case referral under the Customer Complaint Settlement Scheme ("CCSS") and strengthened

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

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

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

5. The Committee was informed that:

Management and monitoring of road excavation works

Managing road excavation works

- the Highways Department ("HyD") had since July 2019 commenced compiling statistics on coordination work regularly to evaluate its effectiveness in reducing road openings;

- HyD had revised the relevant procedures/manual such that applicants of excavation permit ("XP") were required to provide reasons for not adopting a common trench approach. HyD also enhanced the Excavation Permit Management System ("XPMS") in July 2019 to identify and request an explanation from those XP applicants who had revised the works schedule to include a time break of three to six months instead of adopting a common trench approach;

- HyD enhanced XPMS in July 2019 to automate the process for sorting and clearing long outstanding obsolete/abandoned plans. The number of plans shown in XPMS had thus been reduced considerably, which could facilitate the identification of conflicting plans requiring coordination;

- the Development Bureau ("DEVB") had already issued a memo to remind works departments to make greater efforts to ascertain the underground conditions, particularly at locations with potential

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

Monitoring compliance with excavation permit conditions

- HyD had since July 2018 reviewed the inspection mechanism and enhanced the site selection process to further improve the overall inspection coverage for Normal XP and Capital works XP sites. HyD would regularly monitor the effectiveness of the above enhancement;

- since July 2019, HyD had issued an information leaflet together with XP to permittees to promote the importance of complying with XP conditions and relevant requirements;

- all enhancements to the Demerit Point System became effective on 1 January 2019. The number of cases of long-outstanding rectification works (specifically the number of rejected Completion Notices ("CNs") which had remained outstanding for over two years) had substantially reduced from 2 581 in December 2017 to 93 in June 2019. HyD would continue to urge utility undertakings ("UUs") in the monthly meetings of Road Opening Coordinating Committee ("ROCC") to improve the quality of reinstatement works;

- HyD had been regularly compiling relevant statistics to closely monitor the situation of CN processing and had expedited CN inspections. The percentage of submitted CNs that were processed within the target time had increased from 89% in June 2018 to 92% in June 2019;

- HyD had provided statistics on UUs' performance in submitting site photographs and test reports during the monthly ROCC meetings with UUs to monitor the submission progress. HyD would also issue reminders to UUs requesting timely submission and drawing the attention of those UUs with outstanding submission of site photographs and test reports. In December 2017, 3 618 site photographs and 2 441 test reports were not submitted to HyD in a timely manner. In June 2019, the numbers of late submission of site photographs and test reports were reduced to 2 140 and 408 respectively;

- relevant statistics on performance in processing site photographs and test reports had been compiled and monitored in XPMS since July 2019. In December 2017, there was delay in processing

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

Enforcement actions

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

Control of underground utility installation and space occupation

Control of underground utility installation

- HyD implemented in July 2019 the revised Excavation Permit Processing Manual on the checking of completed works under small-scale works XP in order to detect unauthorized works (including above-ground installations);

- HyD had required UUs to take photo records showing the depth of their installed utility services before road reinstatement to ensure the compliance of minimum depth requirement. HyD had also expedited the processing of these site photographs in response to Audit's recommendation;

- HyD held two collaborative meetings on 6 June and 2 August 2018 with the Lands Department ("LandsD") and other relevant bureaux/departments to explore the need to require UUs to submit as-built records and updated master plans of underground utility systems at strategic locations (e.g. at road junctions/locations with busy vehicular traffic or pedestrian flow) to facilitate HyD's checking and controlling of road excavation;

- LandsD had agreed to share with HyD the annual updated master plans on strategic installations as at the end of 2017 and 2018, which were submitted annually by the power and gas supply UUs to LandsD in accordance with its issued block license's conditions, for HyD's reference in processing XP;

Management and control of underground space occupation

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

Exploring the use of common utility enclosures

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

- HyD would assist DEVB in establishing procedures and requirements for maintaining records on the implementation results of the trial CUEs to facilitate evaluation of their effectiveness.

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

Laying of the Report Report No. 70 of the Director of Audit on the results of value for money audits was laid in the Legislative Council ("LegCo") on 25 April 2018. The Public Accounts Committee ("the Committee")'s supplemental report (Report No. 70A) on Chapters 1 and 8 of the Director of Audit's Report ("Audit Report") was tabled on 14 November 2018.

2. **The Government Minute** The Government Minute in response to the Committee's Report No. 70A was laid in LegCo on 30 January 2019. A progress report on matters outstanding in the Government Minute was issued on 30 October 2019. The latest position and the Committee's further comments on these matters are set out in paragraphs 3 to 8 below.

Management of restored landfills
(Chapter 1 of Part 4 of P.A.C. Report No. 70A)

3. Hon Kenneth LEUNG declared that he was a member of the Craigengower Cricket Club.

4. The Committee was informed that:

Aftercare of restored landfills

- the design and installation works of the recommended advanced equipment (i.e. data logging systems) at Tsueng Kwan O Landfills and Gin Drinkers Bay Landfill were scheduled for completion in the first quarter of 2020;

- the Environmental Protection Department ("EPD") had assessed the appropriate locations for installation of the automatic sampling devices at restored landfills, and the automatic sampling devices were already in operation;

- EPD had stepped up the frequency of irregular inspections and conducted surprise checks during weekends, and ensured that the contractors would keep proper site records/daily log sheets. EPD had also arranged site staff to check the contractors' site records regularly to ensure the records were clearly and properly maintained;

- EPD had changed the sampling point at Pillar Point Valley Landfill ("PPVL") to ensure that the treated leachate discharge would comply with both licence and contract requirements and facilitate the effective monitoring of the performance of the leachate treatment plant ("LTP") at PPVL by EPD;

- the contractor of PPVL had completed the installation of advanced real-time monitoring equipment at PPVL's LTP to monitor LTP round-the-clock on a real-time basis to facilitate early detection of any sign of deterioration in plant performance and ensure that swift maintenance action would be taken;

- EPD would review the feasibility of including non-compliance with the relevant statutory environmental requirements under the demerit point system of the design-build-operate contracts for the restoration and management of closed landfills in future;

- the Leisure and Cultural Services Department ("LCSD") would set up a working group comprising the client departments, the works agent (normally the Architectural Services Department ("ArchSD")), consultants and/or contractors, EPD and departments concerned to address complicated site constraints and speed up the development process;

- LCSD would, in consultation with the relevant works agent and technical departments, consider hiring an external consultant for future restored landfill projects. LCSD might also seek preliminary comments from ArchSD and EPD, as an alternative to hiring external consultant, on proposed development options in restored landfills before consulting the District Councils and issuing the Project Definition Statement in future so as to facilitate more effective consultation with the District Councils;

- drawing from the experiences of Wan Po Road Pet Garden project, the Home Affairs Department would consider the experience and expertise of term consultant before assigning projects in future;

<u>Development of government recreational facilities at restored landfills</u>

- the Administration aimed to finish the preparatory work of the Kwai Chung Park project and seek funding approval from LegCo in the 2020-2021 legislative year for commencement of work by end 2021;

- independent quantity surveying consultants had been engaged to provide comprehensive cost advice for all consultant-led projects. Sufficient and realistic time had also been allowed for the tender stage of projects;

- EPD would consider conducting a review to address the potential risk of unusual ground settlement at Tseung Kwan O Stage I Landfill to be occupied by a revitalization project for consideration by the project proponent in planning and designing the project;

- LCSD had reminded relevant staff of the need to consider carefully the detailed user requirements and incorporate them into the tender documents to avoid unnecessary variation of works after award of contract. The Home Affairs Department would critically assess the additional works arising after contract award, and advise client departments on whether the proposed additional works were essential and necessary and on how to deliver the works in cost-effective way;

- ArchSD had shared its experience in the construction of the Jordan Valley Park in July and November 2018 to remind staff that when implementing in future a works project at restored landfills with specific construction requirements and restrictions, sufficient time should be allowed for seeking EPD's advice on the design and layout plans before tender invitation, and substantial design changes found after issuance of tenders should be reported to the Central Tender Board with suggested course of actions and justifications provided;

<u>Monitoring of non-governmental bodies' afteruse facilities at restored landfills</u>

- the football training centre at Tseung Kwan O Stage I Landfill and the temporary cricket grounds at Gin Drinkers Bay Landfill commenced operation in 2018. EPD would work with the relevant bureaux and departments to monitor the licensees' compliance with licence conditions;

- EPD would consult the relevant bureaux and departments on the feasibility of incorporating quantifiable/objective criteria when preparing new land licences in the future, and the formulation of guidelines on the circumstances under which licensees would be requested to submit audited financial information for monitoring their operational and financial viability;

- EPD was working closely with the Tung Wah Group of Hospitals and the Christian Family Service Centre selected under Batch 1 of the Restored Landfill Revitalization Funding Scheme ("the Funding Scheme") on the proposed revitalization projects at Tseung Kwan O Stage I Landfill and Ma Yau Tong Central Landfill respectively. For the revitalization project at Tseung Kwan O Stage I Landfill, its Technical Feasibility Statement prepared by the project proponent had been approved by the Development Bureau ("DEVB"). As for the revitalization project at Ma Yau Tong Central Landfill, it would not be pursued as the estimated project cost had exceeded the original cost estimated during the application stage, and the Steering Committee on the Funding Scheme was formally informed of the decision. EPD would draw reference from the operational and implementation experience of Batch 1 of the Funding Scheme in launching Batch 2; and

- EPD had commissioned a preliminary engineering appraisal study on how to overcome the development constraints and implement the afteruse of PPVL. EPD had also formulated guidelines on related party transactions for projects under the Funding scheme, so as to assist EPD officers to handle relevant issues properly.

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

Sha Tin Section of Route 8
(Chapter 2 of Part 4 of P.A.C. Report No. 70A)

6. Hon SHIU Ka-fai declared that he was engaged in the trading business of construction materials but was not involved in the projects under discussion.

7. The Committee was informed that:

Administration of Contract A

- the Highways Department ("HyD") reminded its staff and consultants in May and December 2018 to continue to strictly follow the guidelines stipulated in the Structures Design Manual for Highways and Railways that the consultants or contractors appointed by the Administration

should carry out appropriate level of independent checking on the design of different categories of new highway structures and the associated modification of existing highway structures;

- the Project Administration Handbook for Civil Engineering Works ("PAH"), which was applicable to all works projects overseen by works departments, was updated in August 2018 to enhance the procedures for handling tender queries;

- HyD updated the document entitled "HQ/GN/02 Guidelines for Checking Submissions of Consultants" in December 2018 to incorporate principles for checking the responses to tender queries prepared by consultants, and reminded them to provide a clear and accurate response to tender query;

- HyD would also circulate a memo on a yearly basis to regularly remind its staff to strictly follow the requirements stipulated in the Stores and Procurement Regulations on contract negotiation and seek the relevant authority's prior agreement to the strategy or bottom line for the contract negotiation before entering into negotiation with contractors or consultants;

- details of extra-contractual settlement of claims and/or other forms of settlement agreements contained commercially sensitive information, the disclosure of which in the public domain might harm the competitive or financial positions of contractors and could result in the Administration's breach of its obligation to not divulge information as provided in contracts. Such disclosure might also prejudice the Administration's position in defending against similar claims in legal proceedings. The Committee's suggestion of setting up a mechanism to report to LegCo the extra-contractual settlement of claims in public works contracts would potentially give rise to the above concerns. Hence, DEVB considered that the current mechanism of reporting settled contractual claims including extra-contractual ones to the Audit Commission had been working well;

<u>Administration of Contract B and Contract C</u>

- in December 2018, HyD updated "HQ/GN/02 Guidelines for Checking Submissions of Consultants" to enhance the checking procedures for contract clauses and drawings, and reminded its staff and consultants to continue to strictly follow the requirements as stipulated in PAH on

Bills of Quantities preparation work. HyD and its consultants had also been adopting Building Information Modelling technology to carry out the checking in accordance with the requirements stipulated in DEVB Technical Circular (Works) No. 7/2017;

- PAH amended in August 2018 had enhanced the guidelines expressly requiring the works departments/consultants to carefully check that the time programmes for interfacing works in all contracts concerned were consistent when preparing tender documents. PAH also required the consultants to seek the responsible works departments' comments on the time programmes prior to incorporation of the relevant information in tender documents;

- HyD reminded its staff and consultants in December 2018 to continue to follow the existing guidelines and technical circulars to conduct site investigations as far as practicable with a view to incorporating comprehensive and adequate information for design and tender purposes;

- PAH had been updated to:

  (a) require project offices to submit tender documents for contracts estimated to exceed $500 million in value to the Legal Advisory Division (Works) of DEVB for legal vetting prior to calling for tenders; and

  (b) specify the need to minimize omitted items as far as practicable in preparation for Bills of Quantities, which should undergo a checking process;

- HyD would consider carrying out more horizontal directional coring in projects involving tunneling works with a view to providing more ground information for the design of the projects;

<u>Usage and management of Sha Tin Section</u>

- to address the bottleneck problem at the approach roads to Route 8, the Administration commenced the works to widen Tai Po Road (Sha Tin Section) in July 2018 for anticipated completion in 2023. The investigation study for the strategic highway project of Trunk Road T4 was commenced in June 2018 for anticipated completion

by 2021 with a view to mapping out the detailed scope and ascertaining the technical feasibility;

- the Transport Department ("TD") commenced a study on "Congestion Charging" in July 2019 to examine the hierarchy and levels of tolls of all government tolled tunnels (including Route 8 (Sha Tin Section)) as well as the Tsing Ma Control Area and Tsing Sha Control Area ("TSCA"). The study would also examine the scope for charging different tolls during different time periods;

- TD had proposed 13 improvement items for franchised bus routes passing through the Sha Tin Section under the Bus Route Planning Programme 2018-2019 and 2019-2020, including the introduction of two new special routes and service enhancement of 11 existing routes that passed through the road section concerned. Three of the improvement items were implemented in 2018 and the remaining ones were implemented by phases starting from the third quarter of 2019;

- upon consultation, the operators of red minibuses welcomed the arrangement for red minibuses to operate on some road sections of Tsing Sha Highway, and red minibuses could then make use of Tsing Sha Highway to ply between New Territories East and Kowloon;

<u>Management of management, operation and maintenance contract for Sha Tin Section</u>

- TD, in collaboration with other Government Monitoring Team ("GMT") members, had consolidated a list of "GMT Members Monitoring Responsibility for TSCA" on maintenance issues, which was attached to the TSCA management, operation and maintenance ("MOM") contract in March 2018. TD had incorporated the above monitoring responsibility of GMT members in the new contract commencing in September 2019;

- to facilitate the monitoring of the operator's compliance with the manning level requirement of all staff under its purview, TD had updated the monitoring form for site inspection to enable relevant information to be recorded on the form, and required the operator to submit the necessary information on a monthly basis for checking by TD;

- TD and the Electrical and Mechanical Services Department had made revisions to the new TSCA contract which commenced in September 2019, including, among others, levying administrative charge on the operator for its failure to meet the required manning level for staff and this would also be applied to future MOM contracts;

- as of June 2019, TD had already collected liquidated damages for the operator's shortfall of electrical and mechanical staff up to April 2019 and ArchSD had already checked the attendance records of building maintenance staff submitted by the operator up to April 2019;

- the methodology for calculating liquidated damages for the operator's staff shortfall had been clearly set out in the new TSCA contract which commenced in September 2019. The Administration would also clearly stipulate in future tender documents and MOM contracts that the manning level of "leave relief" staff was for reference only whereas the manning level of on-duty staff was for mandatory compliance by the TSCA operator;

- on the Committee's recommendation to review MOM contracts and other similar contracts which had stipulated the manning level requirements of staff, TD, HyD, the Electrical and Mechanical Services Department and ArchSD had made monitoring efforts to ensure the compliance with such requirements by the contractors under their respective purview; and

- to strengthen the management of TSCA, GMT members met regularly every three months starting from July 2018 to discuss the MOM issues of the control area and held review meetings with the operator on a quarterly basis to discuss the operator's performance.

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

Laying of the Report The Report of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year end 31 March 2018 and his Report No. 71 on the results of value for money audits were laid in the Legislative Council ("LegCo") on 28 November 2018. The Public Accounts Committee ("the Committee")'s Report (Report No. 71) was subsequently tabled on 20 February 2019, which met the requirement of Rule 72 of the Rules of Procedure of LegCo that the Report be made within three months of the Director of Audit's Report ("Audit Report") being laid.

2. **The Government Minute** The Government Minute in response to the Committee's Report No. 71 was laid in LegCo on 15 May 2019. A progress report on matters outstanding in the Government Minute was issued on 30 October 2019. The latest position and the Committee's further comments on these matters are set out in paragraphs 3 to 69 below.

Monitoring of charitable fund-raising activities
(Paragraphs 3 to 5 of Part 3 of P.A.C. Report No. 71)

3. Hon Abraham SHEK Lai-him declared that he was a director of the Absolutely Fabulous Theatre Connection and the Heifer International Hong Kong Limited respectively, an Executive Committee Member of the Hong Kong Sheng Kung Hui Welfare Council Limited, a founder member of the Construction Industry Charity Fund and a member of the School Council of St. Stephen's Girls' College, all of which might have conducted fund-raising activities. Hon Paul TSE Wai-chun declared that he had participated in charitable fund-raising activities. Hon Steven HO Chun-yin declared that he was a member of the Democratic Alliance for the Betterment and Progress of Hong Kong, which might have conducted fund-raising activities. Hon LAM Cheuk-ting declared that he was a member of the Democratic Party, which might have conducted fund-raising activities. Hon SHIU Ka-fai declared that he was a member of the Assessment Committee of the Liberal Party Caring Foundation, which might have conducted fund-raising activities, and unremunerated honorary adviser or honorary member to some non-governmental organizations ("NGOs"). Hon Tanya CHAN declared that she was a member of the Civic Party, which might have conducted fund-raising activities.

4. The Committee was informed that:

- the Home Affairs Bureau ("HAB") had been assigned to coordinate inputs from the relevant bureaux/departments ("B/Ds") in formulating a response to the Law Reform Commission's recommendations on the monitoring of the operation of charities. The Administration had introduced a series of administrative measures in phases with effect from 1 August 2018 and 1 April 2019 after making reference to the recommendations in the Law Reform Commission Report, the Audit Report and the Committee's Report, with a view to enhancing the transparency of charitable fund-raising activities, safeguarding the interests of donors and facilitating the conduct of fund raising activities; and

- since 1 April 2019, the Administration had introduced a logo for display by holders of licences and permits relating to charitable fund-raising activities during charitable fund-raising activities for identification by members of the public.

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

Management of squatter and licensed structures
(Paragraphs 6 to 9 of Part 3 of P.A.C. Report No. 71)

6. Hon SHIU Ka-fai declared that he was a non-official member of the Hong Kong Housing Authority ("HKHA").

7. The Committee was informed that:

Monitoring of squatter and licensed structures

- taking into account the overall enforcement priorities under the squatter control policy, any genuine difficulties encountered by the occupants and local sentiments, as well as any special policy considerations relevant to businesses operating in that particular area, the Lands Department ("LandsD") was considering a pilot scheme for

regularization of warranted cases for consideration with relevant B/Ds; and

Rates, government rent and licence fees on squatter and licensed structures

- LandsD was conducting an overall review of the license fee charging mechanism for Government Land Licences. The review would, among others, identify obsolete uses hence obsolete fee items and consider arrangements for revising the fees in respect of the remaining items. Upon completion of the stocktaking of Government Land Licences, LandsD would be in a better position to review the way forward. The digitization of Government Land Licence records was expected to be completed by 2020.

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

Kai Tak Cruise Terminal
(Paragraphs 10 and 11 of Part 3 of P.A.C. Report No. 71)

9. The Committee was informed that in response to the recommendation of the Audit Commission ("Audit"), the Tourism Commission had completed the mid-term assessment of the economic benefits brought by the cruise industry immediately after collecting the relevant data in 2018. The assessment findings indicated that the value added contribution of the cruise industry in Hong Kong in 2018 was $1.736 billion, which was within the projection made in 2008 and fell into, ahead of schedule, the range of projected contribution by 2023. The Tourism Commission promulgated in August 2019 the above findings for information by the public and the LegCo Panel on Economic Development.

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

Management of projects financed by the Lotteries Fund
(Paragraphs 12 and 13 of Part 3 of P.A.C. Report No. 71)

11. The Committee was informed that:

- regarding the assignment of the social centre for the elderly to the Administration (Case 7 in the Audit Report), the Government Property Agency ("GPA") completed in April 2019 the vetting of the revised assignment plan submitted by the developer. The assignment procedure would be duly completed pending the developer's confirmation of the conditions of assignment and payment arrangements; and

- the Social Welfare Department ("SWD"), through LandsD, issued a letter in August 2019 to urge again the grantee and the developer to complete the assignment procedure without delay, and warn them of the possible lease enforcement action in case of further delays. When the assignment procedure was completed, SWD would arrange finalization of the project accounts after reimbursement of the project cost to the developer.

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

Government's support and monitoring of charities
(Paragraphs 3 to 5 of Part 4 of P.A.C. Report No. 71)

13. Hon Abraham SHEK Lai-him declared that he was a director of the Absolutely Fabulous Theatre Connection and the Heifer International Hong Kong Limited respectively, a founder member of the Construction Industry Charity Fund and a board member of the Construction Industry Skills Training Centre Limited. He was also a member of the School Council of St. Stephen's Girls' College. In addition, he was involved in the construction of the new headquarters of Scout Association of Hong Kong. Hon Paul TSE Wai-chun declared that he was a member of Scout Association of Hong Kong and was involved in the work of a number of charities. Hon SHIU Ka-fai declared that he was a member of the Assessment Committee of the Liberal Party Caring Foundation.

14. The Committee was informed that:

Administration of tax exemption of charities and tax-deductible donations

- in response to the recommendations of Audit and the Committee, the Inland Revenue Department was reviewing the taxability of the profits derived as specified in Chapter 1 of the Audit Report No. 68 after the issue of Profits Tax returns to all the seven charities involved;

Administration of land granted to charities for operating welfare/social services

- among the eight cases named in the Audit Report in which the leases specifically permitted the running of hostels/dormitories, the relevant B/Ds confirmed that they were satisfied with the current use or operation of hostels/dormitories under Leases F, G, H, I, J, M and N. As regards Lease L, the grantee had submitted audited accounts for the years of 2015 to 2018. In July 2019, LandsD requested further information and documents, particularly those showing the use of surplus income from the grantee;

- as at September 2019, LandsD had completed the stock-taking of private treaty grants granted at nil/nominal/concessionary premium from 1 January 2010 to 31 December 2017. LandsD would continue to undertake the stock-taking exercise in phases and share the findings with the relevant B/Ds, with a view to reminding the relevant B/Ds of their monitoring roles and responsibilities under the relevant protocol in respect of the private treaty grants overseen by them;

Regulation of Chinese temples

- in December 2017, the Chinese Temples Committee ("CTC") re-entered into an agreement for three years with one of the delegated organizations. The CTC Secretariat had been discussing with the other delegated organization with a view to re-entering into an agreement as soon as possible;

- the management of 20 delegated temples was delegated to eight organizations, including charitable and district organizations. One delegated organization had uploaded the financial information of the temple on its website. The delegation agreements with the other

six delegated organizations had been revised with clauses added to specify that CTC was authorized to disclose the financial information of the temples for public inspection onto its website. CTC would impose the same clauses on the agreement of the remaining delegated organization which was pending re-entry; and

Way Forward

- to improve the transparency and accountability of charities, the Administration had introduced the following measures with effect from 1 August 2018 and 1 April 2019 respectively:

  (a) uploading all audited accounts submitted by organizations, which filed applications on or after 1 August 2018 and obtained approval to organize charitable fund-raising activities from SWD or charitable lottery events from the Home Affairs Department ("HAD"), to the page of GovHK on fund-raising activities for reference by the public;

  (b) setting up a dedicated hotline for handling enquiries or complaints about charitable fund-raising activities held by organizations in public places;

  (c) issuing the "Good Practice Guide on Charitable Fund-raising" ("the Guide") jointly by SWD, HAD and the Food and Environmental Hygiene Department ("FEHD"). The Guide, which facilitated the public understanding of donors' rights, had been uploaded to the page of GovHK on fund-raising activities for public information and evaluation of the performance of charitable organizations in organizing fund-raising activities. SWD, HAD and FEHD would step up promotion to encourage the adoption of the Guide by charitable organizations;

  (d) providing a one-stop service for charitable fund-raising activities organized on government land so that they were no longer required to apply to LandsD separately for temporary occupation of government land when applying for permit or licence for different kinds of fund-raising activities. The permit or licence approval authority would consult LandsD and notify the charitable organizations direct of the application results; and

(e) providing a one-stop service for processing application for waiver of Temporary Hawker Licence in connection to Public Subscription Permit involving charity sale fund-raising activities. SWD would forward the relevant information to FEHD for processing the waiver application and the organizations needed not submit separate applications to FEHD, which would notify the organizations direct of the application results.

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

Provision of district council funds for community involvement projects
(Paragraphs 6 to 9 of Part 4 of P.A.C. Report No. 71)

16. Hon Abraham SHEK Lai-him declared that he was a member of the Business and Professionals Alliance for Hong Kong with some members being District Council ("DC") members. Hon Paul TSE Wai-chun declared that he was a DC member. Hon Steven HO Chun-yin declared that he was a member of the Central Committee of the Democratic Alliance for the Betterment and Progress of Hong Kong and many district organizations had invited him as a consultant or an honorary president. Hon LAM Cheuk-ting declared that he was a member of the Democratic Party with a number of its members being DC members and he himself was a member of North DC, and DC members belonging to the Democratic Party might have applied for and organized activities using the funds to DCs for implementing community involvement projects in districts. Hon SHIU Ka-fai declared that he was a member of the Liberal Party, and unremunerated honorary adviser or honorary member to some NGOs. Hon Tanya CHAN declared that she was a member of the Civic Party and DC members belonging to the Civic Party might have applied for and organized activities using the funds to DCs for implementing community involvement projects in districts.

17. The Committee was informed in the Government Minute which was laid before LegCo in May 2019 that in response to the recommendations of the Audit and the Committee on management of conflicts of interest in community involvement projects, HAD had issued guidelines on "other declarable interests" and good practice in handling declaration of interests and making rulings at meetings by Chairpersons to the DC Secretariats. As at 15 April 2019, 14 DCs had adopted the guidelines and 16 DCs had adopted the good practice.

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

Fresh food wholesale markets
(Paragraphs 6 and 7 of Part 5 of P.A.C. Report No. 71)

19. The Committee was informed that:

Reprovisioning of private and public fresh food wholesale markets

- depending on the results of the "Technical Study on Potential Sites for Relocation of Wholesale Markets and for Other Industrial Uses in North West Tsing Yi" and other consideration, the Administration was exploring Fu Tei Au and other possible sites for relocation of the Cheung Sha Wan Temporary Poultry Market and would consider the way forward in consultation with the relevant stakeholders;

- the Finance Committee ("FC") of LegCo approved in May 2019 the proposed project for reprovisioning of the North District Temporary Wholesale Market for Agricultural Products. The project commenced in September 2019 with the target completion date in the second quarter of 2021. The Agriculture, Fisheries and Conservation Department and the Civil Engineering and Development Department would continue to liaise with the trade on the user requirements of the re-provisioned market; and

Way forward

- a holistic review on the roles and functions of the Fish Marketing Organization and Vegetable Marketing Organization, including their strengths, weaknesses, opportunities and threats, had not yet been completed. Audit's recommendations would be taken into full account when mapping out the way forward.

20. From the List of outstanding items of the LegCo Panel on Food Safety and Environmental Hygiene, the Committee notes that the Administration had commissioned a consultancy study on the present-day functions and purpose of the wholesale business in the sale of fresh food produce, and the study is expected to be completed in the first quarter of 2020. The Committee also notes that the item

"Wholesale market consultancy study" is tentatively scheduled for discussion in the Panel meeting in the second quarter of 2020.

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

Hong Kong Academy for Performing Arts
(Paragraphs 8 and 9 of Part 5 of P.A.C. Report No. 71)

22. The Committee was informed that:

Provision of academic programmes

Admission of non-local students

- the Hong Kong Academy for Performing Arts ("HKAPA") had reviewed the tuition fee level for non-local students admitted in 2018-2019 and 2019-2020. The latest tuition fee level for non-local students was set at a level sufficient to recover all additional direct costs as recommended by Audit. The tuition fee for non-local students in 2020-2021 would be reviewed in early 2020;

Student unit cost

- taking into account that the number of student enrolment had a direct impact on the student unit cost, HKAPA was implementing different measures with a view to increasing student enrolment. Efforts included: (a) issuing admission offers earlier (before the end of March); (b) launching the new one-year Diploma in Foundation Studies programme in 2019-2020 academic year as an alternative entry pathway to degree programmes for local applicants; and (c) implementing the online application system by phases to facilitate the application process. Applications for 2020-2021 academic year could be submitted through the system. For 2019-2020 academic year, there was an increase in the total number of student intake as well as student enrolment to the undergraduate and post-secondary programmes;

Governance and government monitoring

- HAB was considering the incorporation of changes into the Memorandum of Administrative Arrangements that were mutually agreed with HKAPA and were in line with the prevailing Government subvention guidelines; and

Campus improvement and expansion

- the moving in to the on-campus expansion was completed in September 2019. HKAPA was working on the final account of the on-campus expansion project, and would submit the requisite documents together with the final account to the Architectural Services Department ("ArchSD") for vetting.

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

Management of water supply and demand
(Paragraphs 10 and 11 of Part 5 of P.A.C. Report No. 71)

24. The Committee was informed that the results of public consultation for the supply of recycled water (including reclaimed water), which was completed in December 2018, indicated that the public were generally supportive of the proposal of using recycled water for non-potable uses. The preparatory work for the associated legislation was in progress. Supply of reclaimed water for flushing was planned to commence in 2022.

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

Planning, construction and redevelopment of public rental housing flats
(Paragraphs 12 to 14 of Part 5 of P.A.C. Report No. 71)

26. Hon Kenneth LEUNG declared that he was a former member of HKHA; and Hon SHIU Ka-fai declared that he was currently a member of HKHA and engaged in the trading business of construction materials.

27. The Committee was informed that:

Public Housing Construction Programme 2019-2020 to 2023-2024

- according to HKHA's Public Housing Construction Programme as at September 2019, the estimated total public housing production of HKHA and the Hong Kong Housing Society in the five-year period from 2019-2020 to 2023-2024 would be 100 700 units. The Administration had identified land for the construction of about 248 000 public housing units for the ten-year period from 2019-2020 to 2028-2029, assuming that all sites identified could be delivered on time for housing construction. To further expedite the supply of public housing, the Administration had already implemented the following policies and measures in 2018:

  (a) allowed a further increase of domestic plot ratio for public housing sites in selected Density Zones of the Main Urban Areas and New Towns by 10% (i.e. up to maximum 30% increase in total) where technically feasible, with a view to optimizing land resources and maximizing public housing supply in the short and medium terms;

  (b) re-allocated nine private housing sites for public housing development. These sites were expected to provide some 11 000 units; and

  (c) revised the land premium arrangement for subsidized housing projects of the Hong Kong Housing Society, which would enable the Hong Kong Housing Society to continue to provide rental units and subsidized sale flats and implement the re-development programme of aged rental estates on a financially sustainable basis;

Long Term Housing Strategy Annual Progress Report 2019

- in a press conference held on 18 December 2019, Secretary for Transport and Housing announced the Long Term Housing Strategy Annual Progress Report 2019, which included the following salient points:

(a) according to the latest long term housing demand projection under the Long Term Housing Strategy, the public housing target for the ten-year period from 2020-2021 to 2029-2030 was 301 000 units (comprising 210 000 public rental housing/Green Form Subsidised Home Ownership Scheme units and 91 000 other subsidized sale flats); and

(b) the Administration had identified land for the construction of about 272 000 public housing units for the same period, assuming that all sites identified could be delivered on time for housing production. The gap between the amount of land identified and the public housing supply target was 29 000 units; and

- the Administration submitted the Long Term Housing Strategy Annual Progress Report 2019 to the LegCo Panel on Housing at the meeting held on 6 January 2020.

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

Recoverability of the outstanding advances to the United Nations High Commissioner for Refugees
(Paragraphs 15 and 16 of Part 5 of P.A.C. Report No. 71)

29. The Committee was informed that the Security Bureau reiterated again by letter to the Hong Kong Sub-office of the United Nations High Commissioner for Refugees in August 2019 the Administration's stance and registered the Hong Kong community's expectation of an early recovery of the outstanding advances.

30. Given that the outstanding advances had remained since 1998 and follow-up actions taken by the Administration to recover the amount were futile, the Committee suggests to the LegCo Panel on Security that the Administration should consider writing off the outstanding sum.

Small house grants in the New Territories

(Paragraphs 21 to 23 of Part 5 of P.A.C. Report No. 71)

31. Hon Paul TSE Wai-chun declared that he was an indigenous villager of the New Territories and had exercised his small house concessionary right to build New Territories small houses.

32. The Committee was informed that:

- the Court of First Instance of the High Court handed down a judgement on 8 April 2019 that the arrangements to apply for grants of government land through the Private Treaty Grant and Land Exchange for building small houses under the small house policy were not the lawful traditional right and interest of the indigenous inhabitants of the New Territories within the meaning of Article 40 of the Basic Law;

- since the above judgment involved the interpretation of Article 40 of the Basic Law which was of constitutional importance, having considered legal advice, the Administration lodged an appeal on 9 July 2019 with the Court of Appeal against the above judgment; and

- the results of appeal on the judicial review might have implications on the small house policy.

33. The Committee wrote to Director of Lands on 6 January 2020 to seek information about the Administration's handling of the new applications and applications already received by the Administration for grants of government land through the Private Treaty Grant and Land Exchange for building small houses under the small house policy when the appeal is still in progress. The replies from **Director of Lands** are in *Appendix 3*.

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

Direct land grants to private sports clubs at nil or nominal premium

(Paragraphs 24 to 26 of Part 5 of P.A.C. Report No. 71)

35. Hon Abraham SHEK Lai-him declared that he was a member of Hong Kong Country Club, Hong Kong Football Club, Hong Kong Golf Club, Hong Kong Jockey Club, Royal Hong Kong Yacht Club and Shek O Country Club; Hon Paul TSE Wai-chun declared that he was a member of Hong Kong Jockey Club, Scout Association of Hong Kong and South China Athletic Association; and Hon Kenneth LEUNG declared that he was a member of the Ladies Recreation Club, Craigengower Cricket Club and Foreign Correspondents' Club, Hong Kong.

36. The Committee was informed in the Government Minute which was laid before LegCo in May 2019 that:

Review of the Private Recreational Lease ("PRL") Policy

- the interdepartmental working group convened by HAB completed the PRL policy review and proposed the following recommendations:

  (a) different handling of the leases held by "community organizations" and "private sports clubs" and granting new special purpose leases (instead of PRLs) to sports and recreational sites held by "community organizations";

  (b) the lease conditions of the sites held by private sports clubs under PRL policy should be significantly modified to better meet the dual needs of supporting sports development and optimizing land use;

  (c) taking into account the contribution of private sports clubs in promoting sports development in Hong Kong when considering the renewal of their leases upon expiry;

  (d) requiring private sports clubs suitable for lease renewal to pay a concessionary premium to be set at one-third of the Full Market Value land premium;

  (e) requiring private sports clubs to further open up their facilities to eligible outside bodies up to 30% of their total sports capacity and partner with sports organizations to organize sports programmes

that could be made available for enrolment by individual members of the public with a minimum sports programme hours of 240 per month;

(f) drawing up the list of allowable sports supporting facilities and ancillary facilities for PRLs;

(g) enhancing the monitoring on PRL sites and the corporate governance of the lessess, and enforcement actions against lease breaches; and

(h) defining the principles in approving applications for new sites for sports and recreational use;

- HAB briefed the Executive Council and the LegCo Panel on Home Affairs on 19 and 25 February 2019 respectively on the outcome of the public consultation on the review of the PRL policy;

Implementation of the "opening-up" requirement

- the Education Bureau ("EDB") promoted the use of PRL sites through issuing an annual circular memorandum to all schools starting from 2018;

- HAB placed another round of advertisements in the print media in February 2019 to encourage eligible outside bodies to use the clubs' facilities, and would consider other publicity measures as necessary;

Monitoring of compliance with lease conditions

- HAB had been monitoring the utilization rates of sports facilities on PRL sites, in particular with regard to the implementation of the opening-up schemes. It had also followed up with individual lessees with low utilization with a view to increasing usage rates;

- LandsD and HAB would consider on a case-by-case basis whether additional lease conditions should be imposed in the new leases according to the recommendations of the interdepartmental working group; and

- LandsD, in consultation with HAB and other relevant B/Ds, had completed all the required follow-up actions on cases of irregularities and suspected non-compliance with lease conditions identified in Audit Report No. 61. LandsD had also conducted site inspections of PRLs where lease renewal was not yet due and would follow up in consultation with HAB as appropriate.

37. The Committee wrote to Secretary for Home Affairs on 6 January 2020 to enquire about the lease conditions and the latest status of the 16 expired PRLs. The replies from **Secretary for Home Affairs** are in *Appendix 4*.

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

Management of roadside skips
(Paragraphs 27 to 29 of Part 5 of P.A.C. Report No. 71)

39. The Committee was informed in the Government Minute which was laid before LegCo in May 2019 that:

- the Joint Working Group on Management of Roadside Skips ("JWG") had conducted joint enforcement operations to tackle the malpractice of indiscriminate placement of idling skips at a number of black spots, including Tseung Kwan O, Sai Kung, Kowloon Bay, Kai Tak and Chai Wan areas. As at the end of 2018, JWG conducted a total of 45 joint enforcement operations. The extent of indiscriminate placement of idling skips at these black spots had been improved;

- while the consultant study on the setting up of a trade-led voluntary skips registration system was still on-going, JWG aimed to support the trade to kick off the system in the second half of 2019; and

- JWG would continue to explore options for enhancing the standards of skip operations. Taking into account the progress of the work proposed, JWG would consider whether there was a need to introduce a new regulatory system in the long run.

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

Provision of long-term care services for the elderly
(Paragraphs 30 to 32 of Part 5 of P.A.C. Report No. 71)

41. The Committee was informed that:

Increasing elderly service facilities

- SWD was currently implementing 45 development projects for the provision of new contract residential care homes for the elderly cum day care units for the elderly and day care centres for the elderly. It was estimated that about 6 400 residential care places (including subsidized and non-subsidized places) and 1 500 day care places for the elderly would be progressively provided from 2019-2020 onwards;

- it was announced in the 2019-2020 Budget that $20 billion would be allocated for the Administration to purchase properties over some three years for accommodation of welfare facilities, including day care centres for the elderly, etc., to help meet the acute shortfall of premises. The Administration briefed the LegCo Panel on Welfare Services about the proposal on 10 June 2019. Upon securing funding approval from FC, SWD and GPA would start relevant preparatory work as soon as possible;

Other initiatives to increase elderly service places and enhance elderly services

- SWD would continue to implement the Pilot Scheme on Residential Care Service Voucher for the Elderly ("the Pilot Scheme"). The Pilot Scheme planned to issue a total of 3 000 vouchers by phases. The Pilot Scheme, adopting the "money-following-the-user" principle, provided an additional choice for elderly persons in need of residential care service by allowing them to choose the services provided by eligible residential care homes for the elderly operated by NGOs or the private sector according to their needs;

- starting from October 2018, SWD had allocated an additional recurrent expenditure of about $238 million to all subvented elderly centres

(including District Elderly Community Centres and Neighbourhood Elderly Centres) and home care services teams (i.e. Integrated Home Care Services Teams and Enhanced Home and Community Care Services Teams) in the territory to enhance outreaching services for supporting carers living in the community and looking after frail elders;

- SWD continued to implement the Pilot Scheme on Home Care and Support for Elderly Persons with Mild Impairment to provide further assessments for elderly persons waitlisted for Integrated Home Care Services (Ordinary Cases) throughout the territory, and offered home care and support services to those elderly persons assessed to be of mild impairment in accordance with their needs for functional deterioration prevention, so as to enable them to continue to enjoy their life in the familiar community. The Pilot Scheme on Home Care and Support for Elderly Persons with Mild Impairment was expected to provide 4 000 service places, and SWD planned to brief the LegCo Panel on Welfare Services on the progress at the meeting on 13 January 2020;

- to improve the quality of life of service users as well as reduce the burden and pressure of care staff and carers, two rounds of invitations had been conducted in 2019 by SWD to invite eligible elderly and rehabilitation service units to apply for the Innovation and Technology Fund for Application in Elderly and Rehabilitation Care of $1 billion launched in December 2018 to subsidize them in procurement, rental and trial use of technology products. It was estimated that the bulk of the $1 billion funding would be progressively disbursed within five years starting from 2019-2020; and

- the 2019-2020 Budget announced that the Administration would allocate some $200 million for the Lotteries Fund to launch a four-year pilot project providing free Wi-Fi service at more than 1 350 service units subsidized by SWD and operated by NGOs, so as to meet the needs of the use of innovation and technology products in the elderly and rehabilitation care services, strengthen the connection between the elderly and other service users and the community, and enhance the service quality. The project would be implemented from 1 January 2020 onwards.

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

Administration of the air traffic control and related services
(Paragraphs 33 to 36 of Part 5 of P.A.C. Report No. 71)

43. Hon Steven HO Chun-yin declared that he was a non-executive director of the Airport Authority Hong Kong.

44. The Committee was informed that there were two incidents in June and August 2019 in which displaying and updating of information in the new Air Traffic Management System ("ATMS") were not functioning properly. In November 2019, in response to the Committee's enquiry on the two incidents, the Civil Aviation Department ("CAD") said that:

Brief hitch of ATMS on 13 June 2019

- at 9:06 am on 13 June 2019, individual workstations of the Main System of ATMS experienced a brief hitch, during which some flights and their flight information could not be shown intermittently. The technical staff on-site immediately followed up and carried out investigation. After co-ordinating with the air traffic control ("ATC") supervisors on-site, the technical staff switched from the Main System to the Fallback System, an identical system, according to the established procedures at 9:22 am;

- as a precaution, the Air Traffic Control Officers deferred giving clearance to departing flights for about 16 minutes in accordance with procedures. Arrivals and flights flying through the Hong Kong Flight Information Region ("HKFIR") were not affected. Aviation safety was not affected by the occurrence. The Air Traffic Control Officers were able to keep direct voice communication with the pilots at all times as well as monitor and obtain full information of all flights (including the three essential types of information, i.e. flight position, altitude information and secondary surveillance radar code) in HKFIR through the Automatic Dependent Surveillance-Broadcast display to provide ATC services;

- the contractor was tasked right after the occurrence to conduct a thorough investigation and provide a long-term solution as soon as possible. At the same time, CAD liaised with the contractor immediately to develop interim arrangement before the contractor provided a long-term solution. The preliminary investigation by the contractor concluded that the occurrence was stemmed from the Surveillance Data Processor ("SDP"). Since the Main System consisted of two identical designed SDPs, in the event of recurrence of similar incidents, the technical staff on-site, after consulting the ATC supervisors on-site, might switch to the other SDP of the Main System, rather than switching to the Fallback System, in order to provide ATC services. The similar incidents on 31 July and 12 August 2019 were properly handled by such interim arrangement;

- according to the report submitted by the contractor in July 2019, when SDP of the Main System processed the flight information of a particular flight, an unexpected data wipe-out of the flight information of that particular flight occurred but the indicators in the SDP continued to indicate the presence of the flight information. As SDP was unable to handle such unanticipated situation, the flight information of the other flights in the same message could not be processed and displayed;

- the contractor had provided a software fix to prevent recurrence of similar incidents. After completion of the on-site testing and safety assessments, the software fix had been successfully implemented to ATMS for operational use since 15 August 2019. Similar incidents had not occurred since then;

<u>Brief hitch of ATMS on 16 August 2019</u>

- at various times in the morning of 16 August 2019, individual workstations of the Main System and the Fallback System of ATMS could not update the flights and their flight information. The individual workstations concerned were then rebooted and resumed normal operation after rebooting. In the afternoon, individual workstations of the Main System experienced a brief hitch again, during which the flights and their flight information could not be updated;

- as a precaution, after co-ordinating with ATC supervisors on-site, the technical staff switched from the Main System to the Fallback System, an identical system, according to the established procedures at 2:06 pm. Clearance to departing flights was also deferred for about 15 minutes in accordance with procedures. Arrivals and flights flying through HKFIR were not affected. Aviation safety was not affected by the occurrence. The Air Traffic Control Officers were able to keep direct voice communication with the pilots at all times as well as monitor and obtain full information of all flights (including the three essential types of information, i.e. flight position, altitude information and secondary surveillance radar code) in HKFIR through the Automatic Dependent Surveillance-Broadcast display to provide ATC services;

- CAD tasked the contractor right after the occurrence to conduct a thorough investigation and provide a long-term solution as soon as possible. At the same time, CAD liaised with the contractor immediately to develop interim arrangement before the contractor provided a long-term solution. Similar incidents had not occurred since then; and

- the contractor had provided a software fix to prevent recurrence of similar incidents. The software fix would ensure that the cancellation of flight plan of the aircraft concerned with the Special Condition Code was completed prior to the announcement update in order to prevent memory corruption. The on-site testing of the software fix was in progress. Upon completion of the test and relevant safety assessment by CAD, the software fix was expected to be implemented in ATMS in mid December 2019.

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

Use and disposal of vacant school premises
(Paragraphs 37 to 40 of Part 5 of P.A.C. Report No. 71)

46. Hon Abraham SHEK Lai-him declared that he was the Chairman of Board of Governors of English Schools Foundation and a council member of the St. Stephen's Girls' College.

47. The Committee was informed in the Government Minute which was laid before LegCo in May 2019 that:

Allocating vacant school premises ("VSP") for educational or other uses

- in respect of the two VSP on private land that were not earmarked for any use, one of them had already been redeployed by the school sponsoring body for other educational use. EDB was discussing with the school sponsoring body on the surrender of the remaining VSP;

- the 49 VSP under LandsD's purview comprised four VSP on private land that had a cessation/diminution of user clause in the land lease and 45 VSP on government land. For the four VSP on private land, LandsD was processing proposals submitted by the lessees for other uses. For the remaining 45 VSP on government land, LandsD had processed planned uses from B/Ds or short-term tenancy/private treaty grant applications in respect of 29 VSP, and 11 VSP had been/would be included in the list of vacant government sites available for application for short-term uses on the "GeoInfo Map" Website. The remaining five VSP were not available for short-term uses for the time being due to technical reasons, such as possible slope problems, and their situations were kept under review;

Handling cases of VSP not surrendered

- as at end January 2019, among the 41 VSP the physical possession of which had not been delivered to the Administration after cessation of school operation which warranted further action, 19 were under EDB's purview. Of the 19 VSP, 18 had been used for educational purposes. EDB planned to redevelop the only remaining VSP for reprovisioning use and was taking follow-up actions accordingly. Regarding the other 22 VSP, the suitable long-term uses for five would be reviewed; two VSP were reused for school and other educational purposes (hence in compliance with lease conditions); and LandsD had repossessed seven VSP and would continue to recover possession of three VSP and process the proposals submitted by the lessees/occupiers for other uses in respect of five VSP;

- EDB had been discussing with the school sponsoring body with regard to Case 6 in Audit Report No. 65 and had settled the carving out arrangements with the school sponsoring body concerned about the

other VSP arising from reprovisioning which was on both private land and government land. The required carving-out works for the latter had commenced since end March 2019 for completion by end December 2019; and

Access to information about VSP available for application for short-term uses

- the list of VSP (amongst other vacant government sites) under LandsD's management and available for application for short-term uses was uploaded onto the "GeoInfo Map" Website and would be updated on an on-going basis. NGOs or social enterprises might submit applications for renting such sites for community, institutional or non-profit making uses on a short-term basis.

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

Joint-office operation on water seepage in buildings
(Paragraphs 43 to 45 of Part 5 of P.A.C. Report No. 71)

49. The Committee was informed in the Government Minute which was laid before LegCo in May 2019 that:

- the Joint-office formed by FEHD and the Buildings Department was enhancing the new information system, Water Seepage Complaints Management System, by expanding its functions to include generation of letters, minutes, and memo to the Buildings Department and the Water Supplies Department, generation of management reports, data analysis in support of the formulation of performance indicators for handling simple and straightforward cases, etc. The enhancement work was expected to be largely completed in the fourth quarter of 2019; and

- since the second half of June 2018, the Joint-office had applied testing technologies such as infrared thermography and microwave tomography in three pilot districts (i.e. Kowloon City, Wanchai and Central and Western). With the experience gained and data obtained through the pilot application of the above testing methods, the

Joint-office would evaluate their effectiveness and refine the technical guidelines and procedures relating to the use of the testing methods. The Joint-office would progressively extend the use of these testing methods to other pilot districts starting from the third quarter of 2019.

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

Hospital Authority's management of public hospital projects
(Paragraphs 51 and 52 of Part 5 of P.A.C. Report No. 71)

51. The Committee was informed in the Government Minute which was laid before LegCo in May 2019 that:

Project management of the Redevelopment of Caritas Medical Centre (Phase 2)

Project planning

- for on-going projects, the Hospital Authority ("HA") had:

  (a) incorporated appropriate provisions regarding identification of unrecorded underground utilities and measures to minimize noise and vibration by the contractors in all HA construction contracts;

  (b) discussed and agreed with medical staff on the noise and vibration limit as well as the scheduling of construction works close to sensitive equipment; and

  (c) set up monitoring points for close monitoring of noise and vibration;

- HA would continue to incorporate standard provisions related to unrecorded utilities, noise and vibration into new construction contracts;

Construction site safety

- HA had implemented measures for further safety enhancements, which included measures to ensure that its contractors reported all site accidents to HA and its consultants;

- accident statistics were reported to the Supporting Services Development Committee and published on HA's Website in November 2018, and would continue to be reported to that Committee and published annually;

Commissioning of facilities of the North Lantau Hospital (Phase 1)

- mechanism was available for regular monitoring and reporting of the utilization of major medical equipment at cluster level. With the opening of one more ward in September 2018, those not-in-use items at the North Lantau Hospital (Phase 1) were fully utilized and the utilization of major equipment would be increased;

- the standardized Procurement Planning of Furniture and Equipment for commissioning hospital projects was reported to the Supporting Services Development Committee in September 2018; and

Management of minor hospital projects

- the survey results of the building condition of HA's hospitals were reported to HA's Directors' Meeting and the Supporting Services Development Committee in November 2018.

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

Regulation of non-franchised bus and school private light bus services
(Paragraphs 53 and 54 of Part 5 of P.A.C. Report No. 71)

53. The Committee was informed that:

Administration of licensing requirements

- having regard to the need to allow flexibility in vehicle deployment to minimize the impact on service users resulting from the Transport Department ("TD")'s proposal to tighten requirement on the vehicle number and the trade's views, TD had reached a consensus with the trade. Upon the renewal of individual service endorsement of a Passenger Service Licence ("PSL"), the trade had to provide service contract(s) to justify the number of vehicles applying for service endorsement. Specifically, the number of vehicles stipulated in the service contract(s) submitted should be at least 50% of the number of vehicles applying for service endorsement. The measure concerned, which involved the re-engineering of administrative workflow, was expected to be implemented in the fourth quarter of 2019;

- TD planned to merge the Passenger Service Licence Certificates ("PSLCs") for scheduled services and non-scheduled services of public non-franchised buses in early 2020;

- TD was studying the feasibility of aligning the validity periods of PSLCs and related PSLs. The review was expected to be completed before the end of 2019;

- TD had extended the scope of the performance pledges to cover renewal cases of PSL/PSLC of school private light buses since September 2019;

Regulatory controls over unauthorized operations

- TD would continue its efforts to shorten the time required for completing investigations and inquiries. At the same time, TD was considering possible long-term measures to prevent PSL holders from avoiding sanctions in consultation with the Department of Justice; and

- TD was exploring the feasibility of issuing fixed penalty ticket to PSL holders who had breached PSL conditions in consultation with the Department of Justice and the Hong Kong Police Force.

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

Operation of the Land Registry

(Paragraphs 55 and 56 of Part 5 of P.A.C. Report No. 71)

55. The Committee was informed that:

Provision of services

- as at September 2019, the Land Registry had finished checking 85% of the total 110 000 land registers and filling in the information in respect of the nature of registered documents of some historical transactions not shown in the land registers. The Land Registry expected to complete the task by end 2019 as scheduled;

- the Land Registry provided responses to the comments made by HAD on the revised proposal on computerization of owners' corporation records in June 2019;

Implementation of Land Title Registration System

- the Land Registry conducted several Land Titles Ordinance Review Committee meetings in 2019 to consult committee members on the implementation details of the "new land first" proposal; and

- the Administration expected that consensus would be reached with the stakeholders on the main issues concerning the "new land first" proposal by the first quarter of 2020 and planned to consult the Land Titles Ordinance Steering Committee on the proposed major amendments to the Land Titles Ordinance (Cap. 585) in mid 2020. The Administration would refine the Land Titles (Amendment) Bill according to the comments of the Land Titles Ordinance Steering Committee and work out a more concrete implementation timetable.

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

Provision of government office accommodation and utilisation of government sites
(Paragraphs 59 and 60 of Part 5 of P.A.C. Report No. 71)

57. The Committee was informed that:

Provision of government-owned office accommodation

- GPA was examining suitability of the "Government, Institution and Community" sites recommended by the Planning Department for planning new joint-user general office buildings with a view to meeting additional office accommodation needs on a long-term basis;

- relevant B/Ds were actively taking forward the implementation of the nine replacement building projects under the Wan Chai Government Offices Compound relocation exercise. The construction works of the West Kowloon Government Offices had been completed and B/Ds were moving into the Offices in phases by the fourth quarter of 2019. Construction works for the Government Information Technology Building, the Inland Revenue Tower, the Treasury Building and the Immigration Headquarters had commenced. The Government Information Technology Building was expected to complete in 2021, the Inland Revenue Tower and the Treasury Building were scheduled to complete in 2022, while the Immigration Headquarters were expected to complete in 2023. Relevant B/Ds were working on the preparation of the remaining four building projects with a view to seeking funding approval from FC in due course. It was the Administration's target to complete the construction of all the replacement building projects under the Wan Chai Government Offices Compound relocation exercise by 2026;

Utilization of government sites

- GPA had established an ongoing mechanism with ArchSD such that relevant information of all ArchSD's completed projects were provided regularly to GPA for timely update of the site particulars in the Government Property Information System. This updating mechanism was running smoothly and subject to periodic reviews; and

- the traffic impact assessment under the feasibility study for the "Site Formation and Infrastructure Works for the Development at

Shek Pai Street, Kwai Chung" was largely completed. The Civil Engineering and Development Department was further examining the concerned traffic impact assessment in the light of the departmental comments received recently and would provide supplementary information. TD would review the need for the Kwai Chung Circumferential Road project with reference to the aforementioned traffic impact assessment and relevant supplementary information.

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

Administration of lump sum grants by the Social Welfare Department
(Paragraphs 3 to 5 of Part 6 of P.A.C. Report No. 71)

59. Hon Abraham SHEK Lai-him, Hon Paul TSE Wai-chun and Hon SHIU Ka-fai declared that they were directors and/or advisers to a number of NGOs which might have received lump sum grants ("LSGs") or other subventions from SWD. Hon Steven HO Chun-yin declared that one of his family members worked in SWD.

60. The Committee was informed in the Government Minute which was laid before the LegCo in May 2019 that:

Financial monitoring

- SWD would draw up a set of cost apportionment guidelines on the use of LSG subvention, including the apportionment arrangement of operation costs between Funding and Service Agreement activities and non-Funding and Service Agreement activities, for NGOs' reference;

- as regards the follow-up on the updated guidelines for the control and monitoring of remuneration practices in respect of senior executives in subvented bodies issued by the Administration Wing on 27 August 2018, SWD informed NGOs through a briefing session held on 6 November 2018 and a notification e-mail issued on 13 December 2018 about the updated guidelines and the specific arrangements and details for the submission of Review Reports on Remuneration

Packages for Staff in the Top Three Tiers in accordance with the guidelines;

Self-assessment of service quality by NGOs

- SWD issued a management letter on 16 July 2019 to remind NGOs of the need for accurate reporting and computing of the Output/Outcome Standards as well as conducting self-assessment on compliance with Essential Service Requirements and Service Quality Standards. The letter also covered the recommendations of the Audit Report and the Committee's Report for NGOs to put in place an internal control mechanism and encouraged NGOs to take corresponding actions;

Monitoring of service delivery by SWD

- SWD had been implementing a special visitation programme since 2016-2017 to conduct visits within five years to all service units not having been visited. As at 30 June 2019, 52.2% of the units under the special visitation programme had been visited;

- SWD had reviewed the manpower needs in 2018-2019 to ensure that adequate manpower would be available to conduct the performance visits;

- as for the arrangement for calculating subventions to the Agreement Service Units providing the Home Care Service for Persons with Service Disabilities and the Integrated Support Service for Persons with Severe Physical Disabilities, SWD and the service operators were focusing the efforts on the extension of service scope, refinement of the subvention calculation principle concerned, and plans to cut short the review cycle of using the number of cases served for calculation of subventions of related service units from one year to six months. SWD would continue to discuss with the service operators the details of the proposal, which was expected to be implemented in 2020-2021;

Governance and management matters

- SWD continued with the on-site assessments in nine randomly selected NGOs between January and March of 2019 to evaluate the actual implementation of Level One guidelines and inspect the implementation records of NGOs concerned, and requested NGOs to

list out information relating to the implementation of the relevant criteria and procedures on their Self-assessment Checklists for Level One guidelines starting from 2018-2019 to ensure accurate reporting;

- SWD would, through the LSG Steering Committee and the Working Group on the Implementation Details of the Best Practice Manual, continue its efforts to forge agreement between the management and staff side of NGOs on the final outstanding item relating to staff remuneration policy; and

Review of LSG subvention system

- to carry out the review of the LSG subvention system, the Task Force had collected relevant information and data from NGOs for analysis and detailed deliberation. SWD had also hired a consultancy firm to assist in the exercise. In addition, the Task Force had conducted a number of sector consultation sessions and focus group interviews. The first and second rounds of sector consultation sessions and focus group meetings were held between August 2018 and January 2019 to listen to and collect the views of the stakeholders. The entire review was expected to be completed by mid 2020.

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

Centre for Food Safety: Management of food safety
(Chapter 1 of Part 9 of P.A.C. Report No. 71)

62. The Committee was informed in the Government Minute which was laid before LegCo in May 2019:

Assessment of food safety risks

- as at the end of August 2019, the contractor had completed interviewing around 70% of targeted survey respondents of the second food consumption survey ("FCS");

- the Centre for Food Safety ("CFS") had instructed the contractor to deploy manpower to expedite the progress of the fieldwork survey and

gear up for the data processing work, with a view to completing the second FCS by mid 2021;

- after completing the second FCS, CFS would start planning for the FCS on the younger population having regard to the experience from the second FCS;

Food surveillance programme

- in June 2019, CFS reported to the LegCo Panel on Food Safety and Environmental Hygiene a series of improvement measures which had been implemented. These included:

  (a) reducing the sampling rate for testing pesticide residues in fruits and vegetables which were of relatively low risk to reallocate resources to testing of other food hazards, and increasing the proportion of online food samples for microbiological testing;

  (b) promulgating new operational guidelines to frontline staff to revise the sampling rates for different types of food outlets at the retail level;

  (c) promulgating new operational guidelines to staff to specify delivery of food samples to the laboratories within 14 working days from the sampling date and set out contingency measures for compliance against changes of delivery schedules; and

  (d) CFS had revamped its information technology systems to closely monitor the delivery time of all food samples, and strengthened staff supervision to ensure delivery of food samples to the laboratories within the specified timeframe;

Management of food incidents and complaints

- CFS had put in place a new measure to compile complaint management information on a periodic basis for the Food Complaint Risk Analysis Panel to monitor the follow-up of food complaints;

- CFS had published updated guidelines to the trade and staff specifying that food traders must dispose of the recalled foods under the supervision of CFS officers and submit food recall progress reports to

CFS as required for enhanced monitoring of food recall exercises. The guidelines had taken effect since April 2019. CFS had also issued new guidelines to its staff requiring them to keep proper records of actions taken; and

Communicating with the public on food safety risks

- CFS would continue to step up efforts in disseminating food safety information and advice to the public, including strengthening the use of its Facebook page, enriching multimedia materials and extending the operating hours of its roving exhibitions.

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

Management of signboards by the Buildings Department
(Chapter 4 of Part 9 of P.A.C. Report No. 71)

64. The Committee was informed that:

- improvement and enhancement of the Minor Works Control System computer system for more efficient tracking of desktop and site audit cases as well as monitoring and reviewing the operation and effectiveness was anticipated to be completed on schedule in the first quarter of 2020;

- following the revision of the standard record sheet for desktop and site audit check results in January 2019 to differentiate cases requiring follow-up actions from those rectified cases, training courses on the usage of the standard record sheet were held in July 2019 reminding staff of the importance and accuracy of computer data, and reminding them to follow the procedures properly; and

- sample assessments had commenced in July 2019 to estimate the manpower and time needed to extract information on legal signboards from existing building records, with a view to establishing a database of legal signboards to facilitate control and enforcement actions. It was anticipated that the sample assessments would be completed in March 2020.

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

Radio Television Hong Kong: Provision of programmes
(Chapter 5 of Part 9 of P.A.C. Report No. 71)

66. The Committee was informed in the Government Minute which was laid before the LegCo in May 2019 that:

Production of programmes

- Radio Television Hong Kong ("RTHK") completed its review of the acquisition policy for television ("TV") and radio programmes with reference to standard government procurement procedures;

- RTHK sought comments from the Independent Commission Against Corruption on the updated acquisition policy for TV programmes and the newly formulated acquisition policy for radio programmes. Independent Commission Against Corruption made no further comment on the two sets of policy. The updated and newly formulated acquisition policies had been fully implemented;

- to assess the cost-effectiveness of the Community Involvement Broadcasting Service, RTHK conducted the first focus group study in November 2019;

Broadcasting of programmes and new media services

- starting from 1 April 2019, RTHK TV 31 no longer broadcast miscellaneous contents. RTHK TV 32 has produced more programme varieties, including live coverage of local sports events, live relay of important Mainland and overseas events, as well as short interview videos on various topics;

Evaluation of programmes and other administrative issues

- a RTHK TV Channel Penetration Survey would be conducted in December 2019 to collect information and data on the penetration/take-up pattern of the Digital Terrestrial Television channels, viewing habits and preferences of the audience with a view to

ascertaining the reasons for low TV ratings. On the basis of the information and data collected, RTHK would be in a better position to work out measures to address the issue of low TV ratings. Results of the Penetration Survey were expected to be available in the first quarter of 2020;

- as for radio programmes, a Radio Audience Survey would be conducted in April each year. Information on the appreciation index of selected radio programmes would also be collected on a sample basis so as to monitor the quality of radio programmes. The share of total listening time per channel and the appreciation index of each radio channel would be reported in the Controlling Officer's Report from 2021-2022 onwards;

Evaluation of school education television programmes

- the Curriculum Development Council accepted, with the agreement and endorsement of the Ad Hoc Committee on the Development of School ETV Programmes under the Curriculum Development Council and the Curriculum Development Council Committee on Learning Resources and Support Services, EDB's suggested follow-up actions on school education television, including re-positioning education television service, forging a more flexible relationship with RTHK and increasing the scale of commissioning the production of multimedia resources. EDB had drawn up concrete strategic plans in October 2019;

- in the 2018-2019 school survey, in-depth interviews with teachers and students and on-site opinion polls among students were included to gauge more holistically the usage of education television multimedia resources inside and outside the classroom and to better understand their effectiveness in supporting learning; and

- data analysis of the 2018-2019 school survey was in progress. The survey findings would be available by January 2020.

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

Barrier-free facilities at government premises

(Chapter 6 of Part 9 of P.A.C. Report No. 71)

68. The Committee was informed that:

Work of the Labour and Welfare Bureau over barrier-free facilities at government premises and Buildings Department in updating Design Manual

- the Technical Committee on Design Manual: Barrier Free Access had started discussion of 24 items involving proposals for improving the Design Manual that had not been discussed by the Technical Committee in recent meetings and would consider the remaining four items in the coming meeting in end of 2019;

Work of FEHD and Leisure and Cultural Services Department ("LCSD") in providing and managing barrier-free facilities under their management

- FEHD had completed a new round of annual access audits using the improved checklists and compiled the lists of barrier-free facilities in various public venues under its management. The lists of barrier-free facilities had been uploaded onto FEHD's Website for public information since September 2019. The lists would be updated on a regular basis with reference to the results of the annual access audits thereafter;

- LCSD had reviewed its current arrangements in the management of barrier-free facilities and promulgated guidelines on the frequency and manner of conducting access audits and the format of the audit checklists in August 2019;

- LCSD had strengthened the training for staff with a view to enhancing their awareness, knowledge and skills in handling accessibility issues, and implemented measures to ensure that Access Officers would receive the training within one year upon their appointment as Access Officer;

- on the deficiencies in provision, maintenance and control of barrier-free facilities at venues managed by FEHD, for the location where the improvement works of the passageway to one accessible toilet were technically infeasible owing to site constraint, directional

signs, accessible route and lift had been provided for people in need to get access to the other accessible toilets in the same building;

- LCSD had also:

  (a) checked other venues not covered by the audit report during regular venue inspections, and would promptly arrange for rectification of any damage or irregularities of barrier-free facilities;

  (b) taken follow-up action against deficiencies relating to provision of barrier-free facilities identified in the stocktaking exercise in all venues and any identified deficiencies would be reported to the maintenance agent for rectification;

  (c) sought and would continue to seek technical advice and support of ArchSD to enhance and strengthen the provision of barrier-free facilities beyond the basic requirements as appropriate, especially for new venues and major renovation projects;

  (d) released the information on barrier-free facilities on LCSD's Website in May 2019;

  (e) provided training on accessibility issues to 294 out of 347 Access Officers (up to 31 July 2019); and

  (f) completed the capacity enhancement of the relevant computer system to keep separate statistics on the number of complaints received in relation to accessibility issues in LCSD venues. These statistics were submitted to the senior management regularly;

<u>Management of retrofitting works for barrier-free facilities at government premises</u>

- ArchSD was reviewing the existing operational procedure to enhance the control mechanism on the issuance of works orders for improving project administration for retrofitting works;

- in the light of the incidents involving slippery tactile guide paths, ArchSD had studied suitable materials with reference to Design Manual: Barrier Free Access 2008; and

- among the 14 outstanding premises in FEHD's Public Toilet Refurbishment Programme, refurbishment works for eight premises had been completed and another four were scheduled for completion within 2019. ArchSD would continue to work closely with FEHD to take forward the remaining refurbishment works as soon as practicable.

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

Laying of the Report Report No. 71 of the Director of Audit on the results of value for money audits was laid in the Legislative Council ("LegCo") on 28 November 2018. The Public Accounts Committee ("the Committee")'s supplemental report (Report No. 71A) on Chapter 1 of the Director of Audit's Report ("Audit Report") was tabled on 8 May 2019.

2. **The Government Minute** The Government Minute in response to the Committee's Report No. 71A was laid in LegCo on 11 December 2019. The latest position and the Committee's further comments on these matters are set out in paragraphs 3 to 6 below.

Centre for Food Safety: Import control of foods

(Part 4 of P.A.C. Report No. 71A)

3. Hon Kenneth LEUNG declared that he was a member of the Trade and Industry Advisory Board. Hon SHIU Ka-fai declared that he was a member of the Trade and Industry Advisory Board and Business Facilitation Advisory Committee, and unremunerated honorary adviser or honorary member to some non-governmental organizations or trade associations.

4. The Committee was informed in the Government Minute which was laid before LegCo in December 2019 that:

Control of foods imported by air

- the Centre for Food Safety ("CFS") had conducted a review and issued a new guideline which required that with effect from January 2019, every import consignment of foods regulated under the Imported Game, Meat, Poultry and Eggs Regulations (Cap. 132AK) must be accompanied by the original copy of health certificate and underwent risk-based inspection prior to release;

- CFS had enhanced guidance training for its frontline staff, including setting out the number of samples to be collected and formulating the guidelines on random sampling for physical inspections at the Airport Food Inspection Office;

Control of foods imported by road

- the joint operations of CFS and Customs and Excise Department targeting vegetable vehicles had been extended to cover vehicles carrying regulated foods (e.g. eggs and meat) since January 2019;

- CFS had included the containers approved for carrying chilled meat/poultry in the approved vehicle list for transporting chilled meat and poultry. Through the inspection checklist for the frontline staff of boundary food control points, frontline staff were required to check whether the vehicles and containers transporting chilled meat and poultry were on the above list, and to ensure that only approved vehicles and containers were released;

Control of foods imported by sea

- CFS was exploring with the Architectural Services Department, Customs and Excise Department and the Electrical and Mechanical Services Department the possibility of setting up a food control office with cold storage facilities at Kwai Chung Customhouse to enhance inspections of targeted food consignments;

- CFS had implemented a series of improvement measures to tackle the problem of importers applying for a number of import licences for spare use, such as enhancing the computer system to ensure that the same food consignment would not be issued with multiple import licences;

Control of live food animals and live aquatic products

- Prior to the release of consignments of livestock, the frontline staff of CFS would seek immediate clarification with the relevant Mainland authorities if the registration status of the farms concerned was not confirmed or there were other irregularities;

- CFS had implemented improvement measures, including checking whether the consignee's name on the animal health certificate was identical with the importer's name on the permit issued by the Agriculture, Fisheries and Conservation Department during import inspections, and verifying whether the quantities of livestock admitted to slaughterhouses match the quantities shown on the movement permits issued by the officers at the boundary control point to drivers,

for which CFS would verify the information with the relevant parties where necessary;

Registration and inspection of food traders

- CFS had stepped up efforts to remind staff at the boundary control points to check the registration status of the importer immediately upon the arrival of an imported food consignment. CFS would take enforcement actions against unregistered food importers based on the circumstances of individual cases;

- CFS had enhanced supervision to ensure that the licensing offices had taken appropriate follow-up actions on unsuccessful inspections, including issuance of letters to the food traders concerned, and putting food traders involved in unsuccessful inspections but with a valid registration status on the monitoring list;

Other issues relating to import control of foods and way forward

- CFS was developing and building five major information technology systems, namely a Food Trader Portal, a Food Import and Export Control System, a Food Incident Management System, a revamped Food Surveillance System and a Food Classification and Coding System, with a view to supporting the work of its frontline staff and reinforcing its capability in control and surveillance of imported foods, management of food safety incidents, risk assessment and food traceability. These information technology systems were expected to be rolled out in order of priorities commencing from end 2019, and be completed by 2024; and

- a task group, led by the Controller, CFS, has been set up to take forward the recommendations of the Audit Commission and the Committee concerning the work of CFS in food safety management and import control. In 2019-2020, 35 additional civil service posts would be created in CFS along with an additional provision of $25 million to review and implement the enhancement measures.

5. The Committee wrote to Director of Food and Environmental Hygiene on 6 January 2020 to enquire about how CFS would balance the need in the import control of foods and the facilitation of business operation. The replies from **Director of Food and Environmental Hygiene** are in *Appendix 5*.

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

Consideration of the Director of Audit's Report tabled in the Legislative Council on 27 November 2019 As in previous years, the Committee did not consider it necessary to investigate in detail every observation contained in the Director of Audit's Report. The Committee has therefore only selected those chapters in the Director of Audit's Report No. 73 which, in its view, referred to more serious irregularities or shortcomings. It is the investigation of those chapters which constitutes the bulk of this Report.

2. **Meetings** The Committee held a total of six meetings and six public hearings in respect of the subjects covered in this Report. During the public hearings, the Committee heard evidence from a total of 19 witnesses, including two Directors of Bureau and four Heads of Department. The names of the witnesses are listed in *Appendix 6* to this Report.

3. **Arrangement of the Report** The evidence of the witnesses who appeared before the Committee, and the Committee's specific conclusions and recommendations, based on the evidence and on its deliberations on the relevant chapters of the Director of Audit's Report, are set out in Chapters 1 and 2 of Part 9 below.

4. The video and audio record of the proceedings of the Committee's public hearing is available on the Legislative Council website.

5. **Acknowledgements** The Committee wishes to record its appreciation of the cooperative approach adopted by all the persons who were invited to give evidence. In addition, the Committee is grateful for the assistance and constructive advice given by the Secretary for Financial Services and the Treasury, the Legal Adviser and the Clerk. The Committee also wishes to thank the Director of Audit for the objective and professional manner in which he completed his Reports, and for the many services which he and his staff have rendered to the Committee throughout its deliberations.

The Committee noted the 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 2019.

A. Introduction

The Audit Commission ("Audit") conducted a review to examine the planning, provision and management of public toilets by the Food and Environmental Hygiene Department ("FEHD") with a view to identifying areas for improvement.

Background

2. According to the Public Health and Municipal Services Ordinance (Cap. 132), FEHD may provide and maintain toilets where it considers such toilets to be required having regard to the general benefit of the public, and may equip any such toilets with all requisite furnishings, fittings and mechanical or other appliances for the use of the public. Public toilets (with flushing systems) and aqua privies (i.e. village-type dry toilets without any flushing system) managed by FEHD are available for public use free of charge and open 24 hours a day.[1] As of June 2019, FEHD managed 798 public toilets and 51 aqua privies throughout the territory (mainly provided at transport facilities, tourist spots and places with heavy transient pedestrian traffic or where crowds are likely to congregate).

3. The Architectural Services Department ("ArchSD") is the main works agent of FEHD's various public toilet works projects. From 2016-2017 to 2018-2019, 13 new public toilets were built, 10 public toilets were reprovisioned and 27 public toilets were refurbished, and the estimated total project costs for these projects were $282.8 million. Between February 2005 and November 2014, 441 aqua privies were converted into flushing toilets with a total expenditure of $740.2 million.

4. FEHD also manages public toilets and aqua privies to upkeep the conditions of toilet facilities and hygiene. As of June 2019, the cleansing services of 625 (78% of 798) public toilets and 31 (61% of 51) aqua privies were outsourced to

[1] FEHD also provides toilets for use by the public in venues under its management which are not open 24 hours a day (e.g. toilets at public markets). Apart from FEHD, other government departments may also provide toilet facilities for use by the public in venues/facilities under their management (e.g. sports centres under the Leisure and Cultural Services Department, and country parks under the Agriculture, Fisheries and Conservation Department).

contractors,[2] and the remaining 173 (22%) public toilets and 20 (39%) aqua privies were provided by FEHD in-house cleansing workmen. In 2018-2019, FEHD's expenditure in providing public cleansing services was $3,096 million. To monitor the performance of contractors and in-house cleansing workmen, FEHD staff periodically conduct inspections of conditions of hygiene, cleanliness and facilities of the public toilets and aqua privies.

5. The Committee held three public hearings on 14 and 21 December 2019 and 8 January 2020 to receive evidence on the findings and observations of the Director of Audit's Report ("Audit Report").

The Committee's Report

6. The Committee's Report sets out the evidence gathered from witnesses. The Report is divided into the following parts:

- Introduction (Part A) (paragraphs 1 to 9);
- Planning and provision of public toilets (Part B) (paragraphs 10 to 41);
- Management of public toilet works projects (Part C) (paragraphs 42 to 73);
- Management of public toilets (Part D) (paragraphs 74 to 117); and
- Conclusions and recommendations (Part E) (paragraphs 118 to 120).

Speech by Director of Audit

7. **Mr John CHU Nai-cheung**, **Director of Audit**, gave a brief account of the Audit Report at the beginning of the Committee's public hearing held on 14 December 2019. The full text of his speech is in *Appendix 7*.

[2] As of April 2019, FEHD had outsourced the cleansing services of the public toilets and aqua privies to contractors under 34 contracts for street cleansing services for a two-year period at a total cost of about $2,584 million, with the direct costs related to cleansing services of public toilets amounting to about $210 million (about 8% of the total contract cost). Other costs (e.g. management and administrative costs) were shared by all public cleansing services and could not be separately allocated to public toilet cleansing services.

Opening statement by Secretary for Food and Health

8. **Prof Sophia CHAN Siu-chee**, **Secretary for Food and Health**, made an opening statement at the beginning of the Committee's public hearing held on 14 December 2019, the summary of which is as follows:

- the Administration had attached importance to improving both the hardware and software of public toilets and had allocated more resources in the past two years for these purposes; and

- as announced in the 2019-2020 Budget, the Government would allocate $600 million for expediting the implementation of the Public Toilet Refurbishment Programme ("PTRP").[3]

The full text of Secretary for Food and Health's opening statement is in *Appendix 8*.

Opening statement by Director of Food and Environmental Hygiene

9. **Miss Vivian LAU Lee-kwan, Director of Food and Environmental Hygiene**, made an opening statement at the beginning of the Committee's public hearing held on 14 December 2019, the summary of which is as follows:

- FEHD would endeavour to upkeep the cleanliness of public toilets and step up cleansing services; and

- FEHD had made improvements with respect to the recommendations put forward in the Audit Report. Details of the follow-up actions in response to Audit's recommendations are provided in Director of Food and Environmental Hygiene's opening statement, the full text of which is in *Appendix 9*.

[3] FEHD has implemented PTRP since 2000 as an annual programme to give a new look to public toilets with enhancements in design and facilities. Every year, a specific number of public toilets will be shortlisted for refurbishment under the Programme.

B. Planning and provision of public toilets

10. According to paragraph 2.2 of the Audit Report, public toilets were classified by utilization rate into three categories, i.e. high (300 or more daily visitors on average), normal (100 to 299 daily visitors on average) and low (below 100 daily visitors on average). The Committee enquired how these categories were formulated. **Mr FORK Ping-lam, Assistant Director (Operations)3, Food and Environmental Hygiene Department**, explained at the public hearings and **Director of Food and Environmental Hygiene** added in her letter dated 3 January 2020 (*Appendix 10*) that FEHD had made broad categorization of the utilization rate largely in the light of experience. An utilization rate of 300 people each day meant an average hourly utilization of 30 people during the some 10-hour peak period.

11. In reply to the Committee's enquiry on whether there were any guidelines for conducting manual counting to collect utilization data of the public toilets, a method which had all along been used before 2019 (paragraph 2.4 of Audit Report refers), **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 3 January 2020 (*Appendix 10*) that manual counting required manual data collection over a period of time, normally on a few consecutive days including weekends, which required projection to arrive at a full-day utilization rate. FEHD arranged manual counting exercises by in-house staff with the assistance of public toilet attendants if required, when refurbishment, reprovisioning or closure of the public toilet was being considered. There had been no written guidelines for conducting manual counting.

12. The Committee noted from paragraphs 2.5 and 2.7 of the Audit Report that FEHD was introducing infrared sensor counting technology and conducting a trial on the Smart Toilet System with fixed laser ranging sensors[4] respectively to collect utilization data of public toilets, and asked about the details of these systems, the implementation plan, and how the data collected could help improve the provision of public toilets.

13. **Director of Food and Environmental Hygiene** and **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public

[4] The use of fixed laser ranging sensors for people counting is part of a trial of the Smart Toilet System at Canal Road Public Toilet and Man Yiu Street Public Toilet since June 2019.

hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 3 January 2020 (*Appendix 10*) that:

- infrared sensor counting required the installation of two sensors at waist level on both sides of the entrance. Blocking of infrared beam of the patrons entering and exiting the public toilets would trigger the counting;

- fixed laser ranging sensor was installed above the entrance. It was able to detect an object under the door jam and determined the direction of travel. The device would use this information to determine whether the object was entering or exiting a public toilet;

- the data collected could be used for planning and management of public toilets including reviewing the mode and time coverage of cleansing services and planning of male-to-female compartment ratio and best timing for refurbishment; and

- FEHD arranged the infrared sensor counting exercise of all public toilets (except those under refurbishment works during the period) in three phases starting from February 2019 for completion by January 2020. The total cost was about $0.98 million. Upon the completion of headcount by infrared sensors and the trial run of the Smart Toilet System, FEHD would review the cost effectiveness of these technologies. In the long run, FEHD might adopt the Smart Toilet System to continuously monitor public toilets with high utilization rates and use the data for analytic purpose and service improvement.

14. Noting from paragraph 2.11 of the Audit Report that the 1:2 male-to-female toilet compartment ratio was set about some 16 years ago in 2004, the Committee enquired whether FEHD would take into account the changing public needs and review its guidelines on provision of sanitary fitments for males and females in public toilets.

15. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 3 January 2020 (*Appendix 10*) that:

- FEHD had not made reference to other guidelines and regulations when working out this 1:2 ratio. FEHD was mindful that the ratio might not be achieved in some public toilets due to site or space constraints;

- before the construction or refurbishment of a public toilet, design consultant would first strive to achieve the 1:2 male-to-female compartment ratio. Depending on the remaining space in male toilet, the consultant would consider providing as many urinals as possible so as to fully utilize the space available. FEHD had not set a number or ratio requirement for urinals; and

- FEHD began to assess the demand, usage pattern and ratio of male and female users of FEHD's public toilets with infrared sensors in early 2019. FEHD would make use of the information available to review the provision of sanitary fitments including urinals, how the 1:2 compartment ratio should apply to individual toilets, and whether sanitary fitments should be used as the basis of calculation instead. The review was expected to be completed in 2020.

16. At the request of the Committee, **Director of Food and Environmental Hygiene** provided in her letter dated 3 January 2020 (*Appendix 10*) details (i.e. the numbers of male compartments, urinals, female compartments and accessible unisex toilets ("AUTs"); male-to-female sanitary fitments ratio; male-to-female toilet compartment ratio; and male-to-female user ratio) of public toilets under FEHD's management.

17. According to paragraphs 2.24 and 2.25 of the Audit Report, FEHD had no guidelines elaborating the application of criteria concerning existing and anticipated utilization rates and availability of similar facilities in the vicinity, and it had not laid down criteria for defining whether certain public toilets were located within the areas of tourist hotspots. The Committee enquired how FEHD could ensure its staff applied the criteria consistently when assessing the need for new and reprovisioning public toilets in the absence of such guidelines.

18. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 3 January 2020 (*Appendix 10*) that:

- in handling requests for provision of public toilets, FEHD would assess on a case by case basis having regard to the ground situation and consider but not be limited to the following factors:

  (a) the need for provision of additional public toilets, e.g. the number of toilets available for the public and tourists (provided by government departments and the private sector), estimated number of users of new public toilets, and whether the current situation could be improved by the provision of new public toilets;

  (b) the feasibility of provision of additional public toilets, e.g. land availability, environmental or technical constraints (including the impact of toilet facilities on surrounding environment), electricity, water supply and sewerage facilities; and

  (c) other considerations for provision of additional public toilets, e.g. the resources required and the views of nearby residents, local communities and District Councils; and

- the following procedures had set out the framework to ensure that the provision of new and reprovisioned public toilets was arranged in a consistent manner:

  (a) head counting would be conducted to collect the updated utilization rate of a particular public toilet;

  (b) information on alternative toilet facilities in the vicinity would be collected by research and site visits;

  (c) availability of government land would be checked; and

  (d) information about site constraints would be obtained through technical feasibility study with the assistance from relevant departments e.g. the Planning Department, the Lands Department ("LandsD") and ArchSD.

19. Regarding the problem of inadequate public toilets at tourist spots (paragraph 2.28 of the Audit Report refers), the Committee asked whether the Tourism Commission ("TC") had provided views to FEHD, and the measures to be taken by FEHD to ensure that the relevant stakeholders would be well consulted.

20. **Mr Joe WONG Chi-cho, Commissioner for Tourism**, said at the public hearing and supplemented in his letter dated 11 December 2019 (*Appendix 11*) that since there was no specific definition for tourist spots in Hong Kong, FEHD had consulted the tourism sector through TC in 2018 to gather their views on public toilets which were located at major tourist spots and required improvement, and TC had come up with a list of 23 public toilets in this regard. From 2017 to 2018, TC had also provided views to FEHD on the conditions of hygiene, cleanliness and facilities of the public toilets at Peak Tower, Star Ferry Multi Storey Car-park and Central Market, the Yim Tin Tsai Public Toilet and Lai Chi Wo Public Toilet.

21. **Director of Food and Environmental Hygiene** advised in her letter dated 3 January 2020 (*Appendix 10*) that FEHD was working with TC to put in place a mechanism to receive from the tourism trade their feedback on the public toilets which were of concern to them, to consult them on FEHD's planning of public toilets at scenic areas or tourist spots, and to report progress of such works. FEHD planned to consult TC at least once every year, while dialogue on specific issues would be maintained as necessary throughout the year.

22. In response to the Committee's enquiry on whether FEHD had considered providing portable toilets at tourist spots to address the problem of insufficient public toilets, **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 3 January 2020 (*Appendix 10*) that as portable toilets were required to be desludged regularly and might create environmental nuisance and arouse public concern, FEHD would take this into account and consulted relevant stakeholders before taking forward any proposals of providing portable toilets at tourist attractions. FEHD considered that the planners or operators of new tourist attractions were in a better position to plan adequate toilet facilities to serve tourists at the planning stage.

23. With reference to paragraph 2.54 of the Audit Report, the Committee sought information on measures taken/to be taken by FEHD to improve the hygiene condition and facilities/features of portable toilets. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her two letters dated 3 and 13 January 2020 (*Appendices 10* and *12* respectively) that:

- since 2019, FEHD had adopted new designs for portable toilets with enhanced facilities, including pedestal type water closets, LED lighting and exhaust fans operated by solar energy with motion sensor switch;

- FEHD had commenced a one-year trial on the use of container-type portable toilets at two locations with high utilization rates, i.e. Lok Ma Chau Public Transport Interchange and Tai Lam Tunnel Bus-Bus Interchange,[5] from June and November 2019 respectively. The container-type toilets were equipped with up-to-date toilet facilities which were similar to the provision of permanent public toilets and solar power system to provide power for lighting, ventilation and pumping systems. Non-absorbing floor tiles and water seals of water closets were introduced to reduce the smell problem. Daily toilet attendant services were also provided in the above portable toilets;[6] and

- to improve the portable toilet services, FEHD would progressively replace the existing portable toilets at suitable locations by those with new designs upon renewal of the portable toilet services contracts.

24. The Committee noted from paragraph 2.32 of the Audit Report that FEHD had implemented PTRP annually since 2000 to give a new look to public toilets with enhancements in design and facilities, and enquired about details of the public toilets which had been included under PTRP since 2000.

25. **Director of Food and Environmental Hygiene** advised in her letter dated 3 January 2020 (*Appendix 10*) that of the 477 public toilets which had been included under the annual PTRP since 2000-2001, 114 (24%) were pending for completion (as at 31 December 2019). The project costs of completed projects under PTRP since 2000-2001 with project expenditure finalized ranged from $0.8 million to $10 million.

26. According to paragraph 2.35(a) of the Audit Report, FEHD had set a target that every public toilet would undergo major refurbishment every 10 years. The Committee asked whether any similar target was set before 2018 and how this target

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[5] According to FEHD, the needs for public toilets were established in both locations but there were constraints on the construction of permanent public toilets in the short term. The monthly rental costs of the container-type portable toilets at Lok Ma Chau Public Transport Interchange and Tai Lam Tunnel Bus-Bus Interchange were $67,000 and $88,500 respectively. It included the provision of the container-type toilet, transportation, installation of the container, warranty of the facilities and desludging for the portable toilet.

[6] According to FEHD, portable toilets were in general not provided with toilet attendant services.

could facilitate the planning and estimation of the resources required given that it was not a rigid standard for refurbishing each and every public toilet.

27. **Director of Food and Environmental Hygiene** and **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 3 January 2020 (*Appendix 10*) that:

- FEHD had all along taken into account factors including internal and repair conditions, time of last refurbishment, patronage rate and location in identifying public toilets for inclusion into PTRP. FEHD used to work with ArchSD to come up with a priority list every year and a number of public toilets would be selected in view of other competing priorities; and

- FEHD had reviewed the overall progress of PTRP in 2018 and considered that more public toilets meeting the basic criteria should be included in PTRP. With a 10-year refurbishment cycle as a general indicator, FEHD had taken the initiative to bid for additional resources, leading to the earmarking of $600 million for commencing full-scale refurbishment or facelifting of some 240 public toilets by phases from 2019-2020 to 2023-2024 under the Enhanced PTRP.[7]

28. In reply to the Committee's enquiry on the latest progress of the 61 toilets which had been included in PTRP in the past 10 years but refurbishment works were yet to be completed (paragraph 2.36(b)(i) of the Audit Report refers), **Director of Food and Environmental Hygiene** replied in her letter dated 3 January 2020 (*Appendix 10*) that refurbishment works for two public toilets (i.e. Chun Wah Road Public Toilet and Ngong Ping Bus Terminus Public Toilet) were completed in May and August 2019 respectively. The location, works programme and latest progress of the remaining 59 public toilets were provided in the above letter.

[7] Under Enhanced PTRP introduced in August 2018, a subtype of works namely facelifting was introduced. The criteria for facelifting include public toilets with high utilization rates and already dilapidated rapidly but premature for another round of refurbishment and subject to serious criticisms, and public toilets which have not undergone refurbishment for quite a long period of time and with unsatisfactory internal condition/state of repairs without structural defects (e.g. spalling), and can be simply made good by facelifting without change of layout. The scope of works for facelifting covers mainly replacement of aged facilities and installation of new features, with the prevailing layout and exterior wall remaining unchanged.

29. The Committee asked about details of additional resources allocated to FEHD and ArchSD to help expedite the refurbishment of public toilets, and the implementation timetable of the works of the 240 public toilets included in the Enhanced PTRP from 2019-2020 to 2023-2024.

30. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her two letters dated 3 and 13 January 2020 (*Appendices 10* and *12* respectively) and **Mrs Sylvia LAM YU Ka-wai, Director of Architectural Services**, replied in her letter dated 29 January 2020 (*Appendix 13*) that additional manpower including 20 professional/technical/clerical/site supervisory staff and six officers had been or would be deployed to ArchSD and FEHD respectively to take forward the Enhanced PTRP. With the additional resources in place, the two departments were able to speed up planning of the refurbishment and facelifting works, better monitor the performance of the project consultants/contractors and works progress, and ensure timely commencement and completion of the project works.

31. On the progress of the works, **Director of Food and Environmental Hygiene** said at the public hearings and added in her letter dated 3 January 2020 (*Appendix 10*) that:

- 42 public toilets (comprising 20 toilets for refurbishment and 22 toilets for facelifting) had been selected with funding approval for implementation in 2019-2020. As of November 2019, for the 22 public toilets selected for facelifting works, one had been completed, 11 with works in progress, and the remaining 10 were expected to commence works in the first quarter of 2020 with expected completion dates in the second or third quarter of 2020; and

- FEHD had included/was planning to include a number of public toilets with high utilization rates in the Enhanced PTRPs in 2020-2021 and 2021-2022, with priority given to those with high utilization rates and in ageing conditions.

32. At the Committee's request, **Director of Food and Environmental Hygiene** provided in her letter dated 3 January 2020 (*Appendix 10)* the workflow for implementing public toilet refurbishment and facelifting projects under the Enhanced PTRP, as well as the location, estimated cost, progress, estimated works

commencement and completion dates of the 42 public toilets under 2019-2020 PTRP.

33. As **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings that when implementing public toilet refurbishment projects, FEHD would consult the relevant District Councils and stakeholders on the provision of portable toilets in the vicinity, the Committee sought information about the time required for the consultation and the number of public toilets refurbished in the past five years but not provided with portable toilets.

34. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 13 January 2020 (*Appendix 12*) that generally speaking, FEHD would submit the proposal on refurbishment works of the public toilets (together with the temporary arrangement on provision of portable toilets if applicable) to respective District Councils about three months before the commencement of the proposed works. From 2015 to 2019, out of a total of 82 public toilets that were refurbished, 17 were not provided with portable toilets during the refurbishment works period due to site constraints and availability of other public accessible toilet facilities in the vicinities.

35. According to paragraph 2.47 of the Audit Report, it was the Government's established policy objective to provide barrier-free facilities for persons with disabilities. The Committee sought details of the public toilets which were newly built/reprovisioned/refurnished from 2015-2016 to 2019-2020 but not provided with AUTs, and the follow-up measures taken by FEHD and ArchSD regarding the 402 toilets[8] which were not provided with AUTs and not included in PTRP.

36. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 13 January 2020 (*Appendix 12*) that:

- from 2015-2016 to 2019-2020, out of the 97 public toilets which were newly built, reprovisioned or refurbished, 13 refurbished public toilets

[8] In September 2019, ArchSD informed Audit that of the 418 public toilets which were not provided with AUTs as of June 2019: (a) 16 toilets had been included in PTRP; (b) further studies of the 139 toilets would be conducted; and (c) 263 toilets had been considered in the Retrofitting Programme for barrier-free facilities but the majority of them had been found infeasible.

were not provided with AUTs due to site constraints or local objections. Local objections were received during acquisition of additional land for construction of the proposed AUTs mainly due to concerns over potential change of land use in the village, obstruction of village access and potential impact on "Feng Shui". In one case, the private land owner refused to grant the right of way to access the proposed AUT; and

- for the 263 public toilets which were found infeasible for provision of AUTs due to site constraints, local objections and complicated land issues and other reasons, accessible urinals, braille and tactile signs for toilets and handrails with braille and tactile information were provided as far as practicable to facilitate people with disabilities and the elderly to use the public toilet facilities. FEHD and ArchSD would continue to explore the feasibility of providing AUTs in these toilets under the Enhanced PTRP.

37. **Director of Architectural Services** advised in her letter dated 29 January 2020 (*Appendix 13*) that the Working Group on Upgrading of Public Toilets ("Working Group")[9] would regularly review the situation of those public toilets for which the provision of AUTs had been found infeasible. If there was any change in the external factors or situation which might make the provision of AUTs possible, the Working Group would proceed and review the feasibility study again. For the 139 toilets which would undergo further studies, ArchSD confirmed that 134 of them were found infeasible for provision of AUT when they were studied in either Phase 6 or Phase 7 of the aqua privy conversion programme, PTRP, or the Retrofitting Programme. FEHD would collaborate with ArchSD to complete feasibility study to the remaining five public toilets within six months.

38. Noting from paragraphs 2.55 to 2.59 of the Audit Report that FEHD would gradually provide or retrofit new and refurbished toilets with enhanced design features/installations to improve public toilet services, the Committee asked whether FEHD had made reference to overseas experiences and technologies or consulted other departments/parties for improving local public toilets.

[9] The Working Group is chaired by a Deputy Director of FEHD, with members from FEHD and ArchSD.

39. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her two letters dated 11 December 2019 and 13 January 2020 (*Appendices 14* and *12* respectively) that:

- FEHD had been actively exploring new facilities/technologies through various channels including the internet, by reaching out to the trade, local research and development institutions, and conducting field visits. FEHD would then conduct surveys and market research in studying the cost effectiveness and feasibility of application to public toilets and consult relevant departments (e.g. ArchSD and the Electrical and Mechanical Services Department ("EMSD")) on technical feasibility where appropriate. Upon conducting pilot trials at selected public toilets and considering the results satisfactory, FEHD would apply the technology to a larger scale testing covering more public toilets for evaluation before full implementation;

- with reference to the European experience, FEHD had worked in collaboration with ArchSD and EMSD since May 2019 to study the feasibility of introducing auto cleansing toilets[10] into Hong Kong; and

- FEHD conducted a duty visit to Singapore in August 2019 to better understand the latest developments there in the fields of environmental hygiene and pest control. Particularly, the Smart Toilet System with various sensors to detect the level of consumables and condition of the toilets was studied.

40. In response to the Committee's enquiry about the adoption of cabinet wash hand basin system in public toilets (paragraph 2.56 of the Audit Report refers), **Director of Food and Environmental Hygiene** and **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 3 January 2020 (*Appendix 10*) that the one-stop provision of wash hand basin, soap dispenser and hand dryer in the form of a cabinet wash hand basin system had recently been installed in Tsuen Wan Multi-storey Car Park Building Public

[10] Auto cleansing public toilets are individual free-standing modules, each containing a water closet pan and a built-in wash hand basin. After the user has finished using the toilet, opening the door from inside would activate the flushing system and when the user comes out, the door would close and lock. Automatic cleaning and drying of floor and toilet seat would then be carried out within a short period of time before the toilet is ready for use again.

Toilet and Tak Wah Park Public Toilet on a trial basis. High speed electric hand dryers with drip trays and modified blower fans under wash hand basins were installed in the system to alleviate the wet floor problem caused by dripping hands of toilet users. FEHD aimed to complete the evaluation of the system by the second quarter of 2020.

41. **Director of Architectural Services** added in her letter dated 29 January 2020 (*Appendix 13*) that the refurbishment projects of Tak Wah Park Public Toilet and Tsuen Wan Multi-storey Car Park Building Public Toilet were all procured through lump sum quotation contracts with a contract sum of approximately $3.36 million and $3.50 million respectively. As a rough indication based on a rudimentary market research on similar integrated wash hand basin system available locally as conducted by consultant in 2018, the procurement cost of the cabinet wash hand basin system (per wash hand basin) was approximately in the range of $18,000 to $26,000, excluding associated plumbing, drainage and electrical installations.

C. Management of public toilet works projects

42. Noting from paragraph 3.2 of the Audit Report that FEHD and ArchSD had set up the Working Group since 2000, the Committee enquired about the role and responsibilities of ArchSD in the Group. **Director of Architectural Services** said at the public hearings and supplemented in her letter dated 29 January 2020 (*Appendix 13*) that as members of the Group, ArchSD offered technical advice on the design and layout proposals as well as the colour/material schemes of the public toilet projects proposed by the project consultants/contractors from design and maintenance perspectives to ensure that FEHD's standards and requirements on the provision of toilet facilities as well as relevant barrier-free access requirements were complied with as far as practicable.

43. With reference to paragraph 3.6 of the Audit Report, the Committee enquired about the criteria adopted by ArchSD in deciding whether the public toilet projects should be implemented by term consultants, term contractors, term design-and-build contractors or engaging the contractors through open tender.

44. **Director of Architectural Services** said at the public hearings and supplemented in her letter dated 29 January 2020 *(Appendix 13*) that ArchSD would normally assign toilet projects with higher degree of complexity and more design input to a term design consultant that possessed suitable experience and resources in handling designs and administration of public toilet projects to facilitate the design vetting process and overall project delivery. Toilet projects which required less design requirements would be assigned to a design-and-build term contractor. For projects assigned to a term design consultant, the construction works would be executed by a term contractor or a contractor via open tendering depending on the scale of the works. For toilet projects which were straightforward and did not involve design input (e.g. toilet facelifting or maintenance), they were normally assigned to a term contractor for execution of the construction works.

45. Noting that the target works period for construction or reprovisioning of a public toilet mentioned in paragraph 3.7 of the Audit Report (nine months) was different from Director of Architectural Services said at the public hearings (about one year), the Committee sought clarification on the discrepancy.

46. **Director of Architectural Services** explained in her letter dated 29 January 2020 (*Appendix 13*) that the target works period for the construction or reprovisioning of a public toilet of nine months was the anticipated duration for carrying out the works which did not include any allowance for slippage (e.g. inclement weather). From the perspective of project management of the toilet projects, ArchSD normally allowed an overall construction period of 12 months, which included a general allowance for possible slippage due to unforeseen site constraints and inclement weather. At the request of the Committee, tables were provided in the above letter to illustrate the workflow for the construction, reprovisioning, full-scale refurbishment and smaller-scale facelifting of public toilets.

47. With reference to Note 20 to paragraph 3.7 of the Audit Report, construction contracts or works orders of public toilets completed beyond the original target completion dates due to events which were outside the control of the contractors (e.g. inclement weather) could not be regarded as delay, and extensions of time would be granted to the contractors. The Committee enquired about the mechanism and guidelines for granting the extension and the penalty to be imposed on contracts which were regarded as delay.

48. **Director of Architectural Services** said at the public hearings and supplemented in her letter dated 29 January 2020 (*Appendix 13*) that the events which would give rise to extensions of time being granted to contractors and the relevant procedures were detailed in the contract, e.g. Clause 53 of the General Conditions of Contract for Term Contracts for Building Works 2004 Edition.[11] When delays were caused by events not mentioned in the contract (e.g. delay due to contractor's inadequate resources or poor planning), extension of time would not be granted, and the Administration was entitled to recover from the contractor liquidated damages calculated using the daily rate stated in the contract.[12]

49. In reply to the Committee's enquiry about the follow-up actions taken by ArchSD on the unsatisfactory performance of term consultants/term contractors/term design-and-build contractors of public toilet projects, **Director of Architectural Services** advised in her letter dated 29 January 2020 *(Appendix 13*) that ArchSD could issue warning letters and/or adverse reports to the consultants/contractors and take regulating actions (e.g. suspension from tendering) and/or other actions in accordance with Sections 10.7 and 10.8 of the Architectural and Associated Consultants Selection Board Handbook (for term consultants) and Sections 4 and 5 of Contractor Management Handbook published by the Development Bureau (for term contractors/term design-and-build contractors).

50. The Committee noted from Case 1 in paragraph 3.7 of the Audit Report that inadequate resources, unsatisfactory performance and slow progress of Contractor A had led to a delay of about eight months in the construction of Toilet F. The Committee questioned why ArchSD decided to issue the works order to Contractor A in October 2016 while ArchSD was aware of the labour shortage problem of Contractor A before issuing the works order to it.

51. **Director of Architectural Services** said at the public hearings and supplemented in her letter dated 29 January 2020 (*Appendix 13*) that it was Contractor A's obligation under the contract to provide adequate resources in carrying out the works order in accordance with the terms of the contract. When

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[11] The General Conditions of Contract for Term Contracts for Building Works 2004 Edition is one of the standard contract forms commonly used in ArchSD for government projects including the construction and reprovisioning of public toilets.

[12] The liquidated damages stipulated in a public works contract represent the genuine estimate of the financial losses of the Government due to delays caused by the contractor. The calculation of liquated damages is detailed in Development Bureau Technical Circular (Works) No. 4/2003.

ArchSD noticed in July 2016 that Contractor A had encountered labour shortage problem, the project team discussed with Contractor A immediately on the scope and programme for the construction of Toilet F with a view to achieving a more reasonable and balanced workload on Contractor A. The project team noted that if the commencement of works for Toilet F was deferred to October 2016, Contractor A would be able to deploy enough resources for executing the works. Considering that a separate tendering exercise would cause an even longer delay, ArchSD issued a works order to Contractor A in October 2016.

52. In response to the Committee's enquiry on the reasons for certifying the construction of Toilet F as substantially completed in June 2018 while there were 21 items of defective or critical outstanding works, **Director of Architectural Services** said at the public hearings and supplemented in her letter dated 29 January 2020 (*Appendix 13*) that:

- the defects and outstanding works identified upon the substantial completion of the works order were minor in nature and would not affect the subsequent handover inspections with FEHD. Upon receipt of an undertaking from Contractor A for completion of the defects and outstanding works, the chief project manager issued a letter certifying that the works order had been substantially completed in accordance with the terms of the contract. Such an arrangement facilitated handing over the completed toilet to FEHD at the earliest opportunity;

- it was Contractor A's obligation under the contract to complete all outstanding works and rectification of defects in a timely manner. Payments for the non-completed works had been withheld until they were satisfactorily completed. Contractor A's progress in completing the outstanding works and rectification of defects were also duly reflected in its performance report; and

- all defects and outstanding works had been rectified/completed before the completed facilities were handed over to FEHD.

53. Noting from paragraph 3.7 of the Audit Report that apart from Toilet F, another four public toilet reprovisioning projects completed from 2016-2017 to 2018-2019 were also carried out by Contractor A and completed later than their

respective original target completion dates,[13] the Committee enquired whether any sanctions were imposed on Contractor A in this regard. **Director of Architectural Services** advised in her letter dated 29 January 2020 (*Appendix 13*) that all delays in the completion of the construction contracts/works orders after taking into account all extension of time incidents had been duly reflected in the contractor's performance reports. Liquidated damages would also be imposed on the contractor for delays due to the contractor's faults.

54. The Committee asked about the mechanism in place for ArchSD to record and report the unsatisfactory performance of contractors for the reference of other works departments in future tenders. **Director of Architectural Services** said at the public hearings and supplemented in her letter dated 29 January 2020 (*Appendix 13*) that:

- in accordance with the Development Bureau's Contractor Management Handbook, all works departments were required to prepare reports on contractors' performance for all works contracts under their purview on a quarterly basis and upload the reports to the Development Bureau's computerized Contractor Management Information System, through which the performance reports of contractors were available to all works departments for reference during tender assessment; and

- according to Development Bureau Technical Circular (Works) No. 4/2014, under the two-envelope system, a tenderer should submit both technical submission and tender price documents. During the tender assessment stage, the technical submission would be evaluated in accordance with a marking scheme in which the tenderers' past performance was one of the attributes to be assessed in deriving the tenderers' technical score. For tenderers with unsatisfactory past performance, their overall technical score would be affected which would in turn affect their combined technical and price score and hence the opportunity of being awarded the contract.

[13] According to ArchSD, after assessment of all extensions of time entitled by the contractor for three of the five public toilet reprovisioning projects, three public toilets were completed 5 to 10 months later than their respective extended completion dates. As of September 2019, extension of time assessment for the remaining two public toilet reprovisioning projects was still in progress and the delay period was yet to be ascertained.

55. In response to the Committee's enquiry on the lessons learnt from Case 1 on the monitoring of contractors to carry out works projects, **Director of Architectural Services** advised in her letter dated 29 January 2020 (*Appendix 13*) that:

- ArchSD would remind its staff and consultants to pay particular attention to ensure that sufficient resources were deployed by a term contractor to carry out the projects. ArchSD would request the term contractors to advise their resources level from time to time and coordinate with them as far as possible before issuance of works orders to facilitate the contractors to plan ahead their resource requirements so as to minimize the risk of project delay due to insufficient resources of the contractors; and

- when it was found that the progress of works was unsatisfactory due to lack of resources, measures such as conducting high-level management interviews with the contractor and reflecting its inadequate resources in the contractor's performance reports would be implemented in a timely manner.

56. According to Case 1 of paragraph 3.7 of the Audit Report, local objections were also a main reason for the delay in completing the reprovisioning of Toilet F. The Committee enquired about the consultation procedures and process and the lessons learnt by FEHD.

57. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 13 January 2020 (*Appendix 12*) that:

- in general, while initiating consultation for a public toilet project, FEHD would, through District Office of the Home Affairs Department, inform stakeholders of the purposes, background, key issues requiring attention, and the departmental contact point for enquiries on the subject being consulted. The respective District Office would collate and forward the feedback of the stakeholders to District Environmental Hygiene Office ("DEHO") of FEHD together with District Office's assessment, where appropriate;

- for Toilet F, DEHO conducted local consultation through the Home Affairs Department's North District Office and received the

feedback in May 2012. No objection was received. In February 2017, a village representative who was consulted in 2012 raised objection against the construction works. After discussion, FEHD agreed to conduct enhanced beautification works at Toilet F. Subsequent to the completion of construction works and the beautification works, the concerned village representative conducted a site visit to Toilet F on 15 July 2019 and raised objection to the opening of Toilet F due to dissatisfaction with the beautification works. ArchSD conducted further beautification works in September and October 2019, and Toilet F was eventually open for public use on 11 October 2019; and

- Toilet F was an isolated case in which objection was only received with change in circumstances after completion of the consultation process (i.e. villagers' plan to build village houses in front of the toilet site). For any future public toilet projects, FEHD would continue to provide details of proposals to all relevant stakeholders at an early opportunity to seek their understanding and support.

58. Referring to Table 6 of paragraph 3.9 of the Audit Report, the Committee asked why the 25 public toilets included in PTRP from 2011-2012 to 2015-2016 were still under design as of August 2019.

59. **Director of Architectural Services** said at the public hearings and supplemented in her letter dated 29 January 2020 (*Appendix 13*) that some individual projects, particularly those included in PTRP in earlier years, might require a longer lead time for completion and were still in the design stage due to special circumstances or factors, such as site constraints and additional user requirements requiring detailed technical assessments; complications involving land issues or private land; planning and interface issues involving other works or development projects; and the need to obtain stakeholders' support of the design proposals, etc.

60. According to Case 2 of paragraph 3.9 of the Audit Report, Consultant Y informed ArchSD in April 2015 that the refurbishment scheme for Toilet G was structurally feasible. It was later found in September 2018 that there was structural problem in the structural brick walls of Toilet G and the refurbishment works had to be suspended. The Committee enquired about ArchSD's views on the performance of Consultant Y.

61. **Director of Architectural Services** said at the public hearings and supplemented in her letter dated 29 January 2020 (*Appendix 13*) that:

- Consultant Y was mainly responsible for conducting feasibility studies and project design, carrying out the tender phase work and supervising the works at construction stage till handover of the works to the user;

- the visual inspection to assess the structural feasibility for refurbishment of Toilet G conducted by Consultant Y was in line with general professional practice, based on the fact that no additional load would be imposed by the project scope and no major defects were observed during the site inspection. In addition, to avoid conducting destructive tests which would affect the normal use of the toilet, visual inspection was a preferred practice for toilet refurbishment projects at the preliminary feasibility study stage. ArchSD considered the performance of Consultant Y in this project generally acceptable; and

- ArchSD had commenced a stock taking exercise to identify the existence of structural brick walls for about 850 public toilets and aqua privies for completion by the first quarter of 2020.

62. Noting from paragraphs 3.8, 3.10 and 3.11 of the Audit Report that FEHD had reviewed the workflow of PTRP in 2016 and 2018 and shortened the overall timeline for taking forward refurbishment projects of public toilets from about four to five years to about two to three years, the Committee sought details of the measures taken to expedite the implementation of projects.

63. **Director of Food and Environmental Hygiene** replied in her letter dated 13 January 2020 (*Appendix 12*) and **Director of Architectural Services** supplemented in her letter dated 29 January 2020 (*Appendix 13*) that the following measures had been implemented to expedite the implementation of projects:

- applications for land allocations from LandsD would be made as soon as the public toilets were shortlisted for inclusion in PTRP pending funding approval or when the site boundaries were confirmed;

- once the designs of the toilets to be refurbished were available, FEHD would arrange early public consultations on the refurbishment works;

- ArchSD would step up the monitoring of project consultants/contractors to expedite the submission of the design proposals for vetting; and

- ArchSD would expedite the vetting of the design proposals in order to commence the works as soon as possible.

64. **Director of Architectural Services** added in her letter dated 29 January 2020 (*Appendix 13*) that the Working Group would review approved projects so as to expedite the progress of projects. Should there be any projects with progress hindered by persistent external factors, another project would be considered to be injected into PTRP to replace the problematic one so as not to affect the overall delivery programme. ArchSD was also exploring the use of "Design for Manufacture and Assembly" to minimize on-site assembly works by means of off-site construction works (e.g. prefabrication of wall panels with urinals) to shorten the closure period in public toilet refurbishment and facelifting projects, and better ensure that the projects would be completed on time.

65. According to paragraphs 3.18 to 3.21 of the Audit Report, given that the absence of a flushing system in toilets might create hygiene, pest and odour problems, FEHD implemented a programme from February 2005 to November 2014 to convert aqua privies into flushing toilets by seven phases. The Committee asked why only 124 of the targeted 145 aqua privies under Phase 7 of the aqua privy conversion programme were converted to flushing toilets.

66. **Director of Food and Environmental Hygiene** explained in her letter dated 13 January 2020 (*Appendix 12*) and **Director of Architectural Services** said at the public hearings and supplemented in her letter dated 29 January 2020 (*Appendix 13*) that 21 aqua privies were not converted into flushing toilets mainly due to lack of water supply and/or sewerage system, complicated slope or land issues and local objections, and some were demolished or pending demolition due to low usage.

67. With reference to Case 3 in paragraph 3.22 of the Audit Report regarding the conversion of Toilet H from aqua privy into flushing toilet, the Committee noted that the water connection works of Toilet H had not fully conformed to the Waterworks Ordinance (Cap. 102) ("WWO") for nearly five years (counting from

opening of the toilet in April 2013 to authorization of flushing water supply in February 2018). The Committee sought details of the non-compliance with WWO and difficulties encountered by ArchSD.

68. **Director of Architectural Services** said at the public hearings and supplemented in her letter dated 29 January 2020 (*Appendix 13*) that the water supply connection for Toilet H was much more complicated than those normally encountered in other aqua privy conversion projects. According to the proposed alignment accepted by the Water Supplies Department ("WSD") in October 2013 for Toilet H, the routing of the new water main would be about 60 metres long and encroached into private lot and slopes. Although the non-compliance lasted for nearly five years, it was essentially a procedural non-compliance as the plumbing works installed for flushing water supply when Toilet H was completed in 2013 technically complied with WWO's requirements. A chronology of key events in respect of the water connection works for converting Toilet H from aqua privy to flushing toilet was provided in the above letter.

69. In response to the Committee's enquiry on why the proposed alignments of the water main accepted by WSD in October 2013 and the revised one accepted by WSD in October 2014 were later considered infeasible, **Director of Architectural Services** replied in her letter dated 29 January 2020 (*Appendix 13*) that the proposed alignments would encroach into private lot and affect the stability of adjacent slope in case of leakage of the water main.

70. The Committee asked whether WSD had exercised any discretion in approving the flushing water supply system for Toilet H in February 2018. **Director of Water Supplies** advised in his letter dated 7 January 2020 (*Appendix 15*) that:

- while WWO did not apply to the Government, it had been a practice that ArchSD would follow the requirements of WWO in the delivery of its projects including seeking approval of WSD for its plumbing works;

- during the inspection in February 2017, WSD observed that there was an extension from the existing 20 millimetres ("mm") diameter connection water main (previously for providing water supply to the aqua privy for general ablution purpose) to provide water supply to the newly completed plumbing works in Toilet H. As the plumbing

proposal submitted by Contractor C and approved by WSD for the water supply application for Toilet H proposed to lay a new 25 mm diameter connection water main from the government water main to provide water supply to Toilet H and no permission had been given by WSD for the extension from the existing 20 mm diameter connection water main,[14] it did not conform to the requirement of section 14 (1) of WWO that "no person shall alter an inside service without permission from Water Authority"; and

- Contractor C submitted a plumbing proposal proposing to use the existing 20 mm diameter connection water main for providing water supply to Toilet H. Since the plumbing proposal after being revised to address WSD's comments was in conformance with the requirements of WSD and WWO, WSD approved the new water supply application and the plumbing proposal without exercising any discretion.

71. In reply to the Committee's enquiry on the measures to ensure that the requirements of WWO and the hygienic requirements for water supply system were complied with in implementing aqua privy conversion programme in future, **Director of Architectural Services** advised in her letter dated 29 January 2020 (*Appendix 13*) that ArchSD would pay particular attention to projects with anticipated plumbing connection difficulties to ensure that the requirements of WWO were complied with. ArchSD would also remind its staff and consultants to allow reasonable time for the planning of water main connection works, for example to carefully review the site constraints affecting the proposed water main connection routing and to negotiate with WSD and LandsD (if land issues were involved) for an alternative solution in a timely manner in case the proposed routing was infeasible as far as practicable.

72. According to paragraphs 3.23 and 3.24 of the Audit Report, it was announced in the 2007-2008 Policy Agenda that the target of converting all aqua privies into flushing toilets was by 2012-2013, yet there were still 51 aqua privies as of June 2019. The Committee enquired about the updated status of the 51 aqua privies.

[14] ArchSD only considered the temporary arrangement of making an extension from the existing 20 mm diameter connection water main to provide water supply to the newly completed plumbing works in Toilet H as an interim measure to facilitate early opening of Toilet H. WSD had not been informed of this temporary arrangement.

73. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 13 January 2020 (*Appendix 12*) that:

- as at 31 December 2019, the updated status of the 51 aqua privies were as follows:

  (a) six aqua privies would be demolished;

  (b) eight aqua privies would be converted to flushing toilets. Conversion works of three of them were in progress. Another three were pending commencement of works. Local consultation on in-situ conversion for one aqua privy was underway. Another aqua privy was pending feasibility study by ArchSD;

  (c) two aqua privies would be reprovisioned by flushing toilets under private development projects pending commencement;

  (d) site search and land allocation had been initiated through the Planning Department and LandsD to reprovision 10 aqua privies. Sites had been identified for two aqua privies, and application for land allocation was in progress or would follow;

  (e) 13 aqua privies were considered infeasible for in-situ conversion to flushing toilets due to the lack of water supply and/or sewerage system, encroachment to private lands or site constraints. Nine of them had completed in-situ refurbishment to improve their internal condition. FEHD was studying the alternatives of reprovisioning these 13 toilets at other sites or demolition altogether with regard to utilization level and actual needs; and

  (f) 12 aqua privies were planned for demolition. Local consultation was completed for four of them and the proposals would be submitted to the relevant District Councils shortly. One aqua privy would be closed and handed over to LandsD for private development. Local consultation on the remaining aqua privies was in progress; and

- for the aqua privies which were in use, FEHD would review their wear and tear condition and plan for refurbishment if required. Apart from regular cleansing operations, FEHD would deploy deep cleansing

teams ("DCTs") to improve the hygiene conditions of aqua privies. FEHD also applied Microbiological Odour Arresting Agent in the aqua privies on a regular basis for odour control purpose.

D. Management of public toilets

74. According to paragraphs 4.2 and 4.4(c) of the Audit Report, the cleansing services of 625 (78%) public toilets and 31 (61%) aqua privies were outsourced to contractors under the related contracts for street cleansing services. The Committee enquired about the tendering for these services, in particular how the performance of existing contractors would affect their bids for similar future tenders.

75. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 24 January 2020 (*Appendix 16*) that:

- open and competitive tendering procedures were adopted for Government procurement of street cleansing services;

- in evaluating the tenders, FEHD adopted two-envelope approach and first conducted a technical assessment of each tenderer's proposal and calculated the technical score. The assessment criteria for technical score included the quality of the proposed execution plans submitted by the tenderers, the proposed wage level and daily maximum working hours of the cleansing workers employed for executing the contract, and the tenderers' experience/performance track record for relevant government contracts. A price score would then be determined based on the price proposals;

- for the marking scheme adopted in FEHD's tender exercise for street cleansing contract, a weighting of 50% for technical score and 50% for price score was adopted since April 2019. The tender with the highest combined score would normally be accepted by the Government;

- FEHD had generally adopted an "outcome-based" approach in outsourcing cleansing services. Clear and precise performance-based service requirements including the scope of the services required, level of cleanliness expected, response time for rectification of unsatisfactory performance, etc. were incorporated in the tender document.

Minimum requirements relating to manpower, work shift, and cleansing frequency might be stipulated in the tender document based on operational needs. The tenderers were required to apply their expertise and experience in devising the staff deployment plan and the mode of operation to provide cleansing services up to the performance standard as required by FEHD; and

- the number of default notices issued to a street cleansing contractor would be taken into account for assessment of technical score in future tender evaluations, if the contractor submitted a bid.

76. The Committee noted from paragraph 4.3 of the Audit Report that with a view to addressing the rising concerns and complaints on poor hygiene conditions of public toilets with very high utilization rates (particularly those at tourist spots), FEHD had selected 94 public toilets as target public toilets in May 2019 for service enhancement, including enhanced inspection and provision of additional deep cleansing services. The Committee sought details on the scope of the additional deep cleansing services.

77. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 24 January 2020 (*Appendix 16*) that FEHD had implemented the following enhancement measures for the target toilets to improve hygiene conditions and to better monitor the performance of contractors to provide quality service at public toilets:

- Foremen/Senior Foremen and Health Inspectors ("HIs") were assigned to the target public toilets to conduct enhanced inspections. The designated Foreman/Senior Forman would inspect each target public toilet twice daily and to follow up irregularities identified with the contractor. The designated HI would conduct supervisory check on a weekly basis. Officers at district management level would conduct monthly inspections;

- four performance indicators, i.e. floor always dry; floor, wall and facilities free from stains and dirt; no strong foul smell; and no prolonged malfunctioning of toilet facilities, were devised and contractors must maintain these standards at all times; and

- deep cleansing services were enhanced and carried out by DCTs on a regular basis.

78. On the Committee's enquiry on the establishment and annual budget of DCTs and whether FEHD would extend the enhanced services to more public toilets and aqua privies, **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 3 January 2020 (*Appendix 10*) that each DCT comprised one supervisor-cum-driver and four cleansing workmen, and was equipped with one tipper lorry, one high pressure hot water cleaner and other cleansing equipment, tools and materials. FEHD would extend DCT services to all street cleansing services contracts upon next contract renewal to be completed by November 2020. The annual estimated expenditure for the territory-wide deployment of DCTs was about $60 million.

79. According to paragraphs 4.6 and 4.7 of the Audit Report, FEHD staff periodically conducted different levels of inspection on public toilets to monitor the cleansing services by contractors and in-house cleansing workmen and conditions of hygiene, cleanliness and facilities in public toilets. The Committee enquired about the guidelines on determining the inspection frequency and details and procedures of the inspection.

80. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 24 January 2020 (*Appendix 16*) that:

- during inspection, the principles of risk management would be integrated into the checking of contract compliance. Inspection of public toilets mainly covered the cleanliness, maintenance and operation of facilities and attendance-related matters of toilet attendants;

- supervisory staff, from District Environmental Hygiene Superintendents to HIs, performed surprise supervisory checks to monitor the performance of the cleansing supervisors within their districts. DEHOs would divide their districts into several cleansing sectors on a geographical basis. Each HI was required to inspect one to two cleansing sectors in a week and to cover all areas under

respective responsibility within six weeks. Each Senior HI was required to inspect two cleansing sectors at a time, and to cover all the areas in the district within three months. Senior district management would inspect the toilets on a regular basis;

- Quality Assurance Section, a section set up with the primary objective of monitoring and improving service quality, would conduct regulatory inspections for different services delivered by FEHD, including that on cleansing services (comprising street cleansing and public toilet services); and

- Quality Assurance Section conducted inspections to public toilets in all districts during its Thematic Quality Assurance Inspections every two years. The inspection reports would be compiled and forwarded to the district concerned for reference and follow-up actions, if necessary. Re-inspections would be carried out a few months later and all irregularities detected in the last inspection would be checked again to see if there were any recurrence. Similarly, re-inspection reports would be issued to individual DEHOs for information and further follow-up actions, if necessary.

81. At the Committee's request, **Director of Food and Environmental Hygiene** provided in the above letter FEHD's guidelines for Foreman grade staff on the inspection frequency for public toilets with cleansing services provided by in-house staff and by contractors.

82. The Committee noted from paragraph 4.9(a)(ii) of the Audit Report that Yuen Long DEHO had exercised discretion to lower the inspection frequency of 103 toilets from once every 10 days (when they were aqua privies) to once every two weeks (after they were converted to public toilets). In view of the large number of public toilets converted from aqua privies, the Committee questioned if the reduction in frequency was considered reasonable and practicable and why the inspection frequency was not set out in FEHD guidelines.

83. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 24 January 2020 (*Appendix 16)* that different districts had their unique circumstances. The discretion for respective

DEHOs to determine the most suitable minimum inspection frequency for facilities in remote areas would be exercised by respective districts based on their professional knowledge and experience having regard to the ground situation on a case-by-case basis. For Yuen Long DEHO, 103 out of the 127 contracted-out public toilets without toilet attendant services were converted from aqua privies and usually located at remote areas with low utilization rates. The conditions and facilities of these public toilets had been much improved after the conversion. This notwithstanding, FEHD was taking stock of the situation on the ground with a view to providing some form of guidelines to responsible officers in DEHOs in exercising the discretion to determine the inspection frequency for public toilet facilities in remote areas.

84. According to paragraphs 4.6 to 4.9 of the Audit Report, FEHD had maintained a computerized Contract Management System ("CMS") to monitor performance of cleansing contractors, and DEHO Foreman grade staff were required to input the inspection results of public toilets into mobile devices on site and uploaded the records into CMS. However, inspection results were not fully input to CMS and no regular management information was provided to FEHD senior management on cleanliness and conditions of facilities of public toilets. DEHO HI grade staff would only conduct surprise supervisory check on public toilets inspected by their subordinates every six weeks/three months. The Committee questioned how FEHD's senior management could ensure that the conditions of hygiene, cleanliness and facilities of public toilets were satisfactory.

85. **Director of Food and Environmental Hygiene** advised in her letter dated 24 January 2020 (*Appendix 16*) that the overall performance of contractors including provision of public toilet services was assessed through random checking with the principles of risk management integrated into the checking of contract compliance. The inspection findings including the actions taken would be recorded in CMS and would be reflected in monthly assessment reports of the contractors, which were submitted to and reviewed by district management. If any contractor was found to be in breach of contract terms, FEHD would take appropriate follow-up actions, including the issuance of verbal warnings, written warnings and default notices with deduction of monthly payment of service charge.

86. Noting that FEHD had revamped CMS and fully implemented the system from November 2019, the Committee asked about the operation and functions of the revamped CMS, and measures to ensure the strict compliance by all inspection

officers with FEHD's requirements to input the inspection records into the revamped CMS properly.

87. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 24 January 2020 (*Appendix 16*) that:

- before implementation of the revamped CMS, inspecting officers were required to record inspection details of contractors' performance including the provision of public toilet services after each inspection into CMS via mobile devices. The operation remained the same in the revamped CMS;

- on top of monthly reports generated by the old CMS, the revamped CMS provided enhanced functions to summarize inspection details of public toilets including numbers of inspection and irregularities detected on a district basis for review by district management and senior management; and

- if an officer had forgotten to upload the inspection results to the system, alert messages would be sent to remind inspecting officers to comply with the requirements to input inspection details. Senior HIs or HIs of DEHOs, Operations Sections and Quality Assurance Section would also conduct checking on the status of compliance in inputting inspection details into the revamped CMS by inspecting officers based on the monthly reports generated by the revamped CMS.

88. In reply to the Committee's enquiry, **Director of Food and Environmental Hygiene** advised in her letter dated 24 January 2020 (*Appendix 16*) that FEHD was considering the use of mobile devices to record inspection details of the cleansing services provided by in-house cleansing workmen so as to enhance the record keeping and the effectiveness of supervision. FEHD estimated that the new system would be ready for trial run in the latter half of 2020 after the user requirements were confirmed.

89. According to paragraph 4.10 of the Audit Report, cleansing contractors were required to, among others, carry out minor repair and maintenance works of public toilets, while major repairs would be referred to maintenance agents such as ArchSD

and EMSD for follow up. The Committee enquired about the reasons for these arrangements. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 24 January 2020 (*Appendix 16*) that to ensure prudent use of public money and timely response to restore normal service of public toilets, FEHD had assigned cleansing contractors to handle minor repair works which were simple and easy to be fixed. Staff of the contractors could provide a quick response and rectify the defects swiftly upon notification.

90. According to Table 10 of paragraph 4.11 and paragraph 4.13(a) of the Audit Report, the number of defects for public toilets and aqua privies referred to maintenance agents increased from 13 290 cases in 2015 to 17 732 cases in 2018. Noting that ArchSD would work with FEHD to analyse the repair requests and conduct joint investigation on the existing ageing public toilets to take measures to tackle the issues leading to the above problem, the Committee enquired about the progress and findings.

91. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 24 January 2020 (*Appendix 16*) that the findings of ArchSD's analysis on repair requests relating to public toilets and aqua privies would be available in the second quarter of 2020. FEHD would consider measures to tackle the issues leading to the increasing number of defects in public toilets requiring repair and maintenance. FEHD had not maintained its own computerized system for managing repair and maintenance requests for public toilets. In the longer term, FEHD would refer to the use of mobile devices and mobile applications ("mobile apps") in handling repair works to generate information and statistics to seek improvements to the design features, installations and other provisions in public toilets.

92. **Director of Architectural Services** added in her letter dated 3 February 2020 (*Appendix 17*) that with a view to strengthening the monitoring and the quality of the repair and maintenance works of public toilets and aqua privies, in the coming new maintenance term contracts which would commence in two batches in April 2020 and April 2021, ArchSD would require the contractors to set up a dedicated team to manage and monitor the works.

93. As **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings that some items in the public toilets required frequent repair and maintenance, the Committee sought information on the items and measures to address the situation.

94. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 4 February 2020 (*Appendix 18*) that most of the repair requests were related to plumbing and drainage systems, such as defective flushing cisterns, sensor water taps and clearance of seriously choked drainage system. The defects usually arose from high utilization rate and might also be due to improper use of toilet facilities.

95. In reply to the Committee's enquiry on whether any persons were prosecuted for vandalizing the facilities in public toilets/aqua privies in the past five years, **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 24 January 2020 (*Appendix 16*) that in general, FEHD would immediately refer any suspected vandalism or crime cases detected in public toilets to the Police for investigation and enforcement actions. FEHD was not notified by the Police of any prosecution against vandalism of facilities or committing crime in public toilets or aqua privies in the past five years.

96. The Committee enquired about the measures to facilitate the public for their use of toilet facilities. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 3 January 2020 (*Appendix 10*) that to improve the cleanliness of public toilets, the following facilities were provided on a trial basis:

- toilet seat sanitizer in toilet compartments was provided in a public toilet for disinfection of water closet seats;

- one stop wash hand basin, soap dispenser and hand dryer in the form of a cabinet wash hand basin system;

- anti-bacterial coating on urinals and water closets to inhibit bacterial growth and enhance cleanliness; and

- nano-bubble technology and atomized ozonated water technology in the flushing system to inhibit bacteria growth and degrade odour molecules.

97. In response to the Committee's enquiry about the educational and promotional work in relation to the importance of toilet hygiene and proper use of public toilets, **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 4 February 2020 (*Appendix 18*) that apart from the measures mentioned in paragraph 4.55 of the Audit Report, FEHD had also broadcast health messages through built-in broadcasting systems in 30 public toilets[15] to remind the public of the importance of toilet hygiene and the proper use of toilet facilities. FEHD would continue to appeal to the public to be mindful and considerate when using public toilets through promotional and educational activities. The total expenditure on education and publicity on toilet hygiene and proper use of toilet facilities for 2019-2020 (as at January 2020) was $1,663,240.

98. Referring to paragraph 4.17 of the Audit Report about the discrepancy in the number of repair and maintenance requests between FEHD and ArchSD records, the Committee enquired about the reasons for the occurrence of the above issue.

99. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 24 January 2020 (*Appendix 16*) that the discrepancy on the repair and maintenance requests recorded by FEHD and ArchSD was due to inconsistent recording methods adopted by the two departments in some cases. **Director of Architectural Services** said at the public hearings and explained in her letter dated 3 February 2020 (*Appendix 17*) that the differences were due to different counting approaches being adopted by FEHD and ArchSD to suit different modes of operation. For example, when FEHD submitted one repair request to ArchSD, ArchSD might split it into different work items according to the work trades (such as plumbing and joinery works) to facilitate separate monitoring/administration, resulting in differences in the number of repair requests and number of repair works.

[15] Currently, 36 public toilets are equipped with promotional booths and another 30 public toilets installed with background music and message broadcasting systems. In 2019-2020 (as at January 2020), $396,240 was incurred for the provision of these booths and broadcasting systems.

100. According to paragraphs 4.13(b) and 4.19(b) of the Audit Report and the letter from Director of Food and Environmental Hygiene dated 3 January 2020 (*Appendix 10*), a mobile app had been developed to record and transmit repair and maintenance requests among FEHD, ArchSD and EMSD to enhance the effectiveness of reporting defects in public toilets in terms of accuracy and timeliness. The Committee sought details of the mobile app, the implementation timetable, and whether the mobile app could help avoid the discrepancy on the repair and maintenance requests recorded by FEHD and ArchSD.

101. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her two letters dated 3 and 24 January 2020 (*Appendices 10* and *16* respectively) that:

- the mobile app allowed FEHD frontline staff to make use of mobile devices to take photos and record the details of defects in public toilets and transmit the repair and maintenance requests instantaneously to ArchSD or EMSD for follow-up actions. Since the mobile app would link with ArchSD's computer maintenance system to share relevant data, with introduction of the mobile app, the data source of repair and maintenance requests amongst relevant departments would be synchronized to avoid mismatch in maintenance records and discrepancies. It also allowed users to monitor the progress of repair and maintenance works. Management of the departments might make use of the data/information from the mobile app for analysis to improve public service and work efficiency;

- FEHD made ready the first batch of application functions in November 2019 for pilot use in three districts to transmit repair and maintenance requests for defects in public toilets to ArchSD. The second batch of application functions for transmitting repair and maintenance requests to EMSD on a pilot basis started in January 2020. The target was to extend the use of the mobile app to the remaining districts in March 2020 tentatively; and

- the estimated one-off cost for the development of the mobile app was about $1.2 million.

102. With reference to paragraph 4.22 of the Audit Report, the Committee enquired about the reasons for the delays in referring the defective items to contractors and maintenance agents and rectifying the defective items, and measures to identify and refer the defective items to contractors and maintenance agents in a timely manner.

103. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 24 January 2020 (*Appendix 16*) that according to DEHOs, majority of the defects stated in paragraph 4.22 of the Audit Report were recurring cases which had been rectified but found recurring between the first and the second site visits conducted by Audit. Nevertheless, the introduction of the mobile app to record and transmit repair and maintenance requests would facilitate the reporting of defective items identified by inspecting officers during inspection of public toilets, tracking of progress of repair and maintenance works and collation of management data for further analysis. Backend automation functions were also provided to ensure that repair and maintenance requests were directed to contractors and maintenance agents for timely follow-up actions.

104. According to paragraph 4.30 of the Audit Report, FEHD had not conducted surveys to collect public views on public toilets and data on the utilization of public toilets after 2008. The Committee asked about the reasons and the channels used by FEHD to collect public views on public toilets in the past 11 years.

105. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** explained at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 24 January 2020 (*Appendix 16*) that customer satisfaction surveys could only give a general impression of the situation of FEHD public toilets without reference to individual toilets for specific improvements. FEHD had been collecting views on public toilet services through various channels such as public complaints, comments from District Council members, suggestion from toilet attendants, etc.

106. Noting from paragraph 4.30 of the Audit Report that FEHD was arranging a trial use of visitor feedback system to gather user feedback of each toilet under monitoring in the new Smart Toilet System, the Committee sought details of the trial

use of the system and whether FEHD would resume conducting public surveys so as to facilitate the planning and provision of public toilets.

107. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 24 January 2020 (*Appendix 16*) that as part of the trial of Smart Toilet System, FEHD was arranging to use visitor feedback system to gather specific comments on the toilets under monitoring. Visitor feedback system would gather instantaneous feedback over a much longer period of time on the toilets being monitored. FEHD considered that user feedback enabled FEHD to come up with a more timely response to the problems identified and provided FEHD with an important basis for the planning and provision of public toilets to better meet the needs of the public. FEHD aimed to come up with a specific plan in 2020 with regard to cost-effectiveness and the result of the trial on Smart Toilet System, etc.

108. According to paragraphs 4.34 and 4.35 of the Audit Report, 264 (33%) public toilets under the management of FEHD were provided with attendant services as of June 2019. The Committee enquired about the measures rolled out by the Administration to enhance the employment conditions of and protection for non-skilled workers (including toilet attendants) employed by its outsourced service contractors.

109. **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 11 December 2019 (*Appendix 14*) that:

- to implement the new policy announced by the Chief Executive in October 2018 to better protect non-skilled workers, FEHD had enhanced the marking scheme for procuring street cleansing services which covered cleansing services of public toilets and aqua privies for tenders issued on or after 1 April 2019. The weighting of the wage level of non-skilled workers had been increased from 16% to 25% in the technical assessment; and

- of the 34 outsourced street cleansing services contracts in force as at 1 December 2019, eight were tendered on or after 1 April 2019 and adopted the enhanced marking scheme. The average committed

monthly wage for toilet attendants employed by the successful bidder of these outsourced services contracts was about $12,810, which was about 20% above the average committed monthly wage at about $10,610 for the other contracts tendered before introduction of the enhanced marking scheme.

110. In response to the Committee's enquiry about the work shifts and length of working hours of toilet attendants, **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 4 February 2020 (*Appendix 18*) that in general, there were two work shifts of toilet attendants, and the toilet attendants were on duty for about nine hours in day shift and six hours for the evening shift. The actual work shift pattern and working hours of toilet attendant of each public toilet were contingent upon service needs and might vary. The specific arrangements were stipulated in the service contracts of individual public toilets. As a contract requirement, cleansing workmen including toilet attendants were not allowed to work more than 10 hours per day.

111. The Committee noted from paragraphs 4.39 to 4.41 of the Audit Report that some public toilets provided with attendant services were not provided with adequate attendant rooms or power sockets/oscillating fans in accordance with FEHD's Handbook on Standard Features for Public Toilets.[16] The Committee enquired about the measures to improve the working conditions in public toilets for toilet attendants.

112. **Director of Food and Environmental Hygiene** and **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 4 February 2020 (*Appendix 18*) that:

- FEHD and ArchSD had completed a review on the facilities in all public toilets with toilet attendants. Where circumstances permitted, FEHD would install oscillating fans; mechanical ventilation such as extraction fans, fresh air inlets or propulsion fans; power sockets; lockers; as well as rest and changing facilities in the existing attendant rooms to improve the working environment. The major difficulties

[16] FEHD sets out the criteria for provision of public toilets under its management in the Handbook.

encountered in improving facilities in attendant rooms were site constraints and the inherent layout which might not support the provision of certain facilities such as installation of ventilation equipment. FEHD would continue to work with ArchSD to iron out the technical problems as far as practicable;

- owing to site constraints in the existing public toilets without attendant rooms but provided with attendant services, FEHD and ArchSD would review the situation when these toilets were refurbished with a view to providing attendant rooms as far as practicable; and

- as at 10 January 2020, out of the 53 public toilets with only one attendant room, three were already provided with two attendant rooms (each at the male and female toilets), and 46 had attendant rooms located at the common area of the toilets that could be shared used by male and female toilet attendants. The attendant rooms of the remaining four public toilets were currently situated at either the male or female toilets. FEHD would as far as technically feasible make available attendant rooms for both male and female toilet attendants when the public toilets in question were refurbished.

113. **Director of Architectural Services** said at the public hearings and added in her letter dated 3 February 2020 (*Appendix 17*) that ArchSD had received requests from FEHD to improve/provide attendant rooms for 175 public toilets. After studying, 50 public toilets had been found technically infeasible. For the remaining 125 public toilets, 40 of them had been included in the Enhanced PTRP and were being studied for feasibility. 85 public toilets had been found technically feasible to improve/provide attendant rooms. Of these 85 public toilets, the works for 20 public toilets had been completed, 20 public toilets were in progress, the scope of works for 45 public toilets were being established, and the works of these 65 public toilets were anticipated to be completed by September 2020.

114. According to paragraph 4.45 of the Audit Report, FEHD maintained a computerized Complaints Management Information System ("CMIS") which provides a central record of information relating to complaints on public toilets. The Committee enquired about the measures to monitor and improve the handling of complaints and public toilet services.

115. **Miss Diane WONG Shuk-han, Deputy Director of Food and Environmental Hygiene (Environmental Hygiene)**, and **Assistant Director (Operations)3, Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 4 February 2020 (*Appendix 18*) that:

- FEHD had in place a departmental circular on "Handling of complaints" setting out the procedures and guidelines on how complaints generally should be processed;

- complaints received were input into CMIS with a view to ensuring that all complaints were dealt with properly and efficiently. Supervisors had the responsibility to ensure that complaint cases were handled appropriately and were properly recorded in CMIS in a timely manner in accordance with the laid down procedures. CMIS had built-in reminder and alert functions to assist case officers and their supervisors to identify cases with delays in reply to complainants (e.g. a monthly management information report showing the lapse time of overdue complaints). Supervisors would oversee the progress of cases, look into the reasons for long overdue cases or long period of inaction during investigation of the cases, and provide guidance/assistance to the case officers as necessary with a view to concluding the cases as soon as possible;

- long overdue cases and repeated complaints were included as standing agenda items for discussion at FEHD internal meetings at both the headquarters and district levels; and

- FEHD had commenced the feasibility study to enhance CMIS having regard to Audit's recommendations. FEHD was in the process of developing a prototype of the enhanced features for CMIS and aimed to put it into trial run in March 2020. Subject to the outcome of the trial run, FEHD expected to implement the enhanced features in the third quarter of 2020 tentatively.

116. Referring to paragraph 4.58 of the Audit Report, the Committee asked how FEHD would enhance the provision of information about public toilets on FEHD's Website and whether FEHD would consider developing a mobile app in this regard.

117. **Deputy Director of Food and Environmental Hygiene (Environmental Hygiene)** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 4 February 2020 (*Appendix 18*) that name, address, opening hours, enquiry telephone number and geographical location of public toilets and a list of public toilets temporarily closed for renovation were currently available on FEHD's Website. FEHD would regularly update the webpage to ensure that the information was up-to-date. A mobile version of its Website was available for smart phone users to browse the information of FEHD public toilets. A mobile app for locating public toilets and other toilet facilities had already been provided by the non-government sector for public use.

E. Conclusions and recommendations

Overall comments

118. The Committee:

- notes that:

  (a) according to the Public Health and Municipal Services Ordinance (Cap. 132), the Food and Environmental Hygiene Department ("FEHD") may provide and maintain toilets[17] where FEHD considers such toilets to be required having regard to the general benefit of the public, and may equip such toilets with all requisite fittings and appliances for the use or assistance of persons resorting to them;

  (b) from 2016-2017 to 2018-2019, 13 new public toilets were built, 10 public toilets were reprovisioned and 27 public toilets were refurbished at the estimated total project costs of $282.8 million. Between February 2005 and November 2014, 441 aqua privies were converted into flushing toilets with a total expenditure of $740.2 million. The Architectural Services Department

[17] FEHD also provides toilets for use by the public in venues under its management which are not open 24 hours a day (e.g. toilets at public markets). Apart from FEHD, other government departments may also provide toilet facilities for use by the public in venues/facilities under their management (e.g. parks and sports centres under the Leisure and Cultural Services Department, and country parks under the Agriculture, Fisheries and Conservation Department).

("ArchSD") is the main works agent of FEHD's various public toilet works projects;

(c) as of June 2019, FEHD managed 798 public toilets with flushing systems and 51 aqua privies throughout the territory; and

(d) as of June 2019, the cleansing services of 625 (78% of 798) public toilets and 31 (61% of 51) aqua privies were outsourced to contractors, and the cleansing services of the remaining 173 (22% of 798) public toilets and 20 (39% of 51) aqua privies were provided by FEHD in-house cleansing workmen. In 2018-2019, FEHD's expenditure in providing public cleansing services[18] was $3,096 million;

- stresses that:

(a) while the vast majority of buildings and venues in Hong Kong are provided with toilet facilities, FEHD still plays an important and irreplaceable role in providing public toilets which are available over the territory, operated round the clock and free of charge at places with demands from members of the public and tourists;

(b) public toilets are provided to satisfy the basic physiological needs of the public, and public toilets in unsightly and poor hygiene conditions might cause public health problems and will project a poor image of Hong Kong. It should be the aim of FEHD to provide functional, cost-effective, hygienic and clean public toilets to the public; and

(c) public toilets are part of community infrastructure, FEHD should formulate holistic planning to ensure that the construction, reprovisioning and refurbishing of public toilet projects should align with changes in society, complement the community planning and developments, and meet the needs of the individual districts taking into account the characteristics of each district;

- expresses serious concern that FEHD does not have a holistic planning with the necessary data, in particular the needs of the public, in the

[18] The expenditure in providing public cleansing services included street cleansing and household waste collection, and management of public cleansing facilities such as public toilets and refuse collection points.

construction, reprovisioning and refurbishing of public toilets as evidenced by the following:

(a) although FEHD's Handbook on Standard Features for Public Toilets had advised that consideration would be given to providing public toilets at tourist spots and locations with anticipated high utilization rates but lacking adequate alternative toilet facilities in the vicinity, FEHD had not laid down guidelines to elaborate the application of the above criteria;

(b) FEHD recorded visitor number of public toilets by manual counting to calculate the utilization rate which is one of the key criteria for considering the provision and management of public toilets, including assessing the need for new and reprovisioning public toilets and the deployment of resources for cleansing services. However, no written guidelines had been prepared for manual counting;

(c) FEHD accords priority to construct, reprovision and refurbish public toilets located at tourist spots, yet there are no criteria for defining whether certain public toilets are located within the areas of tourist hotspots. Prior to 2018, FEHD had not regularly consulted the Tourism Commission or other stakeholders of the tourism industry on the planning for refurbishment of public toilets at tourist spots; and

(d) FEHD had not made any references to overseas practices or local guidelines and regulations when setting the 1:2 male-to-female toilet compartment ratio as a general guideline in planning for construction, reprovisioning and refurbishment of public toilets;

- expresses serious concern and disappointment that FEHD had conducted three surveys between 2004 and 2008 to collect public views on public toilets and data on the utilization of public toilets but no similar survey was conducted after 2008;

- notes that FEHD has initiated a review of provision of sanitary fitments including urinals taking into account up-to-date information on usage pattern of compartments and urinals as well as the ratio of male and female users of public toilets;

- expresses serious concern and disappointment that FEHD has lagged behind in the adoption of technological advancements for better management of public toilets as evidenced by the following:

  (a) FEHD had all along adopted manual counting method with combined means of actual counting and estimation to collect utilization data of public toilets before 2019;

  (b) the standard inspection record for public toilets with cleansing services provided by in-house cleansing workmen was in manual form which would easily be prone to input errors; and

  (c) FEHD had yet to maintain its own computerized system for managing repair and maintenance requests for public toilets and this had led to discrepancy in data records in FEHD and ArchSD.[19] It also affects FEHD's analysis on the pattern of such requests;

- notes that:

  (a) FEHD was using infrared sensors and conducting a trial on using Smart Toilet System with fixed laser ranging sensors from 2019 to collect more precise, comprehensive and useful data for analysis of the utilization rates of public toilets; and

  (b) a mobile application was being developed for FEHD frontline staff to use mobile devices to record the details of defects in public toilets and transmit the repair and maintenance requests instantaneously to ArchSD or the Electrical and Mechanical Services Department[20] for follow-up action. The first batch of application functions was ready for pilot use in three districts in November 2019;

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[19] ArchSD, being a main maintenance agent of FEHD for repair and maintenance works, had maintained a computerized system on repair and maintenance requests received from other government departments, including FEHD.

[20] FEHD has signed a Service Level Agreement with the Electrical and Mechanical Services Trading Fund on the repair and maintenance of mechanical equipment (such as malfunctioned hand dryer) in public toilets. For defects in respect of mechanical equipment, FEHD will report the defects to the Electrical and Mechanical Services Department for repair works.

- expresses serious concern and disappointment that inadequate supervision on the contractors to carry out public toilet works projects will only exacerbate the problem of works delay as evidenced by the following incidents revealed in the Director of Audit's Report ("Audit Report"):

  (a) as revealed in Case 1 in paragraph 3.7 of the Audit Report, a project for reprovisioning a public toilet (Toilet F) had a delay of about eight months in completing the construction works due to inadequate resources, unsatisfactory performance and slow progress of the contractor;

  (b) FEHD implemented Public Toilet Refurbishment Programme ("PTRP") annually since 2000, but only a small number of public toilets could be approved for the works prior to 2018-2019. As of August 2019, for 160 public toilets included in PTRP between 2011-2012 and 2018-2019 after obtaining funding approval, 84 (52.5% of 160) were with works not yet completed, while 44 (52%) of these 84 toilets were included in PTRP between 2011-2012 and 2015-2016. As revealed in Case 2 in paragraph 3.9 of the Audit Report, the Administration had been working on the design of Toilet G for more than three years (from July 2014 to November 2017) to accommodate the views of the local community; and

  (c) FEHD implemented a programme from February 2005 to convert aqua privies into flushing toilets by seven phases. According to the 2007-2008 Policy Agenda, the Administration targeted to convert all aqua privies into flushing toilets in phases by 2012-2013. As of June 2019, there were still 51 aqua privies;

- notes that:

  (a) according to the 2019-2020 Budget, an additional funding of about $600 million would be allocated under the Enhanced PTRP. Additional resources would hence be allocated to FEHD and ArchSD to help expedite the refurbishment of public toilets; and

  (b) FEHD and ArchSD had implemented improvement measures to expedite the timeline for taking forward a standard refurbishment

project, and the expedited timeline would be applied to the projects under the Enhanced PTRP from 2019-2020 onwards;

- urges FEHD to:

  (a) proactively conduct surveys and use reliable methods/channels to collect public views on public toilets and data on the utilization of public toilets and maintain close communication with relevant government departments and the Tourist Commission so as to map out the policies and planning for the provision of public toilets;

  (b) regularly review its guidelines and criteria in considering the provisioning/reprovisioning of new/existing public toilets to cater for the changing public needs; and

  (c) improve the public consultation process for future public toilet projects with a view to minimizing works delay;

- urges ArchSD to closely monitor the works progress of public toilet projects and the performance of consultants and contractors, in particular the progress of refurbishment works, and take measures to complete the works on time so as to reduce the inconvenience caused to the community; and

- urges FEHD and ArchSD to make reference to overseas experience and practices to explore and enhance the use of new technologies in improving public toilet services and speeding up the public toilet works projects.

Specific comments

119. The Committee:

Planning and provision of public toilets

- expresses serious concern and disappointment that:

(a) in 93 (62%) of the 149 public toilets installed with infrared sensors to count the number of visitors, there were considerable variances between the utilization rates found by manual counting (conducted by FEHD in 2018 or earlier) and infrared sensor counting. A public toilet at Tai Po with a high utilization rate (1 000 to 1 999 daily visitors on average) revealed by manual counting was found to have a low utilization rate (91 daily visitors on average) by infrared sensor counting;

(b) as of June 2019, 421 (53%) of the 798 public toilets managed by FEHD did not meet the 1:2 male-to-female toilet compartment ratio (i.e. with fewer female compartments than required), while 360 (86% of 421) public toilets were constructed or refurbished after FEHD had adopted the above ratio. In terms of sanitary fitments (i.e. including both compartments and urinals), 16 of 23 (70%) newly built or reprovisioned public toilets from 2016-2017 to 2018-2019 had fewer female sanitary fitments than male sanitary fitments;

(c) owing to the inherent factors of site constraints and the "not in my backyard" mindset of the general public, FEHD could only ameliorate the problem of inadequate public toilets at some tourist spots through the use of more efficient facilities/features to enhance the turnover of using toilets;

(d) as of June 2019, 418 (52% of 798) FEHD's public toilets were not provided with accessible unisex toilets, and 138 (17% of 798) FEHD's public toilets had not been included in PTRP in the past 10 years, of which 29 toilets (21% of 138) had high utilization rates; and

(e) among the 145 locations which are currently provided with portable toilets, portable toilets had been provided at some locations for a long time, with the longest case for 15 years;

- notes that:

(a) Director of Food and Environmental Hygiene has agreed with the Audit Commission ("Audit")'s recommendations in paragraphs 2.9, 2.19, 2.30, 2.42 and 2.58 of the Audit Report; and

(b) Director of Architectural Services has agreed with Audit's recommendations in paragraphs 2.19(a), 2.42(a) and 2.58(a) of the Audit Report;

Management of public toilet works projects

- expresses serious concern and disappointment that:

  (a) seven projects initiated by FEHD from 2016-2017 to 2018-2019 for construction or reprovisioning of public toilets were completed about 1 month to 11 months later than their respective original target completion dates;

  (b) as revealed in Case 2 in paragraph 3.9 of the Audit Report, as of October 2019, refurbishment works for a public toilet (Toilet G) had not yet been completed eight years after funding was approved. In April 2015, the consultant for this project informed ArchSD that the refurbishment scheme for Toilet G was structurally feasible based on available information and visual inspection. In September 2018 after the works had commenced for a month, the refurbishment works were suspended due to structural integrity concern arising from the poor conditions of structural brick walls; and

  (c) for Phase 7 of the aqua privy conversion programme, of the 135 works orders issued for carrying out conversion works and in-situ refurbishment works, the actual completion dates for 119 (88%) works orders were later than their respective original target completion dates, the longest case being 15 months. As revealed in Case 3 in paragraph 3.22 of the Audit Report, the water main connection works for converting an aqua privy into a flushing toilet (Toilet H) had not fully conformed to the Waterworks Ordinance (Cap. 102) for nearly five years since opening of the toilet;

- notes that:

  (a) the works of Toilet G was completed on 29 November 2019;

(b) Director of Architectural Services has agreed with Audit's recommendations in paragraphs 3.13 to 3.15, 3.26 and 3.27 of the Audit Report; and

(c) Director of Food and Environmental Hygiene has agreed with Audit's recommendations in paragraphs 3.14, 3.15 and 3.27 of the Audit Report;

Management of public toilets

- expresses serious concern and disappointment that:

(a) for four District Environmental Hygiene Offices ("DEHOs") (i.e. Central/Western DEHO, Mong Kok DEHO, Yau Tsim DEHO and Yuen Long DEHO) of FEHD selected by Audit for examination on their inspection records for the public toilets from January 2018 to June 2019:

(i) Central/Western DEHO and Yuen Long DEHO had respectively exercised discretion under FEHD guidelines to adjust downwards the frequencies of routine inspections for 1 public toilet and 103 public toilets which were converted from aqua privies and usually located at remote locations;

(ii) the actual numbers of routine inspections conducted by Mong Kok DEHO and Yuen Long DEHO were fewer than scheduled by 11% and 24% respectively. The reasons for the shortfall included staff forgetting to input the inspection reports to the computerized Contract Management System ("CMS") which was developed to, among others, facilitate FEHD's monitoring of contractors' performance, staff vacancies and redeployment of staff resources to other tasks;

(iii) for Central/Western DEHO, the results of 19% of the routine inspections conducted were recorded on manual inspection forms but not in CMS. In addition, only 2% of the inspection results for public toilets with attendant services were recorded in the specific inspection reports as required by FEHD;

(iv) no records were maintained for repair and maintenance requests to cleansing contractors;

(v) for requests to maintenance agents, Central/Western DEHO and Yuen Long DEHO used computerized spreadsheets while Mong Kok DEHO and Yau Tsim DEHO used manual log-books to record the requests made and the work progress. There was also a discrepancy of 115 repair and maintenance requests between ArchSD's records (2 026 requests) and FEHD's records (1 911 requests); and

(vi) Audit further conducted two rounds of site visits in May and June 2019 respectively to the 30 public toilets managed by these four DEHOs and discovered that:

- the hygiene conditions and cleanliness of some public toilets were poor;
- some public toilets had a large number of defective facilities involving various types of defects. One toilet was identified with 29 defective items involving six types of defects in June 2019 site visits; and
- there were 181 defective items identified in May 2019 site visits that had not yet been rectified in June 2019 site visits, including 150 items involving minor repairs which should have been rectified by cleansing contractors within 24 hours after being informed by FEHD staff;

(b) for those public toilets and aqua privies with cleansing services outsourced to contractors under the related contracts for street cleansing services, no regular management information on cleanliness and conditions of facilities was provided to FEHD senior management for their monitoring of the performance of the contractors;

(c) upon receipt of ArchSD's enquiries in March 2019, FEHD identified that 19 repair and maintenance requests of public toilets which should be carried out by cleansing contractors had been wrongly referred to ArchSD;

(d) the number of defects of public toilets and aqua privies referred to the maintenance agents for rectification increased by 33% from 2015 to 2018, while the number of public toilets and aqua privies only increased by 1% during the same period. For six public toilets, the average number of their repair and maintenance requests reached 89 to 128 per year from January 2015 to June 2019;

(e) toilet attendant services should be provided in public toilets with high utilization rates or at tourist spots. However, as of June 2019, 24 public toilets with high utilization rates and five public toilets located at tourist spots were not provided with attendant services, while 77 public toilets provided with attendant services were not having high utilization rates nor located at tourist spots;

(f) as of June 2019, 33 (13%) of the 264 public toilets provided with attendant services were not provided with attendant rooms. Of the remaining 231 (87%) public toilets with attendant rooms, there were 53 toilets with only one toilet attendant room (which might need to be shared by the male toilet attendant and the female toilet attendant) and 178 toilets without power socket, fan or exhaust fan inside the attendant rooms;

(g) of the 3 759 complaint cases completed by FEHD in the period from January 2018 to April 2019, FEHD took more than 1 month to 12 months to complete the handling of 614 (16%) cases;

(h) there was no dedicated data field in FEHD's computerized Complaints Management Information System for capturing the name of a public toilet under complaint, and FEHD had not made use of the data field "subject" in the computer system to analyse the nature of complaint;

(i) FEHD had uploaded the information about public toilets with location maps onto its Website, but the information about the closure of 27 public toilets under refurbishment was not uploaded onto FEHD Website as of August 2019; and

(j) out of 10 public toilets in Central and Western District visited by Audit, four were not provided with directional signs; and

- notes that:

  (a) FEHD will:

    (i) review the guidelines on the inspection frequency of public toilets including those public toilets converted from aqua privies and having low utilization rates;

    (ii) make use of the revamped CMS[21] to prevent inspection officers from making improper data input as in the old system and remind its staff to strictly follow the guidelines for input of CMS properly;

    (iii) remind staff to conduct monthly checking of the repair works orders and observe any particular types of facilities in the public toilets with abnormal or sudden increase of repair orders and report to the district management for necessary follow-up action;

    (iv) continue to liaise with ArchSD to provide toilet attendant related facilities for existing attendant rooms, if circumstances permit;

    (v) explore the feasibility of enhancing FEHD's Complaints Management Information System and strengthening the analysis of complaints for monitoring and enhancing public toilet services;

    (vi) review to enhance provision of information (such as toilet types and closure of toilets) on its Website; and

    (vii) consult the Highways Department to provide and enhance the directional signs for public toilets if necessary;

[21] FEHD fully implemented the revamped CMS in November 2019 to: (a) facilitate management of major outsourced services; (b) enhance operational efficiency with new workflow and other functions in CMS to support field inspection and contract management tasks; (c) provide more effective sharing and retrieval of contract management information with online access of reference materials and enhanced query/report functions in CMS; (d) produce more timely and comprehensive information related to management of environmental hygiene service contracts in CMS for reference; and (e) promote green office with reduced printing and storage of paper documents.

(b) ArchSD will:

(i) analyse the repair requests and liaise closely with FEHD to conduct joint investigation on the existing ageing public toilets with a view to taking measures to address the issues leading to the increasing number of defects in public toilets requiring repair and maintenance, and inform FEHD of any observations relevant to the management of facilities;

(ii) liaise closely with FEHD to conduct joint investigation with a view to ascertaining the reasons for the discrepancy of the repair and maintenance records of public toilets between FEHD and ArchSD; and

(iii) provide appropriate support amongst other maintenance agents to FEHD for its development of the computerized system to interface with that of ArchSD's on reporting and monitoring of repair and maintenance requests;

(c) Director of Food and Environmental Hygiene has agreed with Audit's recommendations in paragraphs 4.31, 4.42, 4.53 and 4.62 of the Audit Report; and

(d) Director of Architectural Services has agreed with Audit's recommendations in paragraphs 4.31(f) and 4.42(c) of the Audit Report.

Follow-up action

120. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by the Committee and Audit.

A. Introduction

The Audit Commission ("Audit") conducted a review to examine the provision of consultancy, research and development and training services by the Hong Kong Productivity Council ("HKPC"). A related review was conducted and the findings were reported in October 2009.[1]

2. Hon SHIU Ka-fai declared that he was engaged in the trading business of construction materials, and unremunerated honorary adviser or honorary member to some non-governmental organizations or trade associations.

Background

3. The Administration established HKPC in 1967 under the Hong Kong Productivity Council Ordinance (Cap. 1116) ("HKPCO") with a mission to improve the productivity, operational efficiency and competitiveness of local industries. HKPC is governed by a Council,[2] and is supported by four Standing Committees.[3] In March 2003, the Administration and HKPC entered into a Memorandum of Administrative Arrangements ("MAA"), which provides a framework for the relationship between the Administration and HKPC and sets out in detail the responsibilities of each party. According to paragraph 5.1 of MAA, HKPC is autonomous in the management and control of its activities and resources.

4. Commissioner for Innovation and Technology is the Controlling Officer of the subventions granted to HKPC. In 2017-2018, HKPC had a total income of $711 million, which included government subventions of $223.3 million (31.4%) and

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[1] The review results on the corporate governance and administrative issues of HKPC were reported in the Director of Audit's Report No. 53 of October 2009 and the Public Accounts Committee's conclusions and recommendations made in respect of the subject were published in its Report No. 53 of February 2010.

[2] According to HKPCO, the Council shall consist of not more than 23 members appointed by the Chief Executive, comprising a Chairman, 17 persons representing management, labour and professional or academic interests, and not more than five public officers. The five public officers appointed as Council members are: (a) the Permanent Secretary for Innovation and Technology; (b) the Commissioner for Innovation and Technology; (c) the Director-General of Trade and Industry; (d) the Government Economist; and (e) the Deputy Commissioner for Labour (Labour Administration).

[3] The four Standing Committees are Audit Committee, Business Development Committee, Finance Committee and Staffing Committee.

a total expenditure of $663.7 million. It was announced in the 2016 Policy Address that re-industrialization was a potential new area of economic growth for Hong Kong and that HKPC would facilitate industrial upgrading and transformation, enabling enterprises to embrace re-industrialization and move towards high value-added production.

5. The Committee held three public hearings on 13, 17 December 2019 and 7 January 2020 to receive evidence on the findings and observations of the Director of Audit's Report ("Audit Report").

The Committee's Report

6. The Committee's Report sets out the evidence gathered from witnesses. The Report is divided into the following parts:

- Introduction (Part A) (paragraphs 1 to 17);
- Provision of consultancy and manufacturing support services (Part B) (paragraphs 18 to 62);
- Research and development projects (Part C) (paragraphs 63 to 83);
- Provision of training programmes (Part D) (paragraphs 84 to 105); and
- Conclusions and recommendations (Part E) (paragraphs 106 to 108).

Speech by Director of Audit

7. **Mr John CHU Nai-cheung, Director of Audit**, gave a brief account of the Audit Report at the beginning of the Committee's public hearing held on 13 December 2019. The full text of his speech is in *Appendix 19*.

Opening statement by Secretary for Innovation and Technology

8. **Mr Nicholas YANG Wei-hsiung, Secretary for Innovation and Technology**, made an opening statement at the beginning of the Committee's public hearing held on 13 December 2019, the summary of which is as follows:

- while HKPC was unable to recover the full costs in some of its projects as revealed by the Audit Report, it had been maintaining a healthy financial position; and

- HKPC had already implemented the majority of Audit's recommendations, and was actively following up on the remaining ones. The Administration would continue to closely monitor the operation of HKPC to ensure its prudent use of public money and fulfilment of public mission.

The full text of Secretary for Innovation and Technology's opening statement is in *Appendix 20*.

Opening statement by Executive Director, HKPC

9. **Mr Mohamed D BUTT, Executive Director, HKPC**, made an opening statement at the beginning of the Committee's public hearing held on 13 December 2019, the summary of which is as follows:

- HKPC had taken measures to address the 64 recommendations in the Audit Report, with over 75% of them implemented and it was expected that the remaining would be implemented in the coming six months; and

- a few of the improvement measures in relating to project management, undertaking of innovation and technology projects, commercialization of results of research and development ("R&D") projects and provision of training, were highlighted in the opening statement.

The full text of Executive Director, HKPC's opening statement is in *Appendix 21*.

10. Noting from paragraphs 1.3 and 1.4 of the Audit Report the commissioning of a consultancy study, which was completed in April 2002, by HKPC to review its role, management and operation, the Committee asked whether the Administration/HKPC had carried out similar studies since then.

11. **Secretary for Innovation and Technology** responded at the public hearings, and **Executive Director, HKPC** and **Ms Rebecca PUN Ting-ting,**

Commissioner for Innovation and Technology, added in their respective letters dated 3 January 2020 (*Appendices 22* and *23* respectively) that:

- in view of the rapid economic changes and technological advancement of Hong Kong, with the agreement of the Council, HKPC engaged a consultant in 2001 to review its role, management and operation;

- though similar studies had not been conducted since the completion of the above consultancy study in 2002, HKPC held a strategic planning meeting in 2011 to discuss with Council members the needs of the industry at that time in order to map out HKPC's long-term objectives and direction. Another strategic planning meeting was held by HKPC in 2016 to discuss the future strategy and positioning of HKPC in meeting different new demands of the industry; and

- in recent years, HKPC had been implementing various initiatives in support of the Innovation and Technology Bureau ("ITB")'s policy direction of promoting re-industrialization and developing innovation and technology. The Innovation and Technology Commission ("ITC") would discuss with HKPC the need to review its mode of operation, future business direction and subvention mode having regard to the future economic development of Hong Kong.

12. On the Committee's enquiry about the role of the Administration in formulating the policy for HKPC's implementation under MAA, **Ms Annie CHOI Suk-han, Permanent Secretary for Innovation and Technology**, explained at the public hearings and **Commissioner for Innovation and Technology** added in her letter dated 3 January 2020 (*Appendix 23*) that according to paragraphs 5.3 and 5.4 of MAA, Commissioner for Innovation and Technology would ensure that HKPC's activities accorded with its objectives and relevant public policies and priorities, and its subvention was properly used and disbursed. Commissioner for Innovation and Technology would also ensure that HKPC's policy objectives were appropriate, and might advise HKPC of the need to review these objectives in the light of changes in the economic environment.

13. The Committee asked whether ITB/ITC would give any direction guide to HKPC for implementing the Administration's policies on innovation and technology. The Committee was concerned how ITB/ITC would coordinate the work of HKPC

and other organizations with the mission to promote innovation and technology in Hong Kong.

14. **Permanent Secretary for Innovation and Technology** responded at the public hearings and **Commissioner for Innovation and Technology** added in her letter dated 21 January 2020 (*Appendix 24*) that:

- ITC would tender its views on the direction of HKPC's work through housekeeping meetings[4] from time to time and day-to-day communication at different levels. ITB and ITC would also offer views on HKPC's development strategies through participation in the Council meetings of HKPC to ensure that its work could support the Administration's policies;

- ITC noted that there had been increasing demand for integrated solutions by the industry in recent years, and many manufacturing and technical support services had thus been included by HKPC in consultancy projects which were related to upgrading the technological level of production lines and Industry 4.0. ITC considered that such arrangement was in line with the Administration's policy direction;

- in view of the above situation and to better reflect the overall performance of HKPC in meeting the market demand, Commissioner for Innovation and Technology introduced a new indicator in her Controlling Officer's Report for 2018-2019 on "Income from integrated solutions", which included the income from consultancy/technical assistance and the income from manufacturing support/process control. The relevant figures were previously reported under separate indicators; and

- ITB had been implementing various policy measures to promote the development of innovation and technology through organizations under its purview, including HKPC, the five R&D centres,[5] the Hong Kong

[4] Housekeeping meetings are held three times per year, during which the Executive Director of HKPC will highlight the major discussion items of the next round of Council and Standing Committee meetings to Commissioner for Innovation and Technology.

[5] The five R&D centres, established in 2006, include the Automotive Platforms and Application Systems R&D Centre, the Hong Kong Applied Science and Technology Research Institute, the Hong Kong Research Institute of Textiles and Apparel, the Logistics and Supply Chain MultiTech R&D Centre, and the Nano and Advanced Materials Institute.

Science and Technology Parks Corporation and the Hong Kong Cyberport Management Company Limited. As Directors of the Boards of the above organizations, Permanent Secretary for Innovation and Technology and/or Commissioner for Innovation and Technology participated in their Board meetings to discuss how they could assist the Administration in promoting the development of innovation and technology.

15. Noting from paragraph 1.6 of the Audit Report that a number of revisions were made to MAA upon its renewal in June 2009 and the details of such revisions in the reply letter dated 11 December 2019 from Commissioner for Innovation and Technology (*Appendix 25*), the Committee asked about the rationale behind the revision made to paragraph 5 of MAA about the role of the Administration's representatives in the Council of HKPC, and whether such revision contradicted the operational autonomy of HKPC.

16. **Permanent Secretary for Innovation and Technology** and **Commissioner for Innovation and Technology** responded at the public hearings, and **Commissioner for Innovation and Technology** supplemented in her letter dated 3 January 2020 (*Appendix 23*) that:

- the Administration issued in December 2008 internal guidelines on the appointment of Government officials to Boards of Government-owned or funded statutory bodies and companies. It was stated that should a policy bureau consider it necessary to appoint Government officials as board members of Government-funded statutory bodies, as there might be rare instances that the Government officials might face situations where the interests of the body did not totally coincide with the public interest, the policy bureau should seek to include an express provision in the ordinance requiring the Government officials to represent public interests in priority over those of the statutory body when the ordinance was next reviewed in order to minimize the relevant legal risks; and

- with reference to the above guidelines, and after consulting the Department of Justice, paragraph 5.9 of MAA was reviewed in 2009 to clarify the role of Government officials in the Council of HKPC (i.e. to represent the Government's interests in priority over those of HKPC). The revision was agreed by the Council in June 2009.

According to experience, the above revision had not affected the autonomous operation of HKPC.

17. With reference to paragraph 1.15 of the Audit Report, the Committee enquired about the procedures for the provision of government subventions to HKPC. **Commissioner for Innovation and Technology** explained in her letter dated 11 December 2019 (*Appendix 25*) that:

- Commissioner for Innovation and Technology would advise HKPC in the middle of the financial year the draft estimate of recurrent subvention for the following financial years, so that HKPC could compile its Annual Programme and Estimates. Upon approval by the Council, HKPC would submit the Annual Programme and Estimates to the Administration for approval;

- after review by Secretary for Financial Services and the Treasury, Secretary for Innovation and Technology would grant approval to the Annual Programme and Estimates of HKPC in accordance with section 16(1) of HKPCO. ITC would then release the annual block grant to HKPC monthly in equal instalments. During the year, in accordance with the civil service salary adjustment rate of the subject financial year, the Administration would release additional subvention to HKPC for salary adjustment of its staff;[6] and

- the Administration might also allocate one-off subvention apart from recurrent subvention to HKPC for specific non-recurrent purposes. HKPC was required to provide a detailed proposal and a budget for consideration by ITC of the provision of additional funding. In 2017-2018 and 2018-2019, ITC disbursed $14.01 million and $3.75 million to HKPC respectively for the proposal of setting up Inno Space and the financing of its operation for the first two years.

[6] Since 2010-2011, the annual draft estimate of recurrent subvention has been equivalent to the draft estimate of recurrent subvention of the preceding financial year plus the subvention provided to HKPC for salary adjustment in the course of the preceding financial year.

B. Provision of consultancy and manufacturing support services

18. With reference to paragraph 2.6 of the Audit Report, the Committee sought the reasons for the downward adjustment in the target on key performance indicator ("KPI") "Number of consultancy projects accepted" for five consecutive years from 2014-2015 to 2018-2019.

19. **Executive Director, HKPC** explained in his letter dated 3 January 2020 (*Appendix 22*) that with the changing market needs over recent years, the required consultancy projects from the industry had become more complex which involved advanced technology development. From 2014-2015 to 2018-2019, the scale of consultancy projects accepted by HKPC had become larger. The percentage of projects with value over $1 million increased from 48% in 2014-2015 to 73% in 2018-2019. In view of this, HKPC adjusted the target every year according to the evolving market needs. While the target on the number of consultancy projects accepted was lowered, the overall revenue of consultancy projects had increased.

20. In response to the Committee's enquiry about the current KPI development process and the review/monitoring mechanism for KPI performance of HKPC, **Permanent Secretary for Innovation and Technology** explained at the public hearings and **Commissioner for Innovation and Technology** added in her letter dated 3 January 2020 (*Appendix 23*) that:

- according to paragraph 7 of MAA, HKPC was required to propose for Commissioner for Innovation and Technology's approval a set of performance indicators for measuring the progress of its activities. Such performance indicators should include the dimensions of service delivery, operating efficiency, financial results and effectiveness of HKPC. The performance indicators and targets might be reviewed from time to time and amended as agreed in writing by both parties. HKPC should submit to Commissioner for Innovation and Technology, together with the Annual Programme and Estimates, a report on its achievements on the performance indicators. If HKPC failed to meet the agreed performance targets, it should provide explanations for such failures to the satisfaction of Commissioner for Innovation and Technology; and

- ITC would receive in July every year from HKPC a Council paper reporting its performance in KPIs in the preceding financial year.

HKPC would submit to the Council in November every year the Annual Programme and Estimates of the forthcoming year, which contained the proposed activities, KPIs and the corresponding targets, as well as the relevant financial estimates. Upon approval by the Council, HKPC would submit KPIs and targets for the next financial year for Commissioner for Innovation and Technology's approval. HKPC had adopted 23 KPIs since 2016-2017 with the Council's agreement obtained in November 2015 and Commissioner for Innovation and Technology's subsequent approval.

21. The Committee further asked whether ITC had followed up with HKPC its underperformance in achieving the KPI target on "Number of consultancy projects accepted" since 2014-2015, and whether HKPC had provided explanations for such failures in accordance with paragraph 7.4 of MAA.

22. **Commissioner for Innovation and Technology** replied in her letter dated 3 January 2020 (*Appendix 23*) that at the four housekeeping meetings held in 2015 to 2018, HKPC's Executive Director reported to Commissioner for Innovation and Technology HKPC's performance in KPIs in the preceding financial year and the reasons for shortfalls against the targets for the relevant KPIs. ITC also requested relevant explanations from HKPC in writing for record purpose.

23. The Committee noted from paragraph 2.7 of the Audit Report that the 35% increase in the number of consultancy projects accepted from 699 in 2017-2018 to 944 in 2018-2019 was due to the decision made at the management meeting in July 2018 to include manufacturing support projects with service fees over $5,000 in the number of consultancy projects in order to catch up with the target. A total of 141 such manufacturing support projects were classified as consultancy projects in 2018-2019. In reply to the Committee's enquiry at the public hearings on these cases, **Executive Director, HKPC** advised in his reply letter dated 16 December 2019 *(Appendix 26)* that HKPC discovered that 55 of these 141 manufacturing support projects with consultancy elements but with service fees below $5,000 were wrongly classified as consultancy projects. As a result, the number of consultancy projects accepted in 2018-2019 should be 889 instead of 944, and the percentage of the target met in the year should be 95% accordingly. HKPC believed that such error was made due to communication problems with frontline staff and failure to timely update its Standard Practices with respect to the new definition of consultancy project.

24. The Committee asked about the justifications for changing the definition of consultancy projects, whether such change might cause inconsistencies with the original intent of setting the relevant KPI and why HKPC had not revised the target correspondingly following the change of definition.

25. **Executive Director, HKPC** explained at the public hearings and added in his letter dated 3 January 2020 (*Appendix 22*) that:

- some of the manufacturing support services also included consultancy elements as per clients' requests. With the increase in such cross-function projects, HKPC was of the view that the then KPI could no longer reflect the actual work done by HKPC and therefore decided in July 2018 that the number of consultancy projects accepted should also include manufacturing support projects with consultancy elements and with service fees exceeding $5,000,[7] in order to reflect the real market scenario and HKPC's output in a more accurate and comprehensive manner. A table summarizing the types of services provided by the 86 manufacturing support projects with consultancy elements and with service fees over $5,000 was provided in the above letter; and

- as the adjustment to the definition of consultancy projects was aimed at reflecting more accurately the actual work currently done by HKPC, it was considered not necessary to amend the corresponding target, and it would have no impact on the manufacturing support services provided by HKPC staff in fulfilling the industry demands.

26. At the request of the Committee, **Executive Director, HKPC** provided in his letter dated 3 January 2020 (*Appendix 22*) a copy of HKPC Standard Practices on

[7] According to HKPC, from July 2018, a new category of "Professional manufacturing support service with consultancy elements" has been included under the definition of consultancy projects. It refers to the provision of general manufacturing support services (for example, watch and clock technology, jewellery technology, advanced surface technology, advanced electronic processing technology, plastic machinery performance testing, reliability testing, electromagnetic compatibility testing, environmental analysis and innovative product testing conformal cooling technology and industry summit conference services, etc.) involving consultancy services (for example, advisory service for product improvement, functionality evaluation and recommendations for enhancement).

Project Management, which included guideline notes on classification of project type.

27. The Committee noted at the public hearings that the incumbent Executive Director, HKPC took up the post in late December 2017 and he had not served in public bodies before. The Committee questioned the propriety of making changes/enhancements to KPIs by HKPC without reporting to/seeking endorsement from its Council and Commissioner for Innovation and Technology, and asked whether there were any guidelines/rules in relating to KPI management, in particular changes made to KPIs.

28. **Executive Director, HKPC** admitted at the public hearings and added in his letter dated 3 January 2020 (*Appendix 22*) that:

- HKPC had not notified its Council and ITC of the change to the definition of consultancy projects when it submitted the Annual Programme and Estimates of 2019-2020 to the Council in November 2018, and when it reported to the Council in July 2019 its performance in the KPI "Number of consultancy projects accepted" in 2018-2019. HKPC acknowledged such omission and undertook to strictly abide by paragraph 7.2 of MAA;[8]

- there were currently no internal guidelines put in place by HKPC to govern the procedures for reporting to or seeking approval from the Council in respect of KPI-related matters or other important issues. Learning from this incident, HKPC would establish detailed procedures for items that were required to be reported to the Council for approval; and

- the KPI target on "Number of consultancy projects accepted" for 2019-2020 was based on the revised definition of consultancy projects, which would be subject to subsequent review and discussion among ITC and the Council in March 2020 before deciding whether any amendments deemed necessary.

[8] Paragraph 7.2 of MAA states that "[t]he performance indicators and targets may be reviewed from time to time and amended as agreed in writing by both the HKPC and the CIT".

29. The Committee enquired about the follow-up measures taken by ITC in respect of the revised definition of consultancy project, which had not been approved by Commissioner for Innovation and Technology and the Council, and the penalties/consequences for HKPC's failures to seek Commissioner for Innovation and Technology's agreement on the change in definitions of KPIs in accordance with MAA.

30. **Permanent Secretary for Innovation and Technology** advised at the public hearings and **Commissioner for Innovation and Technology** supplemented in her letter dated 3 January 2020 (*Appendix 23*) that:

- in the 2020-2021 Annual Programme and Estimates submitted to the Council in November 2019, the following was included in the definition of the KPI "Number of consultancy projects accepted": "[t]he proposed target has included estimates of the number of professional manufacturing support projects with consultancy elements, which are over $5,000 in project value that will be accepted in 2020-2021";

- HKPC also intended to submit to the Council in January 2020 the revised definition of consultancy project and the rectified actual performance (889 projects)[9] for the Council's review. Upon endorsement by the Council, HKPC would submit the relevant information and explanation to Commissioner for Innovation and Technology; and

- MAA did not specify the penalties or consequences for the changes in KPI definitions by HKPC without informing ITC. The Administration would specify in MAA that prior agreement of the Council and Commissioner for Innovation and Technology had to be obtained by HKPC for its change in definition of a KPI when reviewing MAA. In case of HKPC's non-compliance in this respect, it would be reflected in the Executive Director's annual performance appraisal, which in turn would affect his variable pay.

31. In reply to the Committee's enquiry, **Executive Director, HKPC** provided in his letter dated 3 January 2020 (*Appendix 22*) the adjustments made by HKPC to

[9] See paragraph 23.

KPIs other than "Number of consultancy projects accepted", and details of KPIs and their results in the past five years from 2014-2015 to 2018-2019.

32. The Committee asked about the tentative timeframe for the review on matters relating to KPIs of HKPC as mentioned by Permanent Secretary for Innovation and Technology at the public hearings. **Commissioner for Innovation and Technology** advised at the public hearings and supplemented in her letter dated 3 January 2020 (*Appendix 23*) that having regard to the views provided by Audit and the Committee during the audit exercise and public hearings, HKPC intended to submit after the review the set of KPIs and targets for 2020-2021 for consideration by the Council at its meeting in March 2020. Upon endorsement by the Council, HKPC would put forth the proposal to Commissioner for Innovation and Technology for approval in accordance with MAA by end March 2020, with a view to implementing the revised KPIs and targets starting from 2020-2021.

33. In response to the Committee's enquiry about the unexpected technical and executive difficulties causing the deficits of consultancy projects outside Hong Kong as referred to in paragraph 2.12(a) of the Audit Report, **Dr Lawrence CHEUNG, Chief Innovation Officer, HKPC**, explained at the public hearings and **Executive Director, HKPC** added in his letter dated 3 January 2020 (*Appendix 22*) that:

- consultancy projects generally contained technical components or R&D elements, which might involve unforeseen technical difficulties (for example, during exploration stage of new technology, lengthy process in finding relevant components or equipment, or new testing requiring approval by the relevant local governing bodies, etc.), or implementation difficulties, such as staff turnover; and

- HKPC agreed with Audit's recommendation, and had required all employees at special meetings held on 29 November and 2 December 2019 to comply with HKPCO to recover in full cost for overseas consultancy projects. In any exceptional case of not being able to recover the full cost, detailed documentation of the justifications was necessary.

34. In response to the Committee's enquiry about how the productivity-related assignments outside Hong Kong undertaken by HKPC could contribute to the development of domestic industries and the increase in the government revenue,

Secretary for Innovation and Technology explained at the public hearings and **Commissioner for Innovation and Technology** supplemented in her letter dated 3 January 2020 (*Appendix 23*) that the Administration amended HKPCO in 1985 to allow HKPC to undertake productivity-related assignments outside Hong Kong, in order to serve the Hong Kong enterprises more comprehensively and effectively, as well as to make the best use of the human resources of HKPC. With reference to paragraph 2.11 of the Audit Report regarding the 308 consultancy projects outside Hong Kong which did not recover all costs and were completed during the period from 2014-2015 to 2018-2019, 286 (93%) of them were projects conducted for Hong Kong enterprises or their subsidiaries in Guangdong Province and they could bring benefits to Hong Kong enterprises.

35. With reference to paragraph 2.12(b) of the Audit Report, the Committee asked why the inflationary factor built in at the quotation stage of the government funding programme was insufficient to cover the subsequent increase in staff charging rates given that the inflation rate of Hong Kong remained stable over the past few years.

36. **Ms Vivian LIN, Chief Financial Officer, HKPC**, explained at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 3 January 2020 (*Appendix 22*) that:

- the government funding programme had run for five years under a fixed-value agreement signed between the Government and HKPC in mid 2015. HKPC submitted in 2014 the quotation to the Government based on a full cost recovery charging rate according to the prevailing pricing policy, under which the standard cost rates would take into account the factor of government subvention. The inflationary factor built in at the quotation was 4.8% per annum;

- with the programme commencing in 2016, the project cost had already increased by more than 10% over the budgeted inflation factor due to the time gap. In February 2016, the Council approved a pricing structure based on full cost recovery and zero government subvention, leading to an increase of about 20% in the standard charging rate. As the programme was implemented under a fixed-value agreement, no additional costs were recovered from the Government having regard to the spirit of contract, resulting in a deficit in budget under the new standard charging rate; and

- HKPC would strengthen the project management, and consider the appropriate adjustment to the "Contingency Budget" when calculating costs to meet additional costs arising from unforeseen circumstances.

37. The Committee enquired about the follow-up actions taken by HKPC in response to Audit's recommendations in paragraph 2.27 of the Audit Report on documenting justifications for consultancy projects outside Hong Kong failing to recover all costs. **Executive Director, HKPC** advised in his letter dated 3 January 2020 (*Appendix 22*) that under the previous reporting mechanism, when a project was completed with deficit, or the actual variance was higher than 5% or $10,000 (whichever was higher), the project manager was required to provide a post-project review report to explain the reason for the deficit or variance. To further enhance the project cost monitoring mechanism, starting from December 2019, the management and relevant project officers would receive regular project cost monitoring reports in which officer-in-charge of projects reported and explained regularly to the management the technical or implementation difficulties they encountered. If necessary, the management would, in consultation with the expertise from other HKPC divisions, assist to overcome the difficulties and ensure that the project cost would not overrun.

38. According to paragraphs 2.14 and 2.18 of the Audit Report, while HKPC Standard Practices stipulated that pricing for all forms of HKPC services should be based on the full cost recovery principle, fee concessions to consultancy projects were offered on a client-by-client basis. The Committee asked whether HKPC had implemented any measures to ensure that proper concession rates were offered to clients.

39. **Executive Director, HKPC** explained at the public hearings and supplemented in his letter dated 3 January 2020 (*Appendix 22*) that the existing pricing policy and fee concession system was set up in February 2016. According to the Standard Practice for Pricing Policy, documentation of justifications was necessary for applying different concession rates. All concessions could only be given with prior approval by staff members at General Manager level or above. For projects with value over $500,000, the granting of concession could only be approved by Directors or Executive Director. The reports on the implementation of the pricing policy and concession system were regularly provided to the Finance Committee under the Council in the first year of operation. As the operation of the pricing and concession system had become stable for more than two years since its

implementation, General Managers of divisions were currently responsible for monitoring the system. A copy of new guidelines promulgated by HKPC in September 2019 on the provision of fee concessions was provided in the above letter.

40. According to paragraph 2.15 of the Audit Report, it was decided at a senior management meeting held in June 2016 that HKPC should try to charge clients at price levels that achieve full cost recovery without concession as far as practicable. However, the Committee noted with concern that as revealed by Table 5 in paragraph 2.21 of the Audit Report, the deficits of consultancy projects completed in 2017-2018 ($16 million) and 2018-2019 ($8 million) were even much higher than those completed in 2014-2015 to 2016-2017 (ranging from $2 million to $4 million), deviating further from the full cost recovery principle.

41. **Permanent Secretary for Innovation and Technology** and **Chief Innovation Officer, HKPC** explained at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 3 January 2020 (*Appendix 22*) that the deficits in 2017-2018 and 2018-2019 were mainly due to the completion of several large-scale consultancy projects for the Government or public organizations within the two years. These projects were carried out in 2016 or earlier (before the relevant decision was made at the above senior management meeting), and did not recover the full cost as an effort to fulfil the public mission. Another reason was a higher manpower investment during transitions arising from talent turnover. As related projects were engaged through fixed-value agreements, no additional fees were charged for higher associated manpower costs.

42. Noting that the above decision in paragraph 40 had not been incorporated in HKPC Standard Practices, the Committee was concerned how the HKPC management could ensure that such directive was properly communicated to frontline staff. **Executive Director, HKPC** responded at the public hearings and supplemented in his letter dated 3 January 2020 (*Appendix 22*) that:

- in the HKPC Standard Practices, the framework and principle of full cost recovery and the system of concession, which were established on a long-term basis and were endorsed by the Council, were clearly stipulated. As for some short-term measures put in place by the management team, such as short-term pricing strategies, only relevant directives would be released to staff via emails; and

- the above decision on charging mechanism was approved at the management meeting on 14 June 2016, with participants including the Executive Director, Directors, General Managers of the divisions and other relevant staff members. The minutes of the management meeting had been sent to the relevant staff members, and any follow-up actions required would be conveyed to staff through emails after the meeting.

43. With reference to paragraph 2.20 of the Audit Report about the enhanced management control by HKPC over consultancy project completion, which resulted in only 14% of the projects completed in 2018-2019 with delay, the Committee sought the reasons for the high delay percentages ranging from 29% to 39% from 2014-2015 to 2017-2018, and the measures taken by HKPC to further improve the project delays and to ensure staff's adherence to the approved completion dates stipulated in project agreements.

44. **Executive Director, HKPC** and **Chief Innovation Officer, HKPC** advised at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 3 January 2020 (*Appendix 22*) that the high percentages of consultancy projects with delays before July 2018 was due to inefficient monitoring system and follow-ups. Under the current monitoring mechanism, the Executive Director and the HKPC management would conduct regular meetings to review projects with the need for extension. Only consultancy projects with sufficient justifications could be extended to ensure that they could be completed within the designated timeframe.

45. On the Committee's enquiry about how HKPC promoted its consultancy services to members of the industry, and struck a balance between maintaining its self-financing operation and delivering its public mission, **Chief Innovation Officer, HKPC** advised at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 3 January 2020 (*Appendix 22*) that:

- HKPC had conducted a series of promotional efforts as follows:

  (a) engaging industry associations through attending their activities or joining function committees to introduce HKPC's services available for the industry;

(b) distributing the updates about HKPC's homegrown inventions and technological outcomes, as well as related services through various social media tools;

(c) organizing technology-related activities to increase market awareness of the latest technology development, market trends and HKPC's technology applications, and arranging HKPC's experts to speak at R&D events or act as technical leaders in some specific technology regime, such as HKPC TechDive R&D Seminar held on 19 December 2019;

(d) organizing open day for the public to explore more about HKPC's expertise in R&D and professional equipment and the support provided by HKPC for the development of the Hong Kong industry; and

(e) organizing SME One Fund Fair in September 2019 to promote over 40 government funding schemes covering various industries. Starting from January 2020, HKPC would introduce the "SME ReachOut" team to contact small and medium enterprises ("SMEs"), with an aim to provide guidance and advice on the government funding schemes; and

- HKPC had announced four immediate measures in September 2019 to provide concessions until 31 March 2020 to support Hong Kong SMEs and start-ups in facing the unprecedented challenges from the global business environment, help them improve business performance, and enhance productivity and competitiveness.

46. With reference to Case 1 in paragraph 2.24 of the Audit Report, the Committee sought justifications for HKPC to terminate the consultancy project by providing to the client a full refund of his down payment of $400,000 and the semi-finished deliverables free of charge without reimbursing from the client the cost incurred for the project, which amounted to $254,000, given that the termination of the project was due to risk, cost and functional consideration arising from the frequent changes made by the client to the product design.

47. **Executive Director, HKPC** explained at the public hearings and supplemented in his letter dated 2 January 2020 (*Appendix 27*) that:

- HKPC entered into an agreement with the client in February 2018 for a consultancy project for developing an electric device with a project fee of $1,050,000. The entire project was planned to be completed within 12 months and was carried out in four stages. Stage 1 was expected to be completed in mid May 2018. However, as additional time was required by the project team for the changes in the product design as per the client's requests, as of October 2018, Stage 1 of the project had not yet completed with severe delay for five months. During the first stage of the project, the project team provided semi-finished deliverables in batches in accordance with the project agreement. However, by the time the project was terminated in October 2018, these semi-finished deliverables could not be assembled into a prototype;

- as the project proposal, which was included as part of the project agreement, did not clearly set out the technical specifications of the product, the client was allowed to request multiple changes in the product design within the scope of the agreement, which had resulted in the increase of technical difficulties in the project. Furthermore, the project's cumulative man-hour cost had already accounted for 58% of the total estimated man-hour cost, but the first stage had not yet been completed. Under such circumstances, the project's potential overrun costs were likely to exceed $254,000. Details of the relevant technical difficulties encountered in the project were provided in the above letter; and

- as the project delay had upset the client's marketing schedule for the product, the client indicated his intention on 26 October 2018 to claim a liability of $400,000 in addition to the refund of the down payment of $400,000 to compensate for the loss of time in the product development. Having considered that the project execution schedule could not meet the client's requirement and to minimize the cost impact on HKPC, the project team decided to propose project termination. Director of the Digital Branch, HKPC eventually approved the project termination, and asked the internal legal counsel for the legal advice on the settlement agreement. Having taken into account that HKPC could not meet the requirements of the client and the potential litigation risk, it was decided to provide a full refund of the down payment of $400,000 and the semi-finished deliverables to the client.

48. The Committee enquired about the HKPC Standard Practices/financial regulations stipulating the approving authority of the Director of the Digital Branch for termination of the project with the handover of all semi-finished deliverables and the waiver of the requirement for the client to reimburse HKPC the costs incurred for the project.

49. **Executive Director, HKPC** advised in his letter dated 2 January 2020 (*Appendix 27*) that according to HKPC Standard Practices, the Director of the Digital Branch had the approving authority on project management of any project with value up to $1,500,000, which was higher than the project value of Case 1. The authority included quotation, project approval, revision of project budget, project completion, project termination, etc. However, the Standard Practices did not specify the approving authority for the detailed arrangement of project termination, such as refund to the client and handover of the semi-finished deliverables. Normally, such details would be set out under the settlement agreement after negotiation with the client. HKPC considered such arrangement reasonable. The relevant Standard Practice was provided in the above letter.

50. At the request of the Committee, **Executive Director, HKPC** provided in his letter dated 2 January 2020 (*Appendix 27*) the details of other difficulties expected by the project team if the above terminated project continued.

51. The Committee further asked whether there were any clauses stipulated in the project agreement governing variations in the client's requirements and whether the project team had conducted a preliminary study to evaluate the feasibility/viability of and the risks involved in the project.

52. **Executive Director, HKPC** explained at the public hearings and supplemented in his letter dated 2 January 2020 (*Appendix 27*) that:

- no specific clause was stipulated in the project agreement to govern the variations in the client's requirements. Under normal circumstances, any proposed changes to the project requirements by the client would be considered as a modification to the agreement, and HKPC would charge the client for the resulting additional costs. In Case 1, however, as the project proposal only set out the tentative specifications, the multiple changes in the product design proposed by

the client before the confirmation of the final specifications could not be regarded as variations to the agreement; and

- before entering into the agreement with the client, the project team had carried out feasibility study on the project, which covered benefits to HKPC from the project, risk assessment and cost estimation. Details of the justifications submitted by the project team for acceptance of the project, risk assessment results and the project cost estimation were provided in the above letter.

53. The Committee asked whether there were other project termination cases similar to Case 1 where the client obtained both the semi-finished deliverables free of charge and the full refund of down payment during the period from 2014-2015 to 2018-2019.

54. **Executive Director, HKPC** advised in his letter dated 22 January 2020 (*Appendix 28*) that during the five-year period from 2014-2015 to 2018-2019, HKPC carried out more than 4 000 consultancy projects. Terminated projects included Case 1 and three other projects with the total refund of $471,000 to the clients due to technical difficulties. For one of these three projects, semi-finished deliverables were released to the client. Details of these three terminated projects were provided in the above letter.

55. In reply to the Committee's enquiry about the follow-up measures taken by HKPC to avoid recurrence of incidents similar to Case 1 in future, **Mr Edmond LAI, Chief Digital Officer, HKPC**, advised at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that:

- General Managers of divisions would strengthen the review on project risk assessments, technical specifications and outlining of project deliverables for consultancy projects to ensure that project deliverables were mutually confirmed by both parties when endorsing the formal agreement;

- external legal counsel would be engaged to evaluate the terms and conditions set out in the standard consultancy project proposal and contract. Amendments would be made in case of potential

contradictory clauses or loopholes. For example, supplementary clause would be added to the standard agreement to stipulate that in case of inconsistency between project proposal and agreement, the agreement shall prevail;

- the HKPC management would strengthen the monitoring towards project management and execution. More regular reviews would be conducted on projects that were lagging behind schedule, and those with an accumulative cost almost reaching the estimated budget; and

- HKPC would consider seeking advice from external legal counsel on the project termination arrangement.

56. According to paragraphs 2.32 to 2.34 of the Audit Report, Staff A did not record some of workshop service income of Optics Manufacturing Workshop and instead intended to record the income as sponsorship to an Innovation and Technology Fund ("ITF") project for which he was in charge. At the public hearing held on 17 December 2019, the Committee noted that this case had not been detected until it was reported through the staff whistleblowing system of HKPC. The Committee queried the effectiveness of the accounting control system of HKPC in preventing and detecting such irregular cases, and asked whether there were any remedial measures taken by HKPC to prevent recurrence of similar incidents.

57. **Chief Financial Officer, HKPC** responded at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 3 January 2020 (*Appendix 22*) that upon the discovery of Staff A's case in September 2018, HKPC completed in December 2018 an evaluation and improvement plan on the related process, and required all quotations on the manufacturing support services to be issued via a centralized computing system, with a sequential number generated. The new arrangement could facilitate the monitoring and follow-up actions of those quotations by the General Managers of divisions every month, and ensure that all manufacturing support services would receive timely payment with proper records.

58. In response to the Committee's enquiries about whether HKPC's internal auditor had reviewed the work practices and procedures for the provision of manufacturing support services following the incident of Staff A, and the progress of the review on manufacturing support projects as referred to in paragraph 2.49(a) of the Audit Report, **Chief Financial Officer, HKPC** responded at the public hearings

and **Executive Director, HKPC** supplemented in his letter dated 3 January 2020 (*Appendix 22*) that HKPC had further extended the scope of the review and had identified 315 cases of manufacturing support services through sampling from the division which Staff A belonged to. The number of cases identified accounted for about 10% of the total number of manufacturing support projects of the division. The whole review process was expected to be completed by the end of the fourth quarter of 2019-2020. The audit results and improvement suggestions made by the Internal Audit and Risk Management Office of HKPC in respect of the manufacturing support services were provided in the above letter.

59. Noting from paragraph 2.42 of the Audit Report that 236 (52%) of the 450 Inno Space members recruited in 2018-2019 were new members on one-month free trial, the Committee asked whether HKPC had taken any measures to retain members so as to boost the income from membership fee.

60. **Chief Innovation Officer, HKPC** advised at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 3 January 2020 (*Appendix 22*) that to increase the membership and income of Inno Space, HKPC launched in 2019 a new scheme, STEM Network, with an aim to connect secondary schools, universities, start-ups and the Hong Kong Science and Technology Park together, and to assist the development of STEM education in schools by offering basic to advanced courses ranging from $5,000 to $15,000. These courses included student workshops, train-the-trainer programmes, technology updates and the use of Inno Space facilities.

61. With reference to Table 9 in paragraph 2.45 of the Audit Report about the equipment booking of Inno Space, the Committee asked whether HKPC had taken any measures to promote the utilization of the equipment of Inno Space. **Chief Innovation Officer, HKPC** advised at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 3 January 2020 (*Appendix 22*) that to boost the utilization of Inno Prototype,[10] practical training had been added to the brand-new STEM training courses through STEM Network. The overall utilization rate of Inno Prototype from April to November 2019 had increased by 40% as compared to the same period one year before.

[10] Inno Prototype is an area in Inno Space where equipment items are available for members to create prototypes.

62. In response to the Committee's enquiry about the Administration's policy direction on Inno Space and its view on the way forward for Inno Space, **Secretary for Innovation and Technology** and **Permanent Secretary for Innovation and Technology** advised at the public hearings, and **Commissioner for Innovation and Technology** supplemented in her letter dated 3 January 2020 (*Appendix 23*) that:

- HKPC established Inno Space in October 2017 to provide workspace and technical support to start-up entrepreneurs, secondary or university students and graduates to assist them in developing their innovative ideas into industrial design, which might subsequently be translated into products through prototyping, so as to nurture a start-up culture in Hong Kong and support re-industrialization; and

- the operation of Inno Space was in line with ITB's policy direction of promoting re-industrialization, supporting start-ups and nurturing local innovation and technology talents. Since 2017-2018, the Administration provided additional funding of $17.76 million to HKPC by two annual instalments for setting up Inno Space and supporting its first two years of operation. It was believed that HKPC would sustain the operation of Inno Space, and continuously review its mode of operation and key service targets. The proposal submitted by HKPC to ITC in April 2017 for establishing Inno Space was provided in the above letter.

C. Research and development projects

63. With reference to paragraph 3.3 and Table 10 of the Audit Report, the Committee asked about the definitions of the two KPIs, namely "Number of new R&D projects" and "Number of on-going R&D projects", and how the targets on these two KPIs were set.

64. **Chief Innovation Officer, HKPC** explained at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that:

- the KPI "Number of new R&D projects" was defined as the number of ITF funded projects with R&D elements, projects supported by the Corporate Fund for Commercial Research and Development, as well as R&D projects conducted by divisions with other funding sources

(for example, government funding schemes other than ITF, funding from external clients), which were accepted during the year, excluding terminated projects. The KPI "Number of on-going R&D projects" was defined as the number of the aforesaid projects which were in progress during the year, excluding terminated projects; and

- when setting annual targets for the above two KPIs, reference would be made to the current year's target after taking into consideration the actual performance of the previous year and the economic forecast of the coming year.

65. The Committee further asked whether HKPC agreed that the targets on the above two KPIs had all along been set at a very low level given that the actual performance exceeded the targets significantly in the past five years from 2014-2015 to 2018-2019.

66. **Chief Innovation Officer, HKPC** responded at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that in view of the gloomy economic situation and the uncertainties from the ITF funded project applications over the past five years, these two KPI targets were made on a conservative principle. When setting the targets on the two KPIs for 2019-2020, reference was made to the adopted targets for 2018-2019, the actual performance achieved in 2017-2018, as well as the anticipated market conditions in 2019-2020. The targets set for KPIs "Number of new R&D projects" and "Number of on-going R&D projects" were 40 and 80 respectively in 2019-2020.

67. In reply to the Committee's enquiry about whether HKPC would consider using project income as a KPI for managing R&D projects, **Chief Innovation Officer, HKPC** advised at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that under the current KPI framework, "Income from R&D projects" was not a KPI. HKPC and ITC would further evaluate and examine the suitability of including the income from R&D projects in KPIs to reflect the performance of HKPC in R&D projects in a comprehensive and holistic manner. As the income from R&D projects was not one of the KPIs, HKPC did not set any target on the budgeted income of R&D projects.

68. With reference to paragraph 3.4 of the Audit Report, the Committee sought the justifications for double counting the 68 new projects as both consultancy projects and R&D projects.

69. **Chief Innovation Officer, HKPC** explained at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that under the KPI framework, HKPC's performance was evaluated by KPIs under four performance measures, namely "service delivery", "operating efficiency", "financial results" and "effectiveness". The KPI "Number of consultancy projects accepted" was under the performance measure of "service delivery", while the KPI "Number of new R&D projects" was under the performance measure of "effectiveness". As such, the two KPIs were used to measure HKPC's performance in two different dimensions in a year.

70. Noting from paragraph 3.15(a) of the Audit Report that HKPC would draw up clear guidelines on the classification of consultancy projects and R&D projects, and on the counting of projects for performance measurement against targets, the Committee asked about the progress in this regard.

71. **Executive Director, HKPC** advised in his letter dated 22 January 2020 (*Appendix 28*) that:

- to define "R&D elements" more clearly, the KPI guidelines had been enhanced by stipulating that projects with "R&D elements" referred to "projects that involve the development of new knowledge or application of existing knowledge in new areas, or both. Such projects are required to have the following elements: novelty, creativity and uncertainty"; and

- the guidelines also stated clearly that only projects with the specified R&D elements, be they consultancy projects or other project types, should be counted under the KPIs "Number of new R&D projects" and "Number of on-going R&D projects" for performance measurement against targets.

72. According to paragraph 3.7 of the Audit Report, HKPC counted the number of on-going R&D projects as projects that were completed during the year plus

projects that were in progress at the end of the year. The Committee queried whether there would be double counting of projects if R&D projects accepted in a year would also be counted as on-going projects.

73. **Chief Innovation Officer, HKPC** responded at the public hearings and **Executive Director, HKPC** further explained in his letter dated 22 January 2020 (*Appendix 28*) that newly accepted projects with R&D elements which were completed or still in progress by the end of the year would also be included under the KPI "Number of on-going R&D projects". "Number of new R&D projects" was a KPI that reflected HKPC's performance in supporting enterprises through new technologies or innovation applications, while the KPI "Number of on-going R&D projects" served as an indicator to measure resources contributed to R&D efforts. As such, the two KPIs measured HKPC's performance in two different dimensions.

74. The Committee was concerned whether the counting practice in paragraph 72 would give project team an undesirable incentive to delay R&D projects in order to achieve the target on KPI "Number of on-going R&D projects", given that according to Table 12 in paragraph 3.7 of the Audit Report, on average, 60% of the on-going R&D projects during the period from 2014-2015 to 2018-2019 were projects brought forward from previous years, with delayed projects included therein accounting for 4%.

75. **Chief Innovation Officer, HKPC** clarified at the public hearings and **Executive Director, HKPC** added in his letter dated 22 January 2020 (*Appendix 28*) that in undertaking R&D projects for industry enterprises and SMEs, or ITF funded R&D projects, HKPC project teams always put their best efforts to honour the project timeframe committed to clients in the project agreements. As project delays might incur extra cost or even legal litigations, HKPC never considered delaying projects by intention for the purpose of meeting the KPI target on "Number of on-going R&D projects".

76. On the Committee's enquiry about the latest progress of the examination by HKPC on the suitability of using the number of on-going R&D projects as a KPI as mentioned in paragraph 3.15(b) of the Audit Report, **Executive Director, HKPC** advised in his letter dated 22 January 2020 (*Appendix 28*) that this issue would also be studied in HKPC's review exercise of KPIs, the results of which would be submitted to the Council for approval by March 2020.

77. With reference to paragraphs 3.9 and 3.10 of the Audit Report, the Committee asked about the measures taken by HKPC to improve the delays in R&D projects, particularly those supported by ITF which had 82% of projects experiencing delays in completion among those completed in the period from 2014-2015 to 2018-2019.

78. **Executive Director, HKPC** advised in his letter dated 22 January 2020 (*Appendix 28*) that the HKPC management decided in July 2018 to step up its supervision and monitoring efforts by introducing a new mechanism under which when potential delay of a project was foreseen, project managers were required to report and explain to the management on a weekly basis. The HKPC management would then monitor the progress and instruct other experts in HKPC to provide technical solution, with a view to expediting project completion. Project managers were also constantly reminded to complete the relevant project documents and reports to avoid delays in the project execution process. In 2019-2020 (as of December 2019), a total of four R&D projects were delayed, accounting for about 10% of R&D projects completed during the same period, a significant improvement as compared to 37% in 2018-2019.

79. With reference to paragraph 3.26 of the Audit Report, the Committee sought the reasons why only four (3%) of the 123 patents held by HKPC as at 31 August 2019 could generate licence or royalty income ($1.5 million) since patent registration. The Committee queried whether HKPC's R&D projects were able to meet the needs of the business sector.

80. **Chief Innovation Officer, HKPC** responded at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that:

- as of December 2019, HKPC registered a total of 131 patents, and had submitted 45 patent applications which were still in progress, details of which were set out in the above letter. The patents that HKPC had applied for were generally used to develop new projects, with an aim to protect intellectual property rights and prevent plagiarism, instead of making them as income generator; and

- in the past five years from 2014-2015 to 2018-2019, HKPC had completed a number of R&D projects through the above operating

model. The projects had generated a revenue of $140 million. This proved that HKPC's work could fulfil the R&D needs of the industries.

81. On the Committee's enquiry as to why HKPC had not included valuations for its patents in its accounts, **Chief Financial Officer, HKPC** advised at the public hearings and **Executive Director, HKPC** further explained in his letter dated 22 January 2020 (*Appendix 28*) that:

- patents were accounted for in accordance with Hong Kong Accounting Standard 38 Intangible Assets. Under Hong Kong Accounting Standard 38, internally generated patent usually lacked sufficient ground to be capitalized because of the difficulty in ascertaining the future economic inflows that it might generate, as well as the reliability in measuring the costs; and

- according to paragraph 72 of Hong Kong Accounting Standard 38, patents could only be revalued if they could be traded in an active market. The policy should be applied to the whole of a class of patents and not merely to individual patents, unless there was no active market for individual patents. As such, HKPC did not capitalize patents as intangible assets and had not included valuation for its patents in its accounts.

82. The Committee sought the Administration's view on HKPC's accounting practice of not valuing its patents. **Commissioner for Innovation and Technology** responded in her letter dated 21 January 2020 (*Appendix 24*) that the Administration and the prevailing accounting standards had not specified that HKPC was required to carry out valuation of the patents developed and owned by it in its accounts. According to the prevailing accounting standards, HKPC's accounts were audited every year by an independent external auditor, who had not indicated any problem with such accounting arrangement when reporting their findings to the Audit Committee of HKPC after the annual audit. The Administration would suggest that HKPC should carefully consider the need to conduct valuation of its patents in future, and seek relevant professional advice when necessary.

83. The Committee sought the updated progress of implementing Audit's recommendations in paragraph 3.28 of the Audit Report by HKPC on reviewing the KPIs for managing R&D projects, reporting of R&D projects and commercialization

of new technologies. **Chief Innovation Officer, HKPC** advised at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that:

- the KPI review exercise would cover the two KPIs "Number of patent/licence/royalty" and "Number of products/technologies commercialized". HKPC would also record R&D projects accomplished at division levels to reflect the R&D contribution and results on commercialization; and

- HKPC organized on 19 December 2019 the TechDive seminar to promote the latest technological development and trend, as well as its patent and applied solutions for the industry. This event was also live-broadcasted to the Greater Bay Area to disseminate the patent-related information. After the seminar, HKPC had been proactively following up with interested parties for the relevant patents.

D. Provision of training programmes

84. With reference to paragraph 4.2 of the Audit Report, the Committee sought the details of the revamp made to the HKPC Academy. **Chief Innovation Officer, HKPC** advised at the public hearings and **Executive Director, HKPC** elaborated in his letter dated 22 January 2020 (*Appendix 28*) that:

- in end 2018, HKPC planned to refresh its marketing strategies and structures, as well as the frameworks of the training courses to reflect the actual market needs. Since April 2019, with the establishment of a new management team for the HKPC Academy, HKPC had implemented a new training business strategy with more emphasis on market-oriented curriculum structure to better meet the market needs. The staff establishment and strength of the HKPC Academy was at 24 and 19 respectively as of end December 2019;

- from April 2019 onwards, all training courses were centrally coordinated by the HKPC Academy. Through the Public Training Administration system, divisions would be able to standardize the workflow in organizing training courses. The head of HKPC Academy would host regular meetings with the HKPC management to review the performance of the training courses. The HKPC Academy

had also improved its records management by converting most of its working forms to electronic forms; and

- a course management team was set up in June 2019 in an effort to drive the delivery of training courses under the new management model. The newly established course management team would host regular meetings to review and monitor the actual activities of the training business on a quarterly basis and report to the HKPC management every week. With the implementation of the new training strategy, the revenue of training courses in 2019-2020 (as of end December 2019) had increased by 44% as compared to the same period one year before. To reflect the latest arrangements for the training programme review, HKPC was updating its "Guidebook for Organising Public Training Programme", and the revised copy would be available in March 2020.

85. The Committee noted with concern at the public hearing on 7 January 2020 that the HKPC Academy was running on a deficit given that training programme fees were determined on a full-cost recovery basis. **Chief Innovation Officer, HKPC** explained at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that:

- in 2018-2019, the total operating income of the HKPC Academy was $22.5 million and the total operating expenditure was $26.5 million, with a loss of $4 million for the year. In general, the operating income of the HKPC Academy came from public and corporate training programme, venue and facilities fees. Its operating expenses included labour costs, expenses for certified qualification applications and teaching materials, marketing and promotion costs, etc. Detailed breakdowns of operating costs of the HKPC Academy for 2018-2019 were provided in the above letter; and

- apart from the new training strategy, HKPC had also stepped up its promotional efforts through social media campaigns and the HKPC Academy's new website, organizing various events to interact with professional institutions and human resources professionals, as well as participating in relevant exhibitions to showcase training courses. These measures had proven effective by the increase in training revenue in 2019-2020 (April to December 2019) by 44% as compared to the same period one year before.

86. Noting from the reply letter dated 11 December 2019 from Executive Director, HKPC (*Appendix 29*) that a two-day training on Intelligent Automation had been conducted by HKPC in Wuxi, Mainland China, the Committee was concerned how HKPC could ensure that such overseas training programmes could achieve full cost recovery, and sought the justifications for organizing this programme.

87. **Chief Innovation Officer, HKPC** explained at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that:

- HKPC had been proactively promoting the use of digital manufacturing among the industry sector, and it was HKPC's mission to organize courses on specific technology and knowhow to nurture technological talents in the regime; and

- the two-day training course in Wuxi included visits to local factories for observing the technology of automated artificial intelligence applications. The total income of the programme was around $35,000, which had covered relevant expenses incurred for five participants and HKPC staff, and had achieved full cost recovery. Details of the programme proposal were provided in the above letter.

88. The Committee was concerned how HKPC could ensure that its public training programmes were properly managed and their effectiveness was accurately evaluated. **Chief Innovation Officer, HKPC** advised at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that participants of training courses were required to meet the minimum attendance rate at 75%, and to fulfil the assessment requirements specified in individual courses.

89. In response to the Committee's enquiry, **Chief Innovation Officer, HKPC** advised at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that the minimum enrolment numbers and course fees of the 120 public training programmes organized by HKPC in 2018-2019 ranged from 3 to 66, and from $50 to $29,500 respectively.

90. The Committee sought details of HKPC training programmes attaining Qualifications Framework and Continuing Professional Development. **Chief Innovation Officer, HKPC** advised at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that two courses attained Qualifications Framework and 16 courses were Continuing Professional Development or Continuing Education Fund courses.

91. The Committee noted from paragraph 4.9 of the Audit Report that the actual numbers of training programmes from 2016-2017 to 2018-2019 under the programme areas of environmental technology and manufacturing technology consistently deviated from the estimated numbers. The Committee sought the reasons and the follow-up actions taken by HKPC to reduce such deviations.

92. **Chief Innovation Officer, HKPC** explained at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that:

- in the past, there were quite a number of free training courses on environmental protection technology-related areas provided in the market, resulting in severe competition. As for training programmes on manufacturing technology, there were not so many courses on such topic organized during the past few years due to the low awareness of high-end manufacturing technology; and

- there was, however, an increasing awareness of high-end manufacturing knowhow recently and more participants had been recruited for such courses. In 2019-2020 (April to December 2019), the actual number of training programmes on manufacturing technology exceeded its estimated number by 13% while that of environmental technology training programmes was 58% of its estimate. HKPC would adjust as appropriate the target numbers of relevant courses for 2020-2021 to better reflect the market demands.

93. The Committee further asked whether Commissioner for Innovation and Technology was aware of the above deviations, and had given any directives to HKPC to ensure that its overall strategy on training services were implemented without departure from the Administration's policy direction and HKPC's public mission.

94. **Permanent Secretary for Innovation and Technology** responded at the public hearings and **Commissioner for Innovation and Technology** added in her letter dated 21 January 2020 (*Appendix 24*) that:

- in working out the estimates for 2016-2017 and 2017-2018, ITC had taken into account the fact that HKPC failed to meet the targets on the income from training courses and the number of people attending fee-charging training courses in 2014-2015 and 2015-2016. Commissioner for Innovation and Technology noted from the reports submitted by HKPC that the main reason was the low level of awareness of the industry of new technologies/management systems and the concept of Industry 4.0. It was thus considered that HKPC might need to first organize more non-fee-charging training activities to raise the understanding and interest of the industry in this regard;

- as HKPC could also assist enterprises in upgrading their technological level and promote re-industrialization through organizing non-fee-charging training activities, and this was in line with the Administration's policy direction and HKPC's public mission, Commissioner for Innovation and Technology accepted HKPC's explanation, and accordingly adjusted downwards the estimated number of people attending the HKPC's fee-charging training courses and the estimated income from training courses while adjusting upwards the estimated number of people attending the HKPC's non-fee-charging seminars in her Controlling Officer's Reports for 2016-2017 and 2017-2018;

- in assessing the performance of HKPC in organizing training programmes under the four programme areas (i.e. environmental technology, information technology, management systems and manufacturing technology), Commissioner for Innovation and Technology considered that focus should be placed on whether the objectives of the training programmes and the overall figure could meet the Administration's policy direction and HKPC's public mission, instead of the deviations appeared in individual programme areas; and

- in response to Audit's recommendations, HKPC would organize training courses according to the estimated number for each programme area set out in the Annual Programme and Estimates as far as practical. HKPC would also review and monitor quarterly the actual activities of training operation. If the numbers of courses

deviated from the estimates, HKPC should submit full justifications to Commissioner for Innovation and Technology and the Council for approval.

95. In response to the Committee's concern over the low enrolment of public training programmes in 2018-2019 as revealed in paragraph 4.15 of the Audit Report, **Chief Innovation Officer, HKPC** advised at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that at present, each training course was required to set a minimum number of applicants, which was generally determined based on the principle of cost recovery. HKPC currently adopted a two-tier monitoring mechanism under which the business unit would hold regular meeting with the HKPC Academy to review the enrolment rate of training courses, and the management would also hold regular meeting to review the performance of training courses.

96. With reference to paragraph 4.18 of the Audit Report, the Committee asked why the proposals of 15 (39%) out of 38 public training programmes with fewer than 10 participants had not set out the estimated numbers of enrolment, and whether these 38 public training programmes could achieve full cost recovery.

97. **Chief Innovation Officer, HKPC** explained at the public hearings and **Executive Director, HKPC** added in his letter dated 22 January 2020 (*Appendix 28*) that:

- in the past, a small number of courses that involved considerable technical expertise were required to be developed by individual professional divisions, such as manufacturing or information technology, which had not included the number of estimated participants in the course proposals in accordance with the relevant guidelines;

- starting from 2019-2020, all public training courses had been coordinated and run by the HKPC Academy, and the course plan had to specify the expected number of participants and the minimum number of participants. All public training courses had to be recorded in the Public Training Administration system in which the expected enrolment rate must be included in the course budget; and

- among those 38 public training courses, 36 of them achieved cost recovery while two with a deficit of $281 in total, details of the two courses were provided in the above letter. HKPC would improve the project management of training courses and adjust the contingency budget as appropriate to meet the unexpected costs.

98. The Committee asked how HKPC could ensure its training programmes were able to meet the market demand but would not constitute competition with the existing training services provided in the market, and how HKPC would improve the market demand assessments for new public training programmes as recommended in paragraph 4.26(g) of the Audit Report.

99. **Chief Innovation Officer, HKPC** advised at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that:

- from November 2019, all public training courses under the new workflow were required to complete market research and competitor analysis before launching. According to the new market research criteria, all public training courses should meet at least one of the following six requirements to justify its value and importance to the industry:

  (a) facilitate the advocacy of a government policy or initiative;

  (b) in response to the inquiry or requirement of client;

  (c) in response to the inquiry or requirement of trade association or professional body;

  (d) in accordance with professional analysis from trainer;

  (e) in accordance with market survey or industry consultation; and

  (f) in accordance with industry trends;

- programme team should carry out competitor analysis before organizing a training course to avoid competition with existing training service providers in the market. If there were similar courses

available in the market, programme team should incorporate unique and innovative elements in the relevant courses to be offered by HKPC to differentiate them from those provided in the market; and

- HKPC was also dedicated to uplifting communication among industry practitioners through regular exchanges and meetings with local quangos, industry associations, or with training representatives from corporations.

100. In reply to the Committee's enquiry about the procedures for engaging external trainers, **Chief Innovation Officer, HKPC** explained at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that:

- according to the "Guidebook for Organising Public Training Programme", the programme team would evaluate the suitability of trainers registered with HKPC according to the designated criteria. Recommended trainers would be included in HKPC's "Speakers Pool" for consideration by the management. Upon the endorsement by the management, selected trainers would be required to sign a training service agreement with HKPC; and

- the programme team would observe and assess the performance of the trainers in the first class of the programmes, and collect post-course feedback forms from the course participants to evaluate the performance and quality of the trainers.

101. With reference to Table 23 in paragraph 4.39 of the Audit Report, the Committee asked whether a notional cost of HKPC training venues would be included in the cost calculation of training programmes with a view to achieving full cost recovery.

102. **Chief Financial Officer, HKPC** explained at the public hearings and **Executive Director, HKPC** supplemented in his letter dated 22 January 2020 (*Appendix 28*) that before April 2019 (i.e. prior to the implementation of new training strategy), the cost calculation of training programmes included the HKPC venue cost. After reviewing the above arrangement, venue cost was considered as notional cost

and the HKPC venue cost was no longer included in the cost of training programme starting from 1 April 2019.

103. The Committee noted with concern from the reply letter dated 11 December 2019 from Executive Director, HKPC (*Appendix 29*) that there were off-site training prgrammes (i.e. Hygiene Manager Training Courses) organized by HKPC given the low utilization rates of its training venues as revealed by the Audit Report.

104. **Chief Innovation Officer, HKPC** explained at the public hearings and Executive Director, HKPC supplemented in his letter dated 22 January 2020 (*Appendix 28*) that HKPC divisions had to bear HKPC venue cost before April 2019. For the course in question, the programme team had chosen Ngau Chi Wan Civic Centre after taking into account the HKPC venue cost.

105. The Committee further asked whether HKPC had considered whether the unsatisfactory usage rates of its training venues might be due to high hiring fees. **Chief Innovation Officer, HKPC** responded at the public hearings and **Executive Director, HKPC** added in his letter dated 22 January 2020 (*Appendix 28*) that in general, venue rental pricing was set by making reference to similar venues. The most recent review conducted by HKPC in August 2018 indicated that the current pricing mechanism reasonable. A table showing the rental rates of HKPC venues and facilities was provided in the above letter.

E. Conclusions and recommendations

Overall comments

106. The Committee:

- notes that:

  (a) the Government established the Hong Kong Productivity Council ("HKPC") in 1967 under the Hong Kong Productivity Council Ordinance (Cap. 1116) ("HKPCO") with a mission to promote the productivity, operational efficiency and competitiveness of local

industries. In 2017-2018, HKPC had a total income of $711 million, which included government subventions of $223.3 million (31.4%), and a total expenditure of $663.7 million;

(b) according to the Memorandum of Administrative Arrangements entered into between the Administration and HKPC ("MAA") in 2003, HKPC should have autonomy and flexibility in the management of its activities and utilization of its resources. The public officers sitting on the Council of HKPC[11] primarily represent the Administration's interests in priority over those of HKPC;[12] and

(c) HKPC completed a consultancy study in 2002 to review its role, management and operation. The study recommended that HKPC's future service focus should be on providing integrated support to innovative and growth oriented Hong Kong firms across the value chain. The main sectoral focus should be on manufacturing firms, particularly those in Hong Kong's foundation industries[13] and related service activities;

- emphasizes that:

(a) while Commissioner for Innovation and Technology, as the Controlling Officer of the subventions granted to HKPC, bears oversight responsibility over HKPC, she should foster HKPC's management autonomy as provided for under MAA and, under normal circumstances, should not impose undue compliance burden on HKPC;

(b) the Innovation and Technology Bureau ("ITB") and the Innovation and Technology Commission ("ITC")[14] should deliver

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[11] The five public officers appointed as Council members are: (a) the Permanent Secretary for Innovation and Technology; (b) the Commissioner for Innovation and Technology; (c) the Director-General of Trade and Industry; (d) the Government Economist; and (e) the Deputy Commissioner for Labour (Labour Administration).

[12] The clause was added upon the MAA renewal in June 2009 to replace a then existing clause which required public officers to act in the best interests of HKPC where no conflict of interest arose.

[13] According to the consultancy study, Hong Kong's foundation industries included electronics, machinery and equipment, toys and plastics, textiles and clothing.

[14] Before the establishment of ITB in 2015, ITC was under the purview of the Commerce and Economic Development Bureau.

clear policy direction to facilitate HKPC in performing its role and functions of promoting the application of innovation and advanced technology among Hong Kong's industries and advising the Administration on the productivity issues concerning Hong Kong; and

(c) it is incumbent upon the HKPC management, while enjoying autonomous operation, to ensure compliance with the statutory requirements stipulated under HKPCO and internal guidelines by HKPC in delivering its objectives and making use of the public funds to achieve value for money;

Performance measurement and reporting

- finds it appalling and inexcusable that the deficiencies and irregularities of the HKPC management in respect of key performance indicators ("KPIs") had adversely affected the public's monitoring of HKPC's work, as evidenced by the following:

  (a) despite the fact that the target on "Number of consultancy projects accepted" was revised downwards in 2018-2019 to 935, the target was only met following a decision made at a management meeting chaired by HKPC's Executive Director in July 2018 to classify manufacturing support projects with consultancy element and with service fees over $5,000 as consultancy projects. The related performance target for 2018-2019 was however not revised according to the new definition of consultancy projects, and the approvals of the Council and ITC had not been sought for such reclassification either. It was also noted at the public hearings that the incumbent Executive Director of HKPC assumed office in late December 2017, some six months before the above meeting;

  (b) the HKPC management was still unaware of its obligation to notify its Council and ITC of the change to the definition of consultancy projects when it submitted the Annual Programme and Estimates of 2019-2020 to the Council in November 2018 and reported to the Council in July 2019 the KPI "Number of consultancy projects accepted" for 2018-2019. The change only became known to ITC when it was discovered by the Audit Commission ("Audit") in the course of the audit exercise in 2019;

(c) HKPC had not put in place internal guidelines stipulating clearly the procedures for reporting to and seeking approval from the Council the proposed changes/enhancements to KPIs or other related matters that should be reported to and endorsed by the Council;

(d) in replying to the queries of the Committee, HKPC advised after the first public hearing on 13 December 2019 that it discovered wrong inclusion of 55 manufacturing support projects with consultancy element but with service fees less than $5,000 into the number of consultancy projects accepted in 2018-2019. The actual percentage of the target met in 2018-2019 should be 95%. As a result, the 2018-2019 target could not be achieved even with the adoption of the new definition. HKPC believed that such error was made due to communication problems with frontline staff and failure to timely update its Standard Practices with respect to the new definition of consultancy project;

(e) before the discovery of the above error, the KPI target on "Number of consultancy projects accepted" had not been achieved for four consecutive years from 2014-2015 to 2017-2018 even though the target had been adjusted downwards annually, dropping by as much as 22.6% throughout the period;

(f) from 2014-2015 to 2018-2019, 68 (33%) of the 203 new projects were counted as both consultancy projects and research and development ("R&D") projects at the same time against two targets, namely "Number of consultancy projects accepted" and "Number of new R&D projects". There was no disclosure on the number of projects that were counted against both the targets for consultancy projects and R&D projects;

(g) "Number of on-going R&D projects" was used as a KPI for managing R&D projects while on average, 60% of the on-going R&D projects from 2014-2015 to 2018-2019 were projects brought forward from previous years, with delayed projects included therein accounting for 4%. Using such KPI for performance management might give an undesirable incentive for project teams to delay projects in hand unnecessarily; and

(h) from 2014-2015 to 2018-2019, the target on KPI "Number of patents/licences/royalties" was exceeded by 40% to 138% and the target on KPI "Number of products/technologies commercialized" was exceeded by up to 50%. Such persistent outperformance in KPIs indicated HKPC's failure to set the right targets to develop a corporate culture of learning and growth;

- notes that HKPC is reviewing the current 23 KPIs in response to Audit's recommendations, and plans to submit the set of KPIs and targets for 2020-2021 following the review to the Council for consideration at its meeting to be held in March 2020. Upon endorsement by the Council, HKPC will submit the proposal to Commissioner for Innovation and Technology for approval in accordance with MAA by end March 2020, with a view to implementing the revised KPIs and targets starting from 2020-2021;

Project budgeting and contract governance

- expresses dissatisfaction and finds it unacceptable that HKPC had failed to achieve full cost recovery in delivering its consultancy and manufacturing support services, as evidenced by the following:

  (a) from 2014-2015 to 2018-2019, 308 (39%) of the 788 productivity related assignments elsewhere than in Hong Kong did not recover all costs incurred, contrary to the requirement of HKPCO;[15] and

  (b) of the 4 299 consultancy projects completed in the period from 2014-2015 to 2018-2019, full cost was not recovered in 1 078 (25%), contrary to the requirement of HKPC Standard Practices. There was no documentary evidence showing the reasons for their deviations from the full-cost recovery basis as required;

- expresses dissatisfaction and finds it unacceptable that HKPC's poor project and contract management had hampered its effective

[15] According to section 4 of HKPCO, HKPC takes on productivity related assignments elsewhere than in Hong Kong should be subject to the following conditions: (a) the work can be carried out without prejudice to the performance by HKPC of the functions specified in the Ordinance; and (b) the minimum rate charged by HKPC for the work is sufficient to recover all costs incurred in carrying out that work, which costs shall include direct costs (recurrent and capital) and overhead costs.

monitoring of the consultancy project progress and had resulted in cost overruns, as evidenced by the following:

(a) for 58 (53%) of the 109 consultancy projects terminated in the period from 2014-2015 to 2018-2019, the clients did not reimburse HKPC for all costs incurred. The total costs not reimbursed amounted to $3 million. There was no documentary evidence showing the justifications for not seeking reimbursement from the clients;

(b) in 55 of the aforesaid 58 terminated projects, the deficits were resulted from poor project management and assessment, such as extra project manhours, technical and project execution challenges causing the deliverable not meeting project requirement, extra project preparation work, etc.; and

(c) in Case 1 in paragraph 2.24 of the Director of Audit's Report ("Audit Report"), the project was terminated by project team based on risk, cost and functional consideration arising from the frequent changes made by the client to the product design. However, HKPC subsequently agreed to hand over the semi-finished deliverables free of charge and fully refund the down payment of $400,000 to the client without reimbursing from the client the cost incurred for the project, which amounted to $254,000, upon the project termination. There was also no documentary evidence showing the justifications for not recovering the costs already incurred from the client concerned;

- is not convinced by HKPC's explanation that its handling of Case 1 above was due to the absence of clauses in the project agreement governing the number and scope of variations that could be made by the client and the fact that HKPC could not deliver the deliverables to the acceptance of the client;

- urges HKPC to:

(a) closely monitor and regularly review the setting of its KPIs, and its performance against them with a view to using these indicators as an effective means to enhance its management, governance and accountability. Any proposals on change(s) to the KPIs should

follow the established procedure to seek prior approvals (both internal and external) from the appropriate authorities;

(b) in consultation with ITC, work out effective measures to address the long-standing problem with full cost recovery of consultancy projects, which was already raised in the Public Accounts Committee Report No. 53 of February 2010;[16]

(c) conduct a comprehensive review on the standard provisions contained in the project agreements and the management of performance of such agreements, and make necessary enhancements to minimize the project risks and safeguard HKPC's interests, including setting out specific clauses governing variations in the client's requirements, clearly defining the project specifications agreed by both parties and specifying the consequences for being unable to achieve the agreed result(s) by HKPC in accordance with the time-frame stipulated in the agreements; and

(d) enhance the preliminary feasibility study of a proposed project, particularly in respect of the scoring mechanism under the project risk assessment, with a view to effectively identifying valid reasons for undertaking/not proceeding with the project for consideration by the management;

- recommends that ITC should, taking into account HKPC's public mission, review the application of the full cost recovery principle to HKPC's activities and, in discussing with HKPC, work out appropriate cost recovery arrangements for its services, for example, whether a certain degree of deviation from full cost recovery is allowed for activities with significant public benefits, in view of a fast-changing market and policy changes over time;

[16] The corporate governance and administrative issues of HKPC were examined by the Public Accounts Committee in response to the findings contained in Chapter 7 of the Director of Audit's Report No. 53.

Way forward of HKPC

- notes that:

  (a) ITC and HKPC have not carried out any comprehensive review on the role, management and operation of HKPC since the last consultancy study of 2002; and

  (b) in recent years, HKPC has been implementing supporting initiatives in line with ITB's policy direction of promoting re-industrialization and developing innovation and technology;

- expresses concern about how HKPC could better fulfil its role and functions in promoting innovation and technology to Hong Kong's industries given that there are also other organizations in Hong Kong with similar business missions; and

- urges ITB and ITC to:

  (a) regularly keep in view the mode of operation, future business direction and subvention mode of HKPC having regard to the changing economic development of Hong Kong; and

  (b) better coordinate the efforts of various stakeholders in promoting the industry, particularly in respect of innovation and technology, and ensure that clear government direction is delivered to HKPC to facilitate the strategic planning for its services without departure from policy objectives.

Specific comments

107. The Committee:

Provision of consultancy and manufacturing support services

- expresses serious concern and finds it unacceptable that:

(a) from 2014-2015 to 2018-2019, of 308 consultancy projects outside Hong Kong that did not recover all costs incurred, 47 (15.3%), in which HKPC acted as the implementing agent of a government funding programme, had budgeted deficits because the programme lasted for more than five years and the inflationary factor built in at the quotation stage was insufficient to cover the subsequent increase in staff charging rates;

(b) in 2018-2019, of 484 consultancy projects involving small and medium enterprises, 221 (45.7%) were not offered any fee concession, 250 (51.6%) were offered 20% concessions, 12 (2.5%) were offered 30% concessions; and 1 (0.2%) was offered a 65% concession. There was no documentary evidence showing the justifications for the different concession rates offered;

(c) it was decided at a senior management meeting held in June 2016 that HKPC should try to charge clients at price levels that achieve full cost recovery without concession as far as practicable. However, the deficits of consultancy projects completed in 2017-2018 ($16 million) and 2018-2019 ($8 million) were even larger than those in 2014-2015 to 2016-2017, and the above decision was not incorporated in HKPC Standard Practices;

(d) of the 4 299 consultancy projects completed in the period from 2014-2015 to 2018-2019, 1 243 (29%) were completed after the approved completion date with an average delay of 42 days;

(e) in 2018-2019, the income of Inno Space fell short of the target of $532,000 by 40%. Although the number of Inno Space members recruited in 2018-2019 (450 members) exceeded the target of 200 by 125%, 236 (52%) were new members on one-month free trial; and

(f) for the 10 items of equipment of Inno Space reviewed by Audit, in 2018-2019, the number of days on which they were booked was only 26 (8.8% of the 297 days available for booking) on average, ranging from 1 (0.3%) to 138 (46.5%);

- expresses alarm and finds it unacceptable that a staff member did not bill two clients after providing workshop services to them with a total

value of $200,000 and $70,000 respectively. On the other hand, the amounts were provided by the two clients as sponsorships for two Innovation and Technology Fund ("ITF") funded projects of which the staff member was in charge in order to fulfil ITC's minimum sponsorship requirement. The staff member subsequently resigned from HKPC and actions taken by HKPC to recover the amounts from the two clients concerned were not successful;

- notes that:

  (a) HKPC will study the appropriate adjustment in working out the "Contingency Budget" to meet the additional costs arising from unforeseen circumstances, such as technical difficulties or inflation. HKPC has also further enhanced the monitoring mechanism since December 2019 to require project officers to report to the management the cost control issues on a regular basis;

  (b) Executive Director, HKPC has agreed with Audit's recommendations in paragraphs 2.27 and 2.47 of the Audit Report; and

  (c) Commissioner for Innovation and Technology has agreed with Audit's recommendation in paragraph 2.48 of the Audit Report;

- recommends that HKPC should invite the Independent Commission Against Corruption to provide advisory service to enhance its practices and procedures, organize training courses to strengthen business ethics and integrity of its staff and enhance its internal monitoring or supervision of its staff who undertake independent projects or workshops;

<u>Research and development projects</u>

- expresses serious concern and finds it unacceptable that from 2014-2015 to 2018-2019:

  (a) 102 (59%) of the 173 completed R&D projects were completed after the approved completion date. In particular, of the 33 ITF funded R&D projects completed during the period, 27 (82%) was

completed with delay and the major cause was uncompleted paper work and reporting;

(b) of the 106 Progress Reports and Final Reports due for submission by HKPC to ITC for 33 completed ITF funded R&D projects, 37 (35%) were submitted late;

(c) of the 86 patents, licences or royalties awarded/entered from 2014-2015 to 2018-2019, 77 (90%) were patents awarded, while the number of licence or royalty agreements entered only contributed 9 (10%) of the total. This suggested that the achievement in the target on KPI "Number of patents/licences/royalties" was largely attributable to the number of patents awarded. Given that granting of a patent does not represent that a product or technology is commercialized, putting patent, license and royalty under the same KPI might not be able to effectively measure HKPC's effort in the commercialization of its products and technologies; and

(d) of the 97 products or technologies commercialized, only 45 (46%) were developed from R&D projects, and the remaining 52 (54%) were mainly generated by pilot technology development projects conducted by individual divisions. Moreover, when a product/technology was sold to more than one client, the single product/technology was counted as more than one product/technology commercialized. The KPI "Number of products/technologies commercialized" was somewhat misleading and ambiguous that HKPC's performance in the commercialization of results of R&D projects could not be clearly demonstrated;

- expresses serious concern that of the 123 patents possessed by HKPC as at 31 August 2019, only four (3%) had generated licence or royalty income since patent registration, totalling $1.5 million. The remaining 119 (97%) patents had not generated any licence or royalty income since patent registration;

- notes that:

(a) the number of delayed R&D projects fell in 2018-2019; and

(b) Executive Director, HKPC has agreed with Audit's recommendations in paragraphs 3.14 and 3.28 of the Audit Report;

Provision of training programmes

- expresses serious concern and finds it unacceptable that:

(a) from 2014-2015 to 2018-2019, some of the targets on KPIs for training programmes were not met:

(i) the numbers of fee-charging training courses launched in the period from 2014-2015 to 2016-2017 were only 60% to 90% of the targets;

(ii) the numbers of people attending the fee-charging training courses in 2014-2015 and 2015-2016 were only 52% and 79% of the targets; and

(iii) the income from training courses for the period from 2014-2015 to 2018-2019 was only 47% to 65% of the targets, decreasing from $12.9 million in 2014-2015 to $7.6 million in 2018-2019;

(b) the actual numbers of training programmes from 2016-2017 to 2018-2019 under the programme areas of environmental technology and manufacturing technology consistently deviated from the estimated numbers;

(c) for 10 (33%) of the 30 public training programmes organized in 2018-2019 and examined by Audit, the estimated enrolment was not included in the proposals;

(d) for 12 (60%) of the remaining 20 public training programmes with estimated enrolment included in the proposals, the actual enrolment was less than the estimated enrolment (about 15% to 92% of the estimated enrolment, 59% on average);

(e) of the 120 public training programmes organized in 2018-2019, 38 (32%) had fewer than ten participants, including 15 programmes with the estimated number of enrolment not

included in the proposals and eight programmes with the estimated number of enrolment set below 10. For all of the eight programmes, there was no documentary evidence showing the justifications for organizing such programmes despite the fact that only a few people were expected to attend the programmes;

(f) market demand assessment had not been conducted for 11 (37%) of the 30 new public training programmes organized in 2018-2019 and examined by Audit. For two (7%) programmes, the programme organisers stated in the proposals that market demand assessments had been conducted, but details and results of the market demand assessments could not be found in the proposals;

(g) the programme-end evaluation data of 242 (43%) of the 559 public training programmes organized in the period from 2015-2016 to 2018-2019 were not available in the Public Training Administration system. While the evaluation data of 65 (19%) of the 340 corporate training programmes organized were also kept in the Public Training Administration system and used for the computation of the overall participants satisfaction index (i.e. one of KPIs for training programmes), the evaluation data of the remaining 275 (81%) corporate training programmes were not kept in the Public Training Administration system;

(h) the annual response rate of the end-of-programme evaluation forms decreased from 51% in 2015-2016 to 43% in 2018-2019;

(i) from 2015-2016 to 2018-2019, annual reviews had not been conducted for some public training programmes, (ranging from 9% to 33% of the programmes organized in each year), contrary to the requirement of HKPC Guidebook for Organising Public Training Programme; and

(j) the overall utilization rates of HKPC's training venues in 2017-2018 and 2018-2019 were low (i.e. 17% and 16% respectively). In particular, the utilization rate of each and every training venue was less than 50% during both office hours and non-office hours; and

- notes that Executive Director, HKPC has agreed with Audit's recommendations in paragraphs 4.12, 4.26, 4.37 and 4.44 of the Audit Report.

Follow-up action

108. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by the Committee and Audit.

The Audit Commission ("Audit") conducted a review of governance and administrative issues of the Hong Kong Productivity Council ("HKPC").[1] An audit review on the subject was previously conducted in October 2009.[2]

2. Hon SHIU Ka-fai declared that he was engaged in the trading business of construction materials, and unremunerated honorary adviser or honorary member to some non-governmental organizations or trade associations.

3. HKPC was established in 1967 under the HKPC Ordinance (Cap. 1116) with an aim to improve the productivity, operational efficiency and competitiveness of local industries. The Council is the governing body of HKPC and was supported by four Committees.[3] As at 31 March 2019, HKPC had a total of 640 staff, comprising 245 permanent and 395 contract staff. Commissioner for Innovation and Technology is the Controlling Officer of the subventions granted to HKPC. In 2017-2018, HKPC had a total income of $711 million, which included government subventions of $223.3 million. In the same year, HKPC had a total expenditure of $663.7 million.

4. The Committee noted the following findings from the Director of Audit's Report:

Corporate governance and performance reporting

- for 19 (90%) of the 21 Council/Committee meetings held in 2018 and 2019 (up to 31 March), the revised draft minutes were issued more than two weeks after the issue of the draft minutes, with delays ranging from 1 to 29 days;

- from 2015 to 31 March 2019, 12 (13%) of the 95 annual declarations of interest were submitted, on average, 15 days later than required;

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[1] Audit also conducted a review of provision of consultancy, research and development and training services by HKPC, the findings of which were contained in Chapter 2 of the Director of Audit's Report No. 73. Findings by the Public Accounts Committee are presented in Chapter 2 of Part 9 of this report.

[2] Chapter 7 of Director of Audit's Report No. 53 – "Hong Kong Productivity Council: Corporate governance and administrative issues" and Public Accounts Committee Report No. 53.

[3] The four committees were Audit Committee, Business Development Committee, Finance Committee and Staffing Committee.

- since 2002, HKPC's service focus stated in the Memorandum of Administrative Arrangements[4] had not been revised despite changes in the economy;

- from 2014-2015 to 2018-2019, HKPC failed to meet one or more performance targets every year. Some performance targets were not achieved for three years or more. For the targets on two key performance indicators, there was no documentary evidence showing that HKPC had provided explanations to Commissioner for Innovation and Technology for failing to meet them in 2017-2018;

Human resource management

- the total staff strength fell short of the total staff establishment by 131 (18.8%) as at 30 June 2018 and by 123 (17.7%) as at 30 June 2019. Significant staff shortfalls for some staff grade and significant staff surpluses for some others were noticeable;

- from 2014-2015 to 2018-2019, the overall staff turnover rates were on the high side (averaging 19.2%). Out of 109 staff who left HKPC on a voluntary resignation basis in 2018-2019, 46 (42%) had served in HKPC for less than two years;

- for the 100 out of 318 recruitment exercises examined by Audit, the following situations were found:

  (a) no shortlisting criteria were set;

  (b) for 22 (22%) of the 100 recruitment exercises examined, fewer than three (only one or two) candidates were shortlisted for interview without documentary evidence on the justifications for shortlisting fewer than three candidates for interview;

  (c) in one case, a candidate not meeting a job requirement was appointed;

[4] In March 2003, the Government and HKPC entered into a Memorandum of Administrative Arrangements. The service focus recommended in the 2002 Consultancy Study was incorporated in the provisions of the Memorandum.

(d) in four exercises, the Selection Panel Chairman declared that he was a friend or an ex-colleague of the candidates, but he continued to chair the Panel; and

(e) in one case, a person was offered a post which he had not applied for without going through the shortlisting and interview procedures;

Procurement and other administrative issues

- suppliers were not selected for quotations by rotation as required in the HKPC Standard Practices. Instead, the procurement officers selected the required number of suppliers based on the past performance of the suppliers without considering the justifications for the deviation;

- two purchases on the same day of the same product with total value exceeding quotation limit were not bundled for tender. There was no documentary evidence showing that the requisitioning officer was unable to anticipate the second purchase at the time when the first purchase was made and that the different delivery dates had made it impossible to bundle the purchases;

- inactive suppliers could not be identified readily from the existing computer system;

- the number of fixed asset items selected for each quarterly surprise stocktaking exercise was small (i.e. five items). The types of items selected for surprise stocktaking were limited, as 33 (94%) of the 35 items selected were notebook computers;

- in 2018-2019, 52 (16%) of the 320 items of equipment did not achieve the expected utilization;

- utilization of a company car was low (i.e. idle on 36 (60%) of the 60 working days from January to March 2019). Car log books and key collection record were incomplete;

- no documentary evidence showed the justifications for approval of 11 claims of entertainment expenses where the number of staff members involved exceeded the number of guests; and

- out of the 73 applications for official travels outside Hong Kong submitted from November 2018 to March 2019, nine (12%) applications were approved after departure, contrary to HKPC's guidelines.

5. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding corporate governance and performance reporting, human resource management, procurement and other administrative issues. The replies from **Executive Director of HKPC, Secretary for Innovation and Technology, Secretary for Financial Services and the Treasury, Commissioner for Innovation and Technology** and **Director of Audit** are in *Appendices 30* to *34* respectively.

6. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.

The Audit Commission ("Audit") conducted a review of the control of wild and stray animal nuisances by the Agriculture, Fisheries and Conservation Department ("AFCD").

2. AFCD is responsible for the control of wild and stray animal nuisances. Wild animals may occasionally leave their natural habitats and enter urban areas. Domestic animals which have been abandoned or gone astray may also stray on the streets. The presence of wild animals and straying domestic animals in urban areas can cause nuisances (e.g. noise, hygiene and safety issues). It is the Administration's aim to contain such nuisances. AFCD received complaints involved animal nuisances relating to noise, hygiene and safety issues. Other complaints involved, for example, sighting of wild animals, wild bird nests found and requesting AFCD to catch stray animals. In 2018-2019, AFCD received 2 012 nuisance complaints about wild animals and 6 024 nuisance complaints about stray animals. In the year, the expenditure incurred in the control of wild and stray animals (including the control of wild and stray animal nuisances) was $61.9 million.

3. The Committee noted the following findings from the Director of Audit's Report:

Control of wild animal nuisances

- according to AFCD guidelines, while on-site visits were needed for 1 553 nuisance complaints about wild animals in 2018-2019, AFCD staff did not conduct any on-site visits in 1 005 (65%) cases;

- Audit analysed 1 917 complaints and noted 49 (3%) cases with interim reply delayed and 398 (21%) cases with substantive reply delayed;

- during 2014 to 2019, the number of monkeys captured and sterilized by the contractor exceeded the specified minimum number by 15% to 63% every year. This might overly reduce the monkey population;

- of the 77 wild pigs nuisance blackspots[1] as at 31 May 2019, only 19 (25%) had been covered by "wild pig capture and

[1] Nuisance blackspots comprised blackspots caused by feeding and environmental hygiene problem.

contraception/relocation programme" ("CCRP").[2] There was no records indicating that AFCD had laid down criteria for selecting sites for conducting CCRP operations;

- under CCRP, a vaccine was used to sterilize wild pigs and the contractor was required to recapture wild pigs for pregnancy tests. However, with only 9% of the wild pigs recaptured, enough samples had not yet been obtained to evaluate the vaccine's effectiveness;

- population surveys of wild pigs had not been regularly conducted. As at September 2019, AFCD was still figuring out the techniques on precise estimation of the total wild pig population;

- none of the 56 nuisance blackspots for wild pigs was located within Feeding Ban Area;[3]

Control of stray animal nuisances

- for nuisance complaints about stray animals, AFCD had not recorded the interim and substantive reply dates in the computer system. It could not be ascertained whether timely replies had been given to complainants as required;

- stray dogs/cats received by AFCD and not reclaimed after four days would be euthanized if they failed health/temperament assessment. Some of them had been observed for a short period (e.g. four days) and some others for a much longer period (e.g. 93 days) before euthanasia. Two dogs and one cat failing the temperament assessment had been euthanized within four days without reasons recorded;

- according to undertakings signed by animal welfare organizations ("AWOs"), rehomed dogs/cats (i.e. dogs/cats transferred from AFCD to AWOs for adoption by the public) should be neutered. However, in 2018-2019, only 27% of rehomed dogs and 49% of rehomed cats

[2] CCRP was a means for addressing persistent wild pig nuisances in urban areas, as well as a population control programme for wild pigs. Under CCRP, wild pigs causing persistent nuisances and habituated to obtaining food from feeding were captured, sterilised, and relocated to remote countryside, where appropriate.

[3] Feeding Ban Area was made in 1999 for making wild animals revert to foraging food from the wild, rather than from people, slowing down the unnatural population growth of animals due to human feeding; and reducing the opportunities of close contacts between people and animals and thus the potential risk of transmitting diseases.

were sterilized at AFCD-engaged veterinary clinics. The percentage of rehomed dogs sterilized at AFCD-engaged veterinary clinics decreased from 56% in 2014-2015 to 27% in 2018-2019;

- under the Trap-Neuter-Return trial programme,[4] two AWOs recruited carers to feed stray dogs within specific sites and catch them for rehoming. In July 2019, the two AWOs were still running the programme with its effectiveness unknown;

- as at mid September 2019, AFCD had not yet started briefing relevant AWOs and stakeholders on the stray cattle management plan;

- while the number of pigeon nuisance complaints increased significantly in the past few years, AFCD only recently engaged a contractor to conduct a territory-wide pigeon population survey, scheduled for completion in March 2020;

Publicity, prosecution and other administrative issues

- the number of participants in school talks decreased by 8 515 (40%) during 2015-2016 to 2018-2019. The average number of participants in public seminars was also limited (e.g. fewer than 10 per seminar on average in 2018-2019);[5]

- as at 31 May 2019, only 66 (86%) of the 77 wild pig nuisance blackspots and only 71 (43%) of the 166 pigeon congregation spots[6] had banners put up reminding people not to feed the animals;

- in two cases, prosecution action had not been taken within six months from the date of offence (i.e. time-barred); and

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[4] AFCD had assisted two AWOs to implement a Trap-Neuter-Return trial programme for stray dogs between January 2015 and January 2018. Under the trial programme, stray dogs found within two specific sites (i.e. Cheung Chau and Tai Tong of Yuen Long) were caught, neutered and then returned to the sites. According to AFCD, it would assist and facilitate interested AWOs to implement similar programmes in other locations.

[5] School talks and public seminars (held at private housing developments) aimed to promote responsible pet ownership. According to AFCD, from 2019-2020 onwards, school talks on refraining from feeding wild animals would also be organized.

[6] According to AFCD, a location would be classified as a congregation spot of pigeons if frequent complaints were received.

- AFCD would run a pilot programme for enhancing the surveillance of African Swine Fever in local wild pigs between November 2019 and January 2020 and subject to reviews, would roll out a surveillance programme for African Swine Fever later.

4. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding control of wild and stray animal nuisances, publicity, prosecution and other administrative issues, and the surveillance of African Swine Fever in local wild pigs. The consolidated replies from **Director of Agriculture, Fisheries and Conservation** and **Secretary for the Environment** are in *Appendix 35*.

5. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.

The Audit Commission ("Audit") conducted a review of the Education Bureau's work in the implementation of special education and Social Welfare Department's work in connection with special education.

2. Special educational needs refer to the needs of students arising from various types of disabilities. The Education Bureau classifies special educational needs into nine types, namely: (a) visual impairment; (b) hearing impairment; (c) physical disability; (d) intellectual disability; (e) specific learning difficulties; (f) attention deficit/hyperactivity disorder; (g) autism spectrum disorders; (h) speech and language impairment; and (i) mental illness. The Administration adopts a dual-track mode in implementing special education. Children with more severe or multiple disabilities are placed in special schools for intensive support, subject to the assessment and recommendations of the specialists and with parents' consent. Other children with special educational needs who can participate in learning and daily activities in ordinary schools receive integrated education in ordinary schools.

3. Aided special schools receive subvention from the Education Bureau under the Code of Aid for Special Schools or Code of Aid for Aided Schools. Some special schools are provided with boarding facilities to cater for the long-term residential needs of students with severe disabilities and to facilitate them to receive school education during school days. In school year 2018-2019, there were 60 aided special schools and boarding services were provided in 28 of them.[1]

4. In school year 2018-2019, there were 7 939 students enrolled in the 60 special schools. Majority of the students enrolled in special schools were students with intellectual disability. The amount of expenditure on special education increased from $2,010.8 million in financial year 2014-2015 to $2,712.7 million in financial year 2018-2019 (35%).

[1] Of the 28 schools with boarding services, seven were schools for social development and the boarding services were provided by residential homes subvented by and under the purview of the Social Welfare Department. The boarding sections of the remaining 21 schools were subvented by and under the purview of the Education Bureau.

5. The Committee noted the following findings from the Director of Audit's Report:

Provision and management of school places and boarding places

- not all regions were provided with all types of special school places. The Outlying Islands region did not have schools for children with physical disability and the Sha Tin and Sai Kung region (excluding Tseung Kwan O) did not have schools for children with severe intellectual disability;

- the overall enrolment rate of eight schools for social development ("SSDs")[2] was not high (57% in school year 2018-2019). In school year 2018-2019, the enrolment rates of the eight SSDs ranged from 40% to 74%;

- while SSDs aimed to provide more intensive guidance to students so that they might reintegrate into ordinary schools as soon as possible, from school year 2013-2014 to 2017-2018, more than 40% of students stayed at SSDs longer than expected;

- as at 15 June 2019, 8 (29%) of 28 and 65 (63%) of 104 students with moderate intellectual disability awaiting five-day and seven-day boarding services respectively had been waiting for more than one year;

- while the Education Bureau entrusted special schools to ensure that boarding places were released by students who no longer have boarding needs, the schools expressed difficulties in reviewing boarding needs of existing boarders;

Staffing of special schools

- from school year 2014-2015 to 2018-2019, the average percentages of vacant posts were 13% for occupational therapists and 15% for physiotherapists;

[2] SSDs were set up to provide education for students with moderate to severe emotional and behavioural problems. Counselling service was also provided to help the students overcome their emotional and behavioural problems so that they could integrate into mainstream schools as soon as possible. The Education Bureau and the Social Welfare Department jointly managed the Central Co-ordinating Referral Mechanism to assess the needs of the students for placement in these schools and make referral where appropriate.

- the vacancy rates of teacher assistants, cooks and workshop attendants had shown an increasing trend since school year 2016-2017;

- in school year 2018-2019, out of the 60 special schools, seven (11.6%) schools had less than half of the teachers with special education training qualification. The average percentage of teachers with special education training qualification was 70.5%, ranging from 35% to 95%;

Grants and support for special education

- all special schools were invited to apply for participating in learning circles to experiment or review the implementation of various learning and teaching strategies together. However, 33 (55%) did not apply for the participation in the learning circles. Also, the themes of the learning circles had remained unchanged for the period from the school years 2013-2014 to 2017-2018;

- arrangement with the Hospital Authority for conducting medical assessment for paediatric cases of suspected day students with medical complexity for application of Additional Support Grant for Day Students and Day Students cum Boarders with Medical Complexity[3] was a one-off ad hoc task and not all the suspected cases were assessed;

- the inclusion of ceiling hoists in the furniture and equipment for a new special school in Tung Chung would give rise to inconsistent provision of funding support by the Education Bureau to existing special schools and the new special school; and

- from school year 2013-2014 to 2017-2018, significant percentages of special school leavers who had applied for vocational rehabilitation services and day training or care services[4] were on waiting lists. Moreover, 48.6% of students had their years of study extended by schools after their difficulties in school leaving arrangements were taken into account.

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[3] Schools for children with moderate/severe intellectual disability, physical disability, hearing and visual impairment were eligible to apply for these grants. The Education Bureau would consider the suspected students with medical complexity put up by special schools based on the feedback from the Hospital Authority on the medical situation of the students.

[4] Vocational rehabilitation services and day training or care services were administered by the Social Welfare Department.

6. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding provision and management of school places and boarding places, staffing of special schools and grants and support for special education. The replies from **Secretary for Education** and **Director of Social Welfare** are in *Appendices 36* and *37* respectively.

7. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.

The Audit Commission ("Audit") conducted a review to examine the Judiciary Administration's work in implementing projects under an Information Technology Strategy Plan ("ITSP").

2. The Judiciary, headed by the Chief Justice of the Court of Final Appeal, is responsible for the administration of justice in Hong Kong. It hears all criminal cases and civil disputes. The Judiciary Administration is headed by the Judiciary Administrator, who assists the Chief Justice in the overall administration of the Judiciary. It provides support to the courts in the administration of justice and their operations. The Judiciary uses information technology extensively to support its operations and services to the public. In 2011 and 2012, the Judiciary conducted an Information System Strategy Study which formulated ITSP on the application of information technology in support of its operations for the coming ten years and beyond.

3. In May 2013, the Judiciary obtained the Legislative Council Finance Committee ("FC")'s funding approval of $682.4 million for the implementation of ITSP Phase 1, which mainly included implementing an integrated court case management system ("iCMS") at different court levels by two stages, with Stage 1 scheduled to be completed by June 2016 and Stage 2 by December 2019. Timely implementation of ITSP would bring about improvement in access to justice, workflow automation, operational efficiency, and improve services to court users and the community.

4. The Committee noted the following findings from the Director of Audit's Report:

Progress in project implementation and problems encountered

- as of June 2019, there had been slippages (ranging from 6 to 57 months) in all four activities of ITSP Phase 1, with the overall target completion date deferred by 33 months from December 2019 to September 2022. The following key issues were encountered during project implementation:

  (a) significant shortage of contract Analysts/Programmers and considerable contract staff turnover rates (e.g. 24.2% in 2018-2019);

(b) inadequate planning and over-optimistic work schedule involving the Government Logistics Department and the Department of Justice in tendering work resulted in a 13-month delay in the award of the tender;

(c) significant number of change requests (i.e. about 1 400 as of December 2017) raised during user acceptance tests for the development of Stage 1 iCMS resulting in a delay of about two years; and

(d) unresolved issues since 2016 between the Transport Department and the Hong Kong Police Force on the setting up of interface with iCMS at the Summons Courts of the Magistrates' Courts;

Project governance

- revisions to governance structure not properly endorsed by the ITSP Steering Committee.[1] No record was available showing that the grouping of the three project steering committees and their respective project assurance teams under ITSP Delivery and Assurance Team[2] had been endorsed by the Committee on Information Technology;

- of the 65 monthly highlight reports, 46 (71%) were not timely submitted to the ITSP Steering Committee. In particular, 17 monthly highlight reports for February 2018 to June 2019 were only submitted in one go in August 2019;

- reporting of over-optimistic project progress and omission of project issues and change requests in monthly highlight reports might mislead the ITSP Steering Committee or ITSP Delivery and Assurance Team;

- target ITSP completion date was not updated in the annual progress report submitted to FC in October 2018. The failure to update the completion date in the annual progress report could possibly be due to the delays in reporting the revised completion dates in the monthly

[1] The ITSP Steering Committee is the dedicated administrative committee set up to oversee the detailed implementation of ITSP and ensure that ITSP aligns with the Judiciary's long-term strategy. It was chaired by the Judiciary Administrator and comprised the Government Chief Information Officer and four other members.

[2] The ITSP Delivery and Assurance Team provides steer and oversees the progress and quality assurance areas of key delivery work under ITSP.

progress reports by the Judiciary Administration to the Office of the Government Chief Information Officer ("OGCIO");

- inadequacies, including omissions and delays in reporting revised/actual completion dates, approval for changes not included in progress reports, analysis on project slippage not documented, and inaccurate completion dates reported, were found in preparing progress reports submitted to OGCIO;

Other related issues

- means of disseminating information about schedules of court hearings on the Judiciary's Website (e.g. e-hearing date enquiry services) were less user-friendly than similar websites in other jurisdictions;

- limited search functions were provided, i.e. search parameters to be used in a conjunctive manner, date range for search by date of judgment, and options for sorting the list of judgments, at the Legal Reference System on the Judiciary's Website;

- according to a review conducted by the Judiciary Administration in 2016, about 47% of audio-visual presentation systems had been installed for over 10 years with outdated/obsolete devices. The outdated/obsolete audio-visual presentation systems did not support signals inputted from notebook computers or portable equipment brought in by court users and their display resolution was far behind the current audio-visual technology; and

- the utilization of electronic bundles in Portable Document Format in the High Court and the District Court was very low from 2011 to 2018. Wider use of electronic bundles at all levels of courts should be encouraged for improving operational efficiency and achieving environmental friendliness in the long run.

5. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding progress in project implementation, project governance and other related issues. The replies from **Judiciary Administrator** are in *Appendix 38*.

6. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.

The Audit Commission ("Audit") conducted a review to examine the statistical services provided by the Census and Statistics Department ("C&SD").

2. Government statistical services were provided by C&SD and the statistical units established in various government bureaux and departments. Under the Census and Statistics Ordinance (Cap. 316), C&SD conducts statistical surveys which provide an important basis for the formulation of government policies. The surveys are either mandatory (e.g. population census conducted every 10 years and by-census conducted in the middle of intercensal period) or voluntary (e.g. General Household Survey ("GHS") conducted on a monthly basis and Household Expenditure Survey conducted every five years). In carrying out its activities, C&SD follows international standards and practices, such as the Special Data Dissemination Standard of the International Monetary Fund. In 2018-2019, the total expenditure of C&SD was $666 million.

3. The Committee noted the following findings from the Director of Audit's Report:

Statistical surveys

- during in-depth quality checks of GHS enumerated cases from April 2018 to March 2019, only a small number of error cases were identified by field supervisors compared with those identified by GHS Central Field Team. There were also inadequate follow-up actions on non-contact cases due to wrong/no telephone numbers;

- while a complete sampling frame (i.e. a list of addresses of all quarters in Hong Kong) was necessary to ensure full coverage of target population in conducting Sub-divided Unit ("SDU") Survey in the 2021 Population Census, as of March 2019, there were only about 46 500 SDUs (i.e. about 50% of 92 656 SDUs reported in the 2016 By-Census ("16BC")) in the sampling frame;

- among the 92 656 estimated number of SDUs reported in 16BC, only 50 623 (54.6%) were derived from successfully-enumerated cases, with the remaining 42 033 (45.4%) based on imputation. The heavy reliance on imputation on estimating SDU figures was due to a relatively low success rate of SDU enumeration;

- in conducting Monthly Retail Price Survey for compilation of the Consumer Price Index ("CPI"), price quotations of consumer goods and services were only collected from local stores/online retailers but not from non-domestic stores/online retailers although there was a growing popularity of online purchases;

- among the 984 CPI items of consumer goods and services in the prevailing CPI basket (which would be updated in a rebasing exercise every five years), as of June 2019, eight items[1] might have become unpopular (i.e. with over 60% of the price quotations without updated price data in the past 12 months);

Population censuses and by-censuses

- for the largest single payment of 16BC (i.e. $74 million of salary payments to temporary field workers), 884 (61%) of 1 442 attendance records were verified and/or certified before the end of wage period, verified/certified without dates, or without sign-off to prove proper verification and certification;

- in disposal of surplus furniture after completion of 16BC through auctions, a successful bidder in April 2018 posted photographs showing the furniture with logo and name of C&SD onto the Internet to invite buyers, contravening the Terms and Conditions of sales;

Implementation of information systems strategy

- seven of the nine priority projects under the information systems strategy had implementation delays ranging from 1 to 7.8 years, averaging 2.6 years. The reason for the delay in the longest-delay case was the need to review and revise the user requirements and tender documents to include additional system functions;

- there was a lack of common data standards across the 80 End-User Computing systems/applications developed by individual sections of C&SD; and

[1] These CPI items were: (a) sea perch - live; (b) sea perch - fresh/chilled; (c) mangrove red snapper - fresh/chilled; (d) edible tilapia - fresh/chilled; (e) pigeon - live/fresh/chilled; (f) electronic dictionary; (g) decorative items - wall painting/poster; and (h) school fees - French.

- as of August 2019, the migration of 31 End-User Computing systems/applications running on an obsolete programming language to other updated programming languages was still outstanding.

4. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding the commissioning of statistical surveys, conduct of population census and by-census and implementation of information systems strategy. The replies from **Secretary for Financial Services and the Treasury** and **Deputy Commissioner for Census and Statistics** are in *Appendices 39* and *40* respectively.

5. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.

The Audit Commission ("Audit") conducted a review to examine the Immigration Department ("ImmD")'s work on the procurement of goods and services with a view to identifying areas for improvement.

2. ImmD is responsible for two main areas of work, namely control of people moving into and out of Hong Kong by land, sea and air; and documentation of local residents. For day-to-day immigration control operations, staff of ImmD administer 16 control points covering air, land and sea travel. As at 30 June 2019, ImmD had an establishment of 8 907 posts. ImmD's operation involves the procurement of information and communications technology ("ICT") systems, vehicles, vessels, and other goods (such as uniform and accoutrement) and services (such as transport and security services). In 2018-2019, ImmD incurred $874 million under the General Revenue Account and $340 million under the Capital Works Reserve Fund on the procurement of various goods and services.

3. The Committee noted the following findings from the Director of Audit's Report:

Procurement of information and communications technology systems

- of eight ICT projects reported as completed projects in the annual reports on major ICT projects submitted to the Finance Committee of the Legislative Council, project expenditure totalling $209.1 million relating to additional work was charged to seven projects after the reported project completion dates;

- up to June 2019, the subheads of the eight completed projects had not been closed, of which five had not incurred any expenditures for four to nine years;

- although the original scope of the updated Information Systems Strategy ("ISS-2") had not covered the new computer systems of the new control point at Kai Tak Cruise Terminal, ImmD used two project votes under ISS-2 to fund the new computer systems;

- out of 16 contracts awarded from 2014-2015 to 2018-2019, 14 had contract prices lower than pre-tender estimates, including five contracts with contract prices significantly lower than pre-tender estimates by 31% to 60%;

- the actual roll-out date of the Application and Investigation Easy System and Electronic Records Programme[1] was a two-year delay as compared to the target roll-out date of December 2006 due to long tendering process and contract negotiation process, extension of system design and development stage to cope with changes in immigration policy, project complexity in the implementation process and the contractor's substandard performance;

- one non-conforming offer was received for the first tender exercise for Automated Vehicle Clearance System to be installed at Shenzhen Bay Control Point due to over-specification and over-prescription in product requirements and mode of service delivery;

Procurement of other goods and services

- there was a significant over-estimation of pre-tender estimate in a tender exercise for a transport service;

- a high threshold of contract value for counting tenderers' experience was included in a tender exercise for a catering service, which was over-stringent and uncommon in other government tenders involving catering services;

- in 26 (79%) of 33 tender exercises examined by Audit, ImmD did not approach potential tenderers for conducting market research work;

- there was limited competition in 122 (61%) of 200 purchases by quotation examined by Audit as only one or two bids were received;

- ImmD conducted 21 quotation exercises to purchase seven items (with cumulative contract value for each item exceeding $1.43 million within 24 months); and

- in six quotation exercises conducted in the period from 2016 to 2018, the quotation documents specified the model number of equipment to be supplied by a specific manufacturer and words such as

[1] In May 2004, ImmD obtained funding approval of $336.8 million for implementing Phase III of ISS-2 which would cover Application and Investigation Easy System to support processing of applications for visas, permits, and travel passes, and registration matters relating to births, deaths, and marriage as well as the Electronic Records Programme to enable transactions in ImmD to be conducted digitally.

"or equivalent" were not included. No justifications for specifying the single product and manufacturer were documented.

4. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding ImmD's practices and procedures for the procurement of ICT, and other goods and services. The replies from **Director of Immigration** are in *Appendix 41*.

5. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.

The Audit Commission ("Audit") conducted a review of the Child Development Fund ("CDF").

2. Hon SHIU Ka-fai declared that he was unremunerated honorary adviser or honorary member to some non-governmental organizations or trade associations.

3. The Administration established CDF in April 2008 with an initial allocation of $300 million. CDF seeks to: (a) support the longer-term development of children from a disadvantaged background; (b) encourage these children to plan for the future and cultivate positive attitudes; (c) provide them with more personal development opportunities; and (d) help them to formulate and implement personal development plans ("PDPs"), develop an asset-building habit, and accumulate financial as well as non-financial assets. The financial commitment on CDF was further increased in 2015 and 2018 by $300 million each. The Administration expected CDF to benefit some 30 000 children with total financial commitment of $900 million. Non-governmental organizations and schools could apply for funding to operate CDF projects. Children participating in projects are those aged between 10 and 16, coming from a disadvantaged background, and not having participated in CDF projects before. One of the key components of CDF projects was the targeted savings programme, under which each participant was required to set a savings target and accumulate savings for realizing his/her PDP. Project operators were provided with funding provisions on a per-participant basis.

4. The management of CDF involved four parties, namely: (a) Labour and Welfare Bureau ("LWB") which is the policy bureau for CDF; (b) Steering Committee on CDF ("SCCDF") which steers the design, and oversees and monitors the implementation of CDF; (c) Vetting Committee which assesses the quality aspects of applications for CDF projects; and (d) Social Welfare Department ("SWD") which assists LWB in the day-to-day administration and monitoring of projects.

5. The Committee noted the following findings from the Director of Audit's Report:

<u>Planning the launch of projects and commissioning project operators</u>

- according to the information provided to the Legislative Council ("LegCo") in 2008 and 2009, it was envisaged that at least

13 600 children would benefit from the first financial commitment of $300 million in three to five years. However, the actual time frame to complete the first batch of CDF projects was eight years, which was longer than the envisaged time frame;

- LWB did not inform LegCo after the estimated total number of participants of CDF was updated to 30 000 in March 2019;

- in the seven years from 2013 to 2019, no non-governmental organization-run projects were launched in 2013 and 2016. The lapse of time between the launch of a batch of non-governmental organization-run projects and the launch of an ensuing batch varied, ranging from 18 to 21 months;

- the methodology of setting of district quotas did not take into account the number of other children who, while not living on Comprehensive Social Security Assistance, were having a disadvantaged background and eligible to join CDF projects. Audit further noted that the number of such other children would be considerable in the order of 150 000;

Implementation of projects

- Audit noted six incidents of non-compliance with requirements on insurance and procurement in the 10 projects examined. SWD did not identify the non-compliance during site visits for four of the six incidents;

- for projects launched from 2018 onwards, operators were required to use 60% of training provisions for participants directly. However, no guidelines had been issued by SWD setting out other principles of using training provisions e.g. on the types and costs of programmes, for operators;

- of the 295 reports required to be submitted as at 31 July 2019, 247 (84%) had been overdue, with delays ranging from 1 to 1 092 days;

- for the 10 projects examined, surplus funds had not been clawed back promptly.[1] Considerable time (e.g. 956 days for a project) had been taken to complete the review of the audited financial reports;

- for 83 completed projects, of the 895 output/outcome indicators stipulated in their service agreements, the agreed standards had not been attained for 136 (15%) indicators. SWD's follow-up actions were less than satisfactory;

Governance and other administrative matters

- for monitoring CDF, a range of information (e.g. statistics on output/outcome indicators) was provided to SCCDF. Less information was provided to SCCDF as more batches of projects were implemented;

- there was a case where an SCCDF member's declaration of interests had not been recorded in the minutes of meeting as required. Records did not show that LWB had reviewed, from time to time, SCCDF's system for declaration of interests having regard to the memorandum issued by Secretary for Home Affairs in 2005;[2]

- publicity and promotion efforts were inadequate to increase the awareness of CDF projects in schools and among school teachers. Teachers and principals had not been reached out via related bodies such as associations of teachers;

- in 2015, LWB informed the LegCo Panel on Welfare Services that it would step up efforts in arranging value-added activities. However, Audit noted that, from 2014 to 2018, the total number of value-added activities had dropped from its peak of 38 in 2016 to 31 in 2018 (18%). The total number of participants had also dropped from 2 602 in 2017 to 1 973 in 2018 (24%); and

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[1] As at 31 July 2019, of the six projects with surplus funds, only two projects had the surplus funds clawed back, while the clawing back for four projects was yet to be done.

[2] Secretary for Home Affairs issued a memorandum in 2005, entitled "Advisory and Statutory Bodies — Declaration of Interests". By the memorandum, bureaux and departments are reminded to review from time to time the system for declaration of interests for the advisory and statutory bodies under their purview, so as to ensure that the system matches the needs of the body concerned.

- taking into account the experience gained over the years in implementing CDF projects, it was worth for LWB to re-examine some parameters of CDF in view of the results of the "Further Study on the Long Term Development of CDF Project Participants" and consider the way forward for CDF.

6. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding planning the launch of projects and commissioning project operators, implementation of projects and governance and other administrative issues. The consolidated replies from **Secretary for Labour and Welfare** and **Director of Social Welfare** are in *Appendix 42*.

7. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.

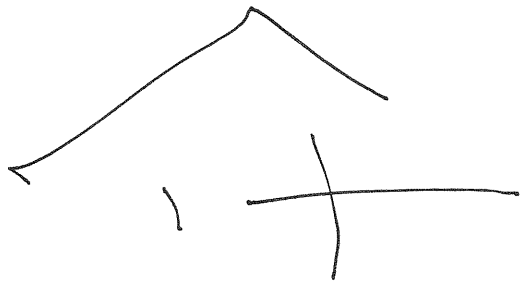
SIGNATURES OF THE CHAIRMAN,
DEPUTY CHAIRMAN AND MEMBERS OF THE COMMITTEE



Abraham SHEK Lai-him
(Chairman)



Kenneth LEUNG
(Deputy Chairman)



Paul TSE Wai-chun



Steven HO Chun-yin



LAM Cheuk-ting



SHIU Ka-fai



Tanya CHAN

21 January 2020

CHAPTERS IN THE DIRECTOR OF AUDIT'S REPORT NO. 73 DEALT WITH IN THE PUBLIC ACCOUNTS COMMITTEE'S REPORT

Director of Audit's Report No. 73 Chapter	Subject	P.A.C. Report No. 73 Chapter
1	Planning, provision and management of public toilets by the Food and Environmental Hygiene Department	1
2	Provision of consultancy, research and development and training services by the Hong Kong Productivity Council	2
3	Governance and administrative issues of the Hong Kong Productivity Council	3
4	Control of wild and stray animal nuisances	4
5	Special education	5
6	Judiciary Administration's work in implementing projects under Information Technology Strategy Plan	6
7	Statistical services provided by the Census and Statistics Department	7
8	Procurement of goods and services by the Immigration Department	8
10	Child Development Fund	9

RULES OF PROCEDURE OF THE LEGISLATIVE COUNCIL OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION

72. Public Accounts Committee

(1) There shall be a standing committee, to be called the Public Accounts Committee, to consider reports of the Director of Audit –

(a) on the accounts of the Government;

(b) on such other accounts required to be laid before the Council as the committee may think fit; and

(c) on any matter incidental to the performance of his duties or the exercise of his powers as the committee may think fit.

(2) The committee shall also consider any report of the Director of Audit laid on the Table of the Council which deals with examinations (value for money audit) carried out by the Director relating to the economy, efficiency and effectiveness of any Government department or public body or any organization to which his functions as Director of Audit extend by virtue of any Ordinance or which receives public moneys by way of subvention.

(3) The committee shall consist of a chairman, deputy chairman and 5 members who shall be Members appointed by the President in accordance with an election procedure determined by the House Committee. *(L.N. 214 of 2005)*

(3A) The chairman and 2 other members shall constitute a quorum of the committee. *(L.N. 214 of 2005)*

(3B) In the event of the temporary absence of the chairman and deputy chairman, the committee may elect a chairman to act during such absence. *(L.N. 214 of 2005)*

(3C) All matters before the committee shall be decided by a majority of the members voting. Neither the chairman nor any other member presiding shall vote, unless the votes of the other members are equally divided, in which case he shall give a casting vote. *(L.N. 214 of 2005)*

(4) A report mentioned in subrules (1) and (2) shall be deemed to have been referred by the Council to the committee when it is laid on the Table of the Council.

(5) Unless the chairman otherwise orders, members of the press and of the public shall be admitted as spectators at meetings of the committee attended by any person invited by the committee under subrule (8).

(6) The committee shall meet at the time and the place determined by the chairman. Written notice of every meeting shall be given to the members and to any person invited to attend a meeting at least 5 clear days before the day of the meeting but shorter notice may be given in any case where the chairman so directs.

(7) *(Repealed L.N. 214 of 2005)*

(8) The chairman or the committee may invite any public officer, or, in the case of a report on the accounts of or relating to a non-government body or organization, any member or employee of that body or organization, to give information or any explanation or to produce any records or documents which the committee may require in the performance of its duties; and the committee may also invite any other person to assist the committee in relation to any such information, explanation, records or documents.

(9) The committee shall make their report upon the report of the Director of Audit on the accounts of the Government within 3 months (or such longer period as may be determined under section 12 of the Audit Ordinance (Cap. 122)) of the date on which the Director's report is laid on the Table of the Council.

(10) The committee shall make their report upon the report of the Director of Audit mentioned in subrule (2) within 3 months (or such longer period as may be determined by the Council) of the date on which the Director's report is laid on the Table of the Council.

(11) Subject to these Rules of Procedure, the practice and procedure of the committee shall be determined by the committee.

Paper presented to the Provisional Legislative Council by the Chairman of the Public Accounts Committee at the meeting on 11 February 1998 on Scope of Government Audit in the Hong Kong Special Administrative Region - 'Value for Money Audits'

SCOPE OF WORK

1. The Director of Audit may carry out examinations into the economy, efficiency and effectiveness with which any bureau, department, agency, other public body, public office, or audited organisation has discharged its functions.

2. The term "audited organisation" shall include -

(i) any person, body corporate or other body whose accounts the Director of Audit is empowered under any Ordinance to audit;

(ii) any organisation which receives more than half its income from public moneys (this should not preclude the Director from carrying out similar examinations in any organisation which receives less than half its income from public moneys by virtue of an agreement made as a condition of subvention); and

(iii) any organisation the accounts and records of which the Director is authorised in writing by the Chief Executive to audit in the public interest under section 15 of the Audit Ordinance (Cap. 122).

3. This definition of scope of work shall not be construed as entitling the Director of Audit to question the merits of the policy objectives of any bureau, department, agency, other public body, public office, or audited organisation in respect of which an examination is being carried out or, subject to the following Guidelines, the methods by which such policy objectives have been sought, but he may question the economy, efficiency and effectiveness of the means used to achieve them.

GUIDELINES

4. The Director of Audit should have great freedom in presenting his reports to the Legislative Council. He may draw attention to any circumstance which comes to his knowledge in the course of audit, and point out its financial implications. Subject to these Guidelines, he will not comment on policy decisions of the Executive Council and the Legislative Council, save from the point of view of their effect on the public purse.

5. In the event that the Director of Audit, during the course of carrying out an examination into the implementation of policy objectives, reasonably believes that at the time policy objectives were set and decisions made there may have been a lack of sufficient, relevant and reliable financial and other data available upon which to set such policy objectives or to make such decisions, and that critical underlying assumptions may not have been made explicit, he may carry out an investigation as to whether that belief is well founded. If it appears to be so, he should bring the matter to the attention of the Legislative Council with a view to further inquiry by the Public Accounts Committee. As such an investigation may involve consideration of the methods by which policy objectives have been sought, the Director should, in his report to the Legislative Council on the matter in question, not make any judgement on the issue, but rather present facts upon which the Public Accounts Committee may make inquiry.

6. The Director of Audit may also -

(i) consider as to whether policy objectives have been determined, and policy decisions taken, with appropriate authority;

(ii) consider whether there are satisfactory arrangements for considering alternative options in the implementation of policy, including the identification, selection and evaluation of such options;

(iii) consider as to whether established policy aims and objectives have been clearly set out; whether subsequent decisions on the implementation of policy are consistent with the approved aims and objectives, and have been taken with proper authority at the appropriate level; and whether the resultant instructions to staff accord with the approved policy aims and decisions and are clearly understood by those concerned;

(iv) consider as to whether there is conflict or potential conflict between different policy aims or objectives, or between the means chosen to implement them;

(v) consider how far, and how effectively, policy aims and objectives have been translated into operational targets and measures of performance and whether the costs of alternative levels of service and other relevant factors have been considered, and are reviewed as costs change; and

(vi) be entitled to exercise the powers given to him under section 9 of the Audit Ordinance (Cap. 122).

PROCEDURES

7. The Director of Audit shall report his findings on value for money audits in the Legislative Council twice each year. The first report shall be submitted to the President of the Legislative Council within seven months of the end of the financial year, or such longer period as the Chief Executive may determine. Within one month, or such longer period as the President may determine, copies shall be laid before the Legislative Council. The second report shall be submitted to the President of the Legislative Council by the 7th of April each year, or such date as the Chief Executive may determine. By the 30th April, or such date as the President may determine, copies shall be laid before the Legislative Council.

8. The Director's report shall be referred to the Public Accounts Committee for consideration when it is laid on the table of the Legislative Council. The Public Accounts Committee shall follow the rules governing the procedures of the Legislative Council in considering the Director's reports.

9. A Government minute commenting on the action Government proposes to take in respect of the Public Accounts Committee's report shall be laid on the table of the Legislative Council within three months of the laying of the report of the Committee to which it relates.

10. In this paper, reference to the Legislative Council shall, during the existence of the Provisional Legislative Council, be construed as the Provisional Legislative Council.

地政總署
LANDS DEPARTMENT

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圖文傳真　Fax:　2525 4960 (C)
電郵地址　Email:　ads3@landsd.gov.hk
本署檔號　Our Ref.: (92)LDC 2/4070/18
來函檔號　Your Ref. : CB4/PAC/CS(70,70A, 71&71A)

覆函請註明本署檔號
Please quote our reference in your reply

我們矢志努力不懈，提供盡善盡美的土地行政服務。
We strive to achieve excellence in land administration.

香港北角渣華道三三三號北角政府合署二十樓
20/F., NORTH POINT GOVERNMENT OFFICES
333 JAVA ROAD, NORTH POINT, HONG KONG

網址 Website : www.landsd.gov.hk

(By Fax : 2543 9197)

Mr Anthony CHU
Clerk, Public Accounts Committee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central Hong Kong

Dear Mr CHU,　　23 January 2020

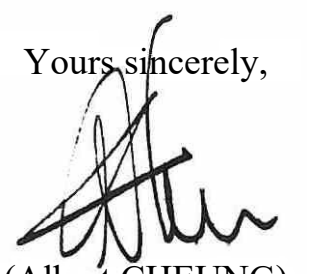
Follow-up to Public Accounts Committee Report No. 39
Small house grants in the New Territories

Thank you for your letter dated 6 January 2020. I am authorised to provide a reply as follows.

The Court of First Instance of the High Court (CFI) handed down the judgement and subsequent orders on the judicial review on the Small House Policy (the Policy) on 8 April and 30 April 2019 respectively. The CFI ruled that the Free Building Licence and Land Exchange arrangements for building small house on private land under the Policy, being a lawful traditional right and interest of the indigenous inhabitants of the New Territories within the meaning of Article 40 of the Basic Law, are lawful and constitutional, while the Private Treaty Grant (PTG) and Land Exchange arrangements for building small house on government land under the Policy are not. The CFI also stated that the judgment would take effect on 8 October 2019. As reported in the Annual Progress Report submitted to the Legislative Council Public Accounts Committee on 31 October 2019, since the judgment involves the interpretation of Article 40 of the Basic Law which is of constitutional importance, having considered legal advice, the Government lodged an appeal on 9 July 2019 with the Court of Appeal against the CFI judgment.

Since the judgment took effect, the Lands Department has suspended the processing of the applications already received for building small house on government land by way of the PTG and Land Exchange arrangements, as well as the receipt of new applications for these two types of grants since 8 April 2019. Pending the results of the appeal, the aforesaid arrangements will be maintained.

Yours sincerely,



(Albert CHEUNG)
for Director of Lands

c.c.
Secretary for Development (Fax no. 2147 3691)
Secretary for Financial Services and the Treasury (Fax no. 2147 5239)
Director of Audit (Fax no. 2583 9063)

政 府 總 部
民 政 事 務 局

香港添馬添美道二號
政府總部西翼十二樓

GOVERNMENT SECRETARIAT
HOME AFFAIRS BUREAU

12TH FLOOR, WEST WING
CENTRAL GOVERNMENT OFFICES,
2 TIM MEI AVENUE
TAMAR
HONG KONG

本局檔號 Our Ref.: S/F(3) to HAB/CR 7/7/8 (RS) Pt. 4
來函檔號 Your Ref.:
電話 Tel.: 3509 8071
圖文傳真 Fax: 2519 7404

15 January 2020

Mr Anthony CHU
Clerk, Public Accounts Committee
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr CHU,

Follow-up to Public Accounts Committee (PAC) Report No. 61
Direct land grants to private sports clubs at nil or nominal premium

I refer to your letter of 6 January 2020 regarding the renewal of Private Recreational Leases (PRLs). Our response to your enquiries on the renewal of the 16 PRLs that expired in 2011 and 2012 is set out as follows.

(a) "whether any additional conditions have been imposed in the new leases according to the recommendations made by the inter-departmental working group"

Of the recommendations made by the inter-departmental working group convened by the Home Affairs Bureau (HAB) to conduct the review of the PRL policy, three would give rise to additional conditions in PRLs namely: (a) requiring private sports clubs suitable for lease renewal to pay a concessionary premium to be set at one-third of the full market value land premium; (b) requiring private sports clubs to further open up their facilities to eligible outside bodies up to 30% of their total sports capacity and partner with sports organisations to organise sports programmes that can be open for enrolment by individual members of the public with a minimum sports programme hours of 240 per month; and (c) enhancing the monitoring of PRLs and the corporate governance of the lessees (in terms of debenture trading).

According to the recommendations of the working group, the relevant additional conditions would be imposed as and when the PRLs are due for renewal. The 16 PRLs in question, last expired in 2011 and 2012, were approved for renewal of 15 years. We would add the above conditions should we decide to renew the leases before their expiry in 2026 and 2027.

(b) "whether the private sports clubs / sports and recreational sites concerned have complied with their lease conditions so far"

We conducted annual site inspections on the PRLs in question and checked the quarterly reports submitted by the private sports clubs concerned. So far, we have not identified non-compliance with the condition added in 2011 and 2012 regarding the opening up of sports facilities to eligible outside bodies for the 16 PRLs. We will continue to monitor the PRL sites through annual inspections and quarterly reports. The Government will also act on complaints and / or referrals regarding cases of non-compliance with lease conditions.

(c) "the latest status of the one remaining expired PRL"

The renewal application is being processed. The site in question is under a holding-over arrangement. This does not affect the opening up of the facilities of the site to eligible outside bodies.

Yours sincerely,

(Miss Dorothy CHEUNG)
for Secretary for Home Affairs

c.c. Director of Lands (fax no. 2525 4960)
Secretary for Financial Services and the Treasury (fax no. 2147 5239)
Director of Audit (fax no. 2583 9063)

食物環境衞生署
Food and Environmental Hygiene Department

食物安全中心
Centre for Food Safety

香港金鐘道 66 號金鐘道政府合署 45 樓
45/F Queensway Government Offices,
66 Queensway, Hong Kong
電話 Telephone: 2867-5693 傳真 Fax: 2530-1368

本函檔號 Our ref.：FEHD CFS/1-125/55/3 C
來函檔號 Your ref.：CB4/PAC/R71

15 January 2020

Mr Anthony CHU
Clerk to Public Accounts Committee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr Chu,

Follow-up on Public Accounts Committee Report No. 71A
Centre for Food Safety: Import Control of Foods

I refer to your letter dated 6 January 2020 requesting this Department to provide follow-up information on the above.

Enclosed please find the relevant information for your reference.

Yours sincerely,

(TSE Oi-yee)
for Director of Food and Environmental Hygiene

c.c.:
Secretary for Food and Health
Secretary for Financial Services and the Treasury
Commissioner of Customs and Excise
Director of Audit

Enclosure

Follow-up on Public Accounts Committee Report No. 71A
Centre for Food Safety: Import Control of Foods

Food and Environmental Hygiene Department's Reply

In reviewing the position of these issues, Public Accounts Committee (PAC) noted from the Government Minute in response to PAC Report Nos. 71A and 72 (as at December 2019) that the Centre for Food Safety had issued a new guideline which required that every import consignment of foods regulated under the Imported Game, Meat, Poultry and Eggs Regulations (Cap. 132AK) must be accompanied by the original copy of health certificate (or Export Declaration agreed under the import protocol between the Centre for Food Safety and European Union for meat imports). In this connection, please advise:

(a) whether the Administration has received any complaints from the trade about the above new arrangement,

(b) since the implementation of the new arrangement, how many cases for which the original copy of health certificate or Export Declaration did not accompany the import consignments; and

(c) whether any discretion was given to the cases in (b) above. If yes, the details; if no, how were the cases resolved. How does the Administration strike a balance between ensuring food safety and facilitating business operation in improving its operational workflow?

Food and Environmental Hygiene Department (FEHD)'s Reply

New Guideline on Control of Foods Imported by Air Implemented by the Centre for Food Safety (CFS)

In light of the Audit Commission's observation, and upon full consideration of the actual operation of the trade, the CFS of FEHD has implemented a new guideline on control of foods imported by air cargo shipments at the airport since January 2019. Specifically, every consignment of imported foods regulated under the Imported Game, Meat, Poultry and Eggs Regulations (Cap. 132AK) must be accompanied by the original copy of health certificate

(or export declaration agreed under the import protocol between the CFS and the European Union for meat imports) and undergo risk-based inspection at the Airport Food Inspection Office (AFIO) prior to release.

The new guideline has been operating smoothly for a year. So far, all relevant imported air cargo consignments have been accompanied by their original health certificates or export declarations and processed by the frontline officers at the AFIO in accordance with the established procedures. The CFS has not received any complaint from the trade on the above arrangement.

The CFS will continue to monitor the implementation of the guideline and heed the trade's views to ensure that the arrangement can strike a balance between ensuring food safety and trade facilitation.

Witnesses who appeared before the Committee
(in order of appearance)

Mr Nicholas YANG Wei-hsiung	Secretary for Innovation and Technology
Ms Annie CHOI Suk-han	Permanent Secretary for Innovation and Technology
Ms Rebecca PUN Ting-ting	Commissioner for Innovation and Technology
Mr Ivan LEE Kwok-bun	Deputy Commissioner for Innovation and Technology
Mr Mohamed D BUTT	Executive Director, Hong Kong Productivity Council
Dr Lawrence CHEUNG	Chief Innovation Officer, Hong Kong Productivity Council
Ms Vivian LIN	Chief Financial Officer, Hong Kong Productivity Council
Prof Sophia CHAN Siu-chee	Secretary for Food and Health
Mr Gilford LAW Sun-on	Principal Assistant Secretary for Food and Health (Food)2
Miss Vivian LAU Lee-kwan	Director of Food and Environmental Hygiene
Miss Diane WONG Shuk-han	Deputy Director of Food and Environmental Hygiene (Environmental Hygiene)
Mr FORK Ping-lam	Assistant Director (Operations)3 Food and Environmental Hygiene Department
Mrs Sylvia LAM YU Ka-wai	Director of Architectural Services
Mr FUNG Kar-chun	Senior Property Services Manager/TS3 Architectural Services Department
Mr LEE Cheuk-hang	Project Manager 365 Architectural Services Department
Mr Joe WONG Chi-cho	Commissioner for Tourism

Miss Kathy CHAN Nap-sze	Assistant Commissioner for Innovation and Technology (Funding Schemes)
Mr Edmond LAI	Chief Digital Officer, Hong Kong Productivity Council
Dr CHUI Tak-yi	Under Secretary for Food and Health

A brief account of Chapter 1 of Report No. 73
"Planning, provision and management of public toilets by the Food and Environmental Hygiene Department"
by the Director of Audit
at the Public Hearing of the Public Accounts Committee
of the Legislative Council on Saturday, 14 December 2019

Mr. Chairman,

Thank you for inviting me here to give a brief account of Chapter 1 of Report No. 73 of the Director of Audit, entitled "Planning, provision and management of public toilets by the Food and Environmental Hygiene Department".

This Audit Report comprises four PARTs.

PART 1 of the Report, namely "Introduction", describes the background of the audit.

According to the Public Health and Municipal Services Ordinance (Cap. 132), the Food and Environmental Hygiene Department (FEHD) may provide and maintain toilets for the use of the public.

FEHD managed 798 public toilets with flushing systems and 51 aqua privies without any flushing system. From 2016-17 to 2018-19, the project costs for new construction, reprovisioning and refurbishment of public toilets were about $280 million. During the five-year period between 2019-20 and 2023-24, the Government will allocate additional resources of about $600 million for refurbishing about 240 public toilets.

PART 2 of the Report examines FEHD's actions in planning and provision of public toilets.

Utilisation rate is a key criterion for considering the provision of public toilets by FEHD. In 2018 or earlier, FEHD used manual counting to collect data on the number of visitors to public toilets. Since early 2019, FEHD has progressively used infrared sensor counting. The Audit Commission (Audit) noted that for 93 of the 149 public toilets which had used both counting methods, there were considerable variances between the utilisation rates found by the two counting methods.

Since 2004, FEHD has adopted 1:2 for male-to-female toilet compartment ratio as a general guideline. However, of the 798 public toilets, 421 (i.e. 53%) toilets did not meet the ratio (i.e. with fewer female compartments than required), of which 360 toilets were constructed or refurbished after 2004. In addition, 418 (i.e. 52%) of the 798 public toilets were not provided with accessible unisex toilets.

Under FEHD's Public Toilet Refurbishment Programme, public toilets being given priority include those with high utilisation rates and located at tourist spots. However, of the 798 public toilets, 138 toilets had not been refurbished for 11 to 18 years, including 29 toilets with high utilisation rates.

According to FEHD guidelines, consideration will be given to providing public toilets at tourist spots. Audit noted that some Legislative Council Members and District Council Members had expressed concerns on inadequate public toilets at tourist spots from time to time. In addition, in planning for refurbishment of public toilets, FEHD had not regularly consulted the Tourism Commission or other stakeholders of the tourism industry regarding conditions of public toilets at tourist spots.

PART 3 of the Report examines actions taken by the Architectural Services Department (ArchSD) and FEHD in managing public toilet works projects.

FEHD mainly engages ArchSD in implementing public toilet works projects. From 2016-17 to 2018-19, ArchSD completed construction of two public toilets and reprovisioning of five public toilets, but about 1 month to 11 months later than the target completion dates. For the reprovisioning of a public toilet in the North District, there was a delay of about 8 months in completing the works. Inadequate resource of the contractor was one of the reasons for the delay.

As of August 2019, there were 84 public toilets included in the Refurbishment Programmes with works not yet completed, including 44 toilets which had been included in the Programmes for about four to eight years after obtaining funding approval. For a public toilet in Yuen Long with works still in progress for eight years after inclusion in the Refurbishment Programme, it took about seven years to work out the design for refurbishment works due to factors including land allocation/acquisition and requests arising from local consultations.

In February 2005, FEHD implemented a programme to convert aqua privies into flushing toilets by seven phases. The initiative was included in the Policy Agenda in 2007-08, with the target of converting all aqua privies into flushing toilets by 2012-13. However, as of June 2019, there were still 51 aqua privies, of which 18 aqua privies had been planned for demolition and the remaining 33 aqua privies were at different stages of conversion works (e.g. under study or in progress).

PART 4 of the Report examines FEHD's management of public toilets.

FEHD has 19 District Environmental Hygiene Offices (DEHOs) for monitoring and management of district environmental hygiene services and facilities in the 18 districts, including public toilets and aqua privies. Cleansing

services of public toilets and aqua privies are provided by contractors or FEHD in-house cleansing workmen. FEHD staff periodically conduct inspections of conditions of hygiene, cleanliness and facilities of the public toilets and aqua privies. Of the 19 DEHOs, Audit selected four DEHOs for examination.

FEHD guidelines have set out the frequency of routine inspections and for facilities in remote area, DEHOs can exercise discretion to determine the most suitable minimum inspection frequency. Audit noted that, of the four DEHOs selected for examination, two DEHOs had exercised discretion under FEHD guidelines to adjust downwards the frequencies of routine inspections for 104 public toilets. The adjustment involved a large number of public toilets converted from aqua privies. In addition, the actual numbers of routine inspections conducted by two DEHOs were fewer than scheduled by 11% and 24% respectively.

Regarding conditions of toilet facilities, from 2015 to 2018, the number of defects referred to the maintenance agents for rectification increased by 33%, while the number of toilets only increased by 1%. Based on the repair and maintenance requests received by ArchSD for public toilets and aqua privies from January 2015 to June 2019, some public toilets required frequent repair and maintenance. In particular, for six public toilets, the number of their repair and maintenance requests averaged 89 to 128 requests per year.

Audit conducted site visits in May and June 2019 respectively to 30 public toilets. The site visits found that some toilets had a large number of defective facilities and were in poor hygiene conditions. The site visits also found that some toilets were not properly used by the public.

According to FEHD, toilet attendant services are provided in public toilets with high utilisation rates or at tourist spots. However, Audit noted that some toilets meeting these criteria were not provided with attendant services, and some toilets provided with attendant services did not meet these criteria. Audit also noted that there was scope for improvement in the provision of attendant rooms and facilities therein.

In the light of the above audit findings, Audit has made recommendations to FEHD and ArchSD accordingly.

Our views and recommendations were agreed by FEHD and ArchSD. I would like to take this opportunity to acknowledge with gratitude the full cooperation, assistance and positive response of the staff of both departments during the course of the audit review.

Thank you, Mr. Chairman.

Public Accounts Committee of the Legislative Council
Public Hearing on Chapter 1 of the Director of Audit's Report No. 73
14 December 2019

Planning, provision and management of public toilets by the Food and Environmental Hygiene Department

Opening Remarks by the Secretary for Food and Health

Chairman,

Public toilets are municipal facilities provided to meet the need of the public and tourists for toilets. The HKSAR Government has attached importance to and allocated more resources in the past two years to improve both the hardware and software of public toilets. As set out in the Chief Executive's Policy Agenda last year, the facilities and services of public toilets located at tourist spots would be improved. The Food and Environmental Hygiene Department (FEHD) has completed comprehensive refurbishment or facelifting works for 20 out of the 23 target public toilets. As announced in the Budget this year, the Government will allocate $600 million for expediting the implementation of the Public Toilet Refurbishment Programme, under which refurbishment or facelifting works for about 240 public toilets will be carried out by phases in the coming five years. FEHD is working closely with the Architectural Services Department (ArchSD) with works expected to commence firstly for 42 public toilets this year.

2. I am grateful for the Audit Commission's constructive comments on FEHD's public toilets. FEHD and ArchSD accept the audit recommendations in general. I am also pleased to learn that the Audit Commission appreciates the efforts of the two departments to accelerate public toilet refurbishment works starting from the current financial year. Based on the experience gained this year, i.e. the first year of the Programme, FEHD and ArchSD will further speed up the refurbishment of public toilets.

3. Besides improving the hardware, FEHD has also endeavoured to improve the daily management of public toilets, including stepping up

site inspections, surprise checks and examination of job records, as well as monitoring the work and performance of contractors. FEHD has also set up dedicated deep cleansing teams from March this year to perform regular deep cleansing services for public toilets with high utilisation rates in various districts.

4. Meanwhile, FEHD is implementing various schemes to improve hygiene, enhance management and achieve timely maintenance of public toilets through the application of technologies. From February last year, FEHD has used infrared technology to count the utilisation rates of public toilets, a technology that the Audit Report also recommends its enhanced use. FEHD expects to complete the counting of nearly 800 public toilets within this year. Besides, FEHD has been working with ArchSD and the Electrical and Mechanical Services Department (EMSD) from the second quarter of this year to develop a mobile application to record and transmit repair and maintenance requests so as to follow up such work and monitor its progress in a more systematic manner. FEHD put the mobile application on trial use together with ArchSD in November this year, and will conduct trials with EMSD next year. These efforts coincidentally match the audit recommendation of using information technology to keep records of repair and maintenance requests for public toilets.

5. While FEHD and ArchSD have made great efforts in recent years to improve the hardware and management of public toilets, we agree that there is still room for improvement in this area. I have asked FEHD to follow up the audit recommendations actively so as to provide the general public with public toilet services that better meet their need. We will also continue to urge members of the public to be considerate and civic-minded when using public toilets.

6. I now invite the Director of Food and Environmental Hygiene to make key responses to the recommendations in the Audit Report on the planning, provision and management of public toilets. Thank you, Chairman.

(Translation)

Legislative Council Public Accounts Committee
Public Hearing on Chapter 1 of the Director of Audit's Report No. 73
on 14 December 2019

Planning, Provision and Management of Public Toilets by the Food and Environmental Hygiene Department

Opening Remarks by the Director of Food and Environmental Hygiene

Chairman and Members,

I would like to respond to the recommendations of the Audit Commission (Audit) in a focused manner.

2. The Food and Environmental Hygiene Department (FEHD) is committed to improving the existing public toilet facilities and services as well as planning and providing new public toilets as appropriate to cater for public needs. Some action plans have been commenced in the past two years. We are grateful to Audit for its audit at this juncture and recommendations on the planning, provision and management of public toilets by FEHD. We generally agree with the Audit recommendations, some of which have already been implemented. We are now exploring the implementation of the remaining recommendations as far as practicable.

3. We will enhance the efforts and efficiency of public toilet refurbishment, management and maintenance in a more strategic and comprehensive way by leveraging on the additional resources obtained, making good use of technology and stepping up collaboration with the relevant departments:

(a) Resource-wise, apart from the dedicated funding of $600 million for taking forward the refurbishment programme involving some 240 public toilets in the coming five years, there will be strengthened manpower to go with it. If the results are satisfactory, we will bid for additional resources to expedite the refurbishment of remaining public toilets in due course;

(b) With the infrared sensor counting data available at the end of 2019, FEHD can measure the utilisation rates of public toilets in a more scientific way. This will facilitate the review of cleansing frequency and planning of maintenance of toilet facilities and refurbishment of public toilets to achieve optimum use of resources. We will also introduce other new technologies to improve the hygiene condition of public toilets;

(c) We will also step up collaboration with the Architectural Services Department (ArchSD) and the Electrical and Mechanical Services Department (EMSD) to improve the design of public toilets, enhance refurbishment/facelifting works, and strengthen the repair and maintenance of facilities.

Planning and Provision of Public Toilets

4. For the male-to-female toilet compartment ratio, all the 24 public toilets newly built or reprovisioned in the past five years met the 1:2 male-to-female toilet compartment ratio, which is stated in FEHD's Handbook on Standard Features for Public Toilets. For those existing public toilets which are yet to meet the ratio, the crux of the problem lies on space constraints. We will alleviate the problem through comprehensive refurbishment programme as far as practicable. We will further review the guidelines on the provision of sanitary fitments, taking into account up-to-date data on the usage patterns of compartments and urinals, and male and female users of public toilets.

5. As far as the lead time for refurbishment of public toilets is concerned, FEHD is rolling out in collaboration with ArchSD 42 projects, including 20 refurbishment projects and 22 facelifting projects in 2019-20. From 2019-20 onwards, the timeline for taking forward a refurbishment project can generally be expedited from 4 to 5 years to 2 to 3 years approximately, and the time required to complete a facelifting project is 1 to 1.5 years, depending on its complexity. If individual project requires longer time to complete due to special circumstances or individual factors, we will solve the problems in collaboration with relevant government departments on a best endeavour basis.

6. On the planning and reprovisioning of public toilets, FEHD will continue to review and evaluate the relevant guidelines and criteria.

In reviewing the adequacy of public toilets at tourist spots, FEHD will consult the Tourism Commission with a view to serving the needs of tourists as far as practicable.

7. On planning for refurbishment of public toilets, FEHD will collaborate with ArchSD to work out a priority list of public toilets for refurbishment or facelifting, having regard to their utilisation rate, services/maintenance condition and location, as well as the time lapsed since they were last refurbished. FEHD is drawing up plans for refurbishment of public toilets with high usage which have not been refurbished for a long time.

8. For better management of public toilets, FEHD has stepped up inspection of target public toilets which have a very high utilisation rate and those which are located at tourist spots since July 2018. Monthly inspection reports are submitted to the management. On top of routine cleansing services, dedicated deep cleansing teams have been set up in districts since March 2019 to enhance deep cleansing services for public toilets with high utilisation rate on a regular basis. Since mid-2019, such deep cleansing teams have been progressively extending to all public toilets over the territory upon renewal of street cleansing services contracts.

9. FEHD has devised measures, according to the Audit recommendation, to step up monitoring of the inspection records of public toilets by inspection officers and remind all district staff to properly record their inspection results in accordance with the relevant guidelines. The revamped electronic Contract Management System (CMS) was fully implemented in November 2019 to ensure that inspection officers input correct inspection information. There is also a new function of reporting public toilet management information to provide management staff with summary reports on cleanliness as well as repair and maintenance conditions of minor facilities of outsourced public toilets, so as to facilitate monitoring of the effectiveness of management work.

10. Moreover, FEHD has developed a mobile application (mobile app) in collaboration with ArchSD and EMSD to facilitate its frontline supervising officers in reporting defective items in terms of accuracy and timeliness, enhance the effectiveness of reporting defects, track the progress of maintenance works and collate management data for further analysis. The trial

application of the mobile app has been rolled out by phases in individual districts from November 2019.

11. FEHD is committed to making optimum use of new technology, providing better facilities and improving the hygiene conditions in public toilets. For example, Atomised Ozonated Water Technology, Nano Bubble Technology, Nano Plasma Driven Catalyst Air Purification Technology, Nano Confined Catalytic Oxidation Technology and Microalgae Technology have been put on trial to improve air quality. We will continue to explore the application of new facilities and new technologies to enhance services in toilets. In parallel, to relieve the wet floor situation of public toilets, FEHD has put on trial one stop provision of wash hand basin, soap dispenser and hand dryer in the form of a Cabinet Wash Hand Basin System to alleviate the wet floor problem caused by water dripping by toilet users.

12. In providing toilet attendant services in public toilets, FEHD will examine the demand for toilet attendants in public toilets, having regard to their utilisation rate. In order to improve the working environment of toilet attendants, FEHD will continue to discuss with ArchSD and, if circumstances permit, make available attendant rooms for public toilets provided with toilet attendant services, and install other relevant facilities, such as power sockets, lockers, ventilation, lighting, oscillating fans, exhaust fans, etc.

Enhancing Public Education

13. In addition to enhancing the facilities and management of public toilets, FEHD will endeavour to upkeep the cleanliness of public toilets and step up cleansing services, while the public should be civic-minded when using public toilets and should properly use the facilities to avoid causing damage of facilities and making them dirty. FEHD will continue to strengthen its efforts in public education.

14. Chairman and Members, we will continue to follow up proactively on other recommendations in the Audit Report. We welcome Members' views and will actively facilitate the work of the Public Accounts Committee. Thank you, Chairman.

食物環境衞生署
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3 January 2020

Mr. Anthony Chu,
Clerk to Public Accounts Committee,
Legislative Council Complex,
Legislative Council Road,
Central, Hong Kong

Dear Mr. Chu,

Public Accounts Committee

Consideration of Chapter 1 of the Director of Audit's Report No. 73

Planning, provision and management of public toilets by the Food and Environmental Hygiene Department

I refer to your letter of 18 December 2019. Our reply is provided in the ensuing paragraphs.

Item (a)(i)

2. To improve the cleansing condition of public toilets and relieve the workload of toilet attendants, the Food and Environmental Hygiene Department (FEHD) has allocated additional resources to procure the services of dedicated deep cleansing team (DCT) starting from March 2019 for deep cleansing of public toilets with high utilisation rates or located at tourist spots. Each DCT comprises one supervisor-cum-driver and four cleansing workmen, and is

equipped with one tipper lorry, one high pressure hot water cleaner and other cleansing equipment, tools and materials. FEHD would extend the DCT services to all street cleansing services contracts upon next contract renewal to be completed by November 2020. The annual estimated expenditure for the territory-wide deployment of DCTs is about $60 million.

Item (a)(ii)

3. On the mobile application developed to record and transmit repair and maintenance requests among FEHD, the Architectural Services Department (ArchSD) and the Electrical and Mechanical Services Department (EMSD), the estimated one-off cost for the development of the mobile application is about $1.2 million. The three departments agreed in principle in April 2019 to proceed with the development of such a device. FEHD started to develop the mobile application in June 2019 and made ready the first batch of application functions in November 2019 for pilot use in 3 districts to transmit repair and maintenance requests for defects in public toilets to ArchSD. The second batch of application functions for transmitting repair and maintenance requests to EMSD on a pilot basis start in January 2020. Our target is to extend the use of the mobile application to the remaining districts in March 2020 tentatively.

4. The mobile application allows FEHD frontline staff to make use of mobile devices to take photos and record the details of defects in public toilets and transmit the repair and maintenance requests instantaneously to ArchSD or EMSD for follow up action. It allows users to record and monitor the progress of repair and maintenance works. Officers concerned will also receive alert of outstanding cases so that timely follow-up action may be taken. Management of the departments may make use of the data/information from the application for analysis to improve public service and work efficiency.

Item (b)

5. FEHD sets out its criteria for provision of public toilets in its Handbook on Standard Features for Public Toilets. In general, consideration will be given to providing public toilets at tourist spots and locations with anticipated high utilisation rates and without adequate alternative toilet facilities

in the vicinity to serve the public/tourists. Many public accessible toilet facilities are currently provided by FEHD and other departments as well as by the private sector in commercial premises. Moreover, households usually have their own toilets nowadays and tourists can access toilet facilities provided in hotels or hostels.

Item (c)

6. In planning for construction, reprovisioning and refurbishment of public toilets, FEHD has put in place an established mechanism to initiate the working process and closely collaborated with other government departments in different stages of work. In planning for construction and reprovisioning of public toilets, FEHD will consider a number of factors, including:

(1) the need for provision of additional public toilets. For example, the number of nearby toilets available for the public and tourists (including the toilets provided by other government departments and the private sector), the estimated number of users of new public toilets, and whether the current situation can be improved by the provision of new public toilets;

(2) the feasibility of provision of additional public toilets. For example, the availability of suitable government land at the proposed location, environmental or technical constraints (including the impact of toilet facilities on the surrounding environment), electricity, water supply and sewerage facilities, etc.; and

(3) other considerations for provision of additional public toilets. For example, the resources required, the views of nearby residents, local communities and District Councils, etc.

7. In planning for refurbishment of public toilets, FEHD will take into consideration a number of factors including condition, level of utilisation, location, design of the public toilets, etc. in identifying the public toilets and determining their priorities for refurbishment.

8. To initiate a project, FEHD will consult relevant departments and parties. For issues concerning land status and land allocation, FEHD will seek comments from the Lands Department. For issues concerning town planning, FEHD will seek comments from the Planning Department. FEHD will also seek the views from respective District Council and local communities to ensure that the stakeholders are well informed and consulted on the proposals. FEHD attaches importance to the public views collected from different channels, to ensure that the construction, reprovisioning and refurbishment works can be completed timely and smoothly.

Item (d)

9. ArchSD is the department responsible for the construction of public toilets. ArchSD will provide the relevant information to the Public Accounts Committee separately.

Item (e)

10. Details of public toilets under the management of FEHD is provided in **Annex I**.

Item (f)(i)

11. Utilisation rate is a key criterion for considering the provision of public toilets by FEHD. The three categories of utilisation rate are measured by the average number of daily visitors of a public toilet. In general, public toilets with less than 100 daily visitors are classified as "low utilisation rate". Public toilets with 100 to 299 daily visitors are classified as "normal utilisation rate". Public toilets with 300 or more daily visitors are classified as "high utilisation rate". FEHD has made broad categorisation of the utilisation rate largely in the light of experience. We are not aware of readily available guidelines that may be put to use in the local context. These categories are formulated to facilitate the planning and deployment of resources for cleansing of public toilets. The cleansing frequency of public toilets depends on the public

demand and usage of the toilets. Generally speaking, toilet attendant services are provided in public toilets with high utilisation rates or at tourist spots to provide continuous toilet cleansing service during duty hours. Mobile cleansing teams will be deployed to provide cleansing service at least twice daily for public toilets with normal and low utilisation rates. Public toilets with higher utilisation rates require more frequent cleansing. A utilisation rate of 300 people each day means an average hourly utilisation of 30 people during the some 10-hour peak period. As such, the threshold of provision of toilet attendant services is considered reasonable for maintaining the hygiene condition of public toilets generally.

Item (f)(ii)

12. FEHD assesses the need for public toilets under the Public Toilet Refurbishment Programme (PTRP) and review individual cases for new, reprovisioning or proposed closure of toilet facilities taking into account the local need, stakeholders' views and other toilet facilities provided in the vicinity. Utilisation rate is one of the factors that FEHD will consider in deciding whether a public toilet would be closed. Although the utilisation rate may be low in some cases, there may still be a genuine need to keep the public toilets for public use where no other alternative is available. For example, residents in squatter areas may not have a toilet in their own houses and need to rely on public toilets. Closure of these toilets may cause genuine inconvenience and affect the hygiene and living standard of this quarter of the community. To close a public toilet, FEHD will also consider the views from the locals and respective District Council.

Item (g)

13. Regarding the 16 public toilets stated in paragraph 2.3 of the Audit Report, 11 public toilets have been closed down and 5 public toilets are still in service taking into consideration the views and requests of local residents and members of District Councils. Another 17 public toilets have been closed down after 2003 in connection with development projects.

Item (h)(i) & (ii)

14. There is no written guideline for conducting manual counting on the number of visitors of public toilets. FEHD arranged manual counting exercises for public toilets by in-house staff, with the assistance of public toilet attendants if required, when refurbishment, reprovisioning or closure of the public toilet is being considered. Combined means of actual counting and estimation are adopted in the manual counting methodology and sampling basis. Manual counting will require manual data collection over a period of time, normally on a few consecutive days including weekend, which require some degree of projection to come to a full-day utilisation rate.

15. In 2018, FEHD explored ways to improve the accuracy of the counting exercise by adopting infrared sensor counting technology and conducting trial in two public toilets. After the successful trial, FEHD has progressively conducted infrared sensor counting for all the public toilets by phases in 2019. FEHD will continue to adopt new technology for people counting and review the effectiveness of the technologies and the utilisation rates of public toilets on a regular basis for planning and management purposes.

Item (h)(iii) & (iv)

16. Conventional infrared sensor counter requires the installation of two sensors at waist level on both sides of the entrance. Blocking of infrared beam of the patrons entering and exiting the public toilets will trigger the counter. On the other hand, laser ranging sensor is installed above the entrance and provides accurate distance measurement whatever the target reflectance. The laser ranging sensor is able to detect an object under the door jam and determines the direction of travel. The device will then be able to use this information to determine whether the object is entering or exiting a public toilet.

17. The data collected can be used for planning and management of public toilets including reviewing the mode of cleansing services for each toilet, the time coverage of cleansing services, planning of male-to-female compartment ratio and best timing for refurbishment.

18. The use of laser ranging sensors for people counting is part of a trial of the smart toilet system at Canal Road Public Toilet and Man Yiu Street Public Toilet since June 2019. The trial is still in progress. For the infrared sensor counting, FEHD arranged the counting exercise of all public toilets (except those under refurbishment works during the period) in three phases starting from February 2019 for completion by January 2020. The total cost is about $0.98 million.

Item (h)(v)

19. FEHD staff conducted spot checks for both counting technologies to assess the accuracy of the data collected. For infrared sensors, FEHD staff conducted on site manual counting and then compared the results with that collected from the infrared sensors to check the accuracy. For laser ranging sensors, the smart toilet system has a web-based platform to provide real time information of the collected data. As such, FEHD staff conducted on site checking to verify whether the counter has accurately recorded people moving in and out of the toilet.

Item (h)(vi) & (vii)

20. FEHD will review the cost effectiveness of these technologies after the completion of headcount by infrared sensors and the trial run of the smart toilet system. In the long run, FEHD may adopt the smart toilet system to continuously monitor public toilets with high utilisation rates and use the data for analytic purpose and service improvement.

Item (i)(i) & (ii)

21. Since 2004, FEHD has adopted the 1:2 male-to-female toilet compartment ratio as a general guideline in planning for construction, reprovisioning and refurbishment of public toilets under its management. Our major consideration then was that female users usually spent a longer time in toilets than male users. We were also mindful that this ratio might not be

achieved in some public toilets because of site or space constraints. These considerations remain valid as of now. Indeed, out of 798 public toilets currently in use, around 460 were converted from Aqua Privies and have no more than 5 compartments in total. The majority of these toilets do not have high utilisation rates. In the last 5 years starting from 2015-16, we are able to meet the ratio in all 24 newly built or reprovisioned public toilets. On refurbished public toilets, 54 out of 73 could also achieve the ratio. We are unable to apply the ratio to the remaining 19 toilets mainly because of space constraints and/or high usage rate of the male toilets. FEHD has initiated an exercise in early 2019 to assess the demand and usage pattern of public toilets under its management with application of infrared sensor counting technology. We will make use of the information available to review how the existing 1:2 compartment ratio should apply to individual toilets, and whether sanitary fitments should be used as the basis of calculation instead. We expect to complete the review in 2020.

22. FEHD had not made reference to other guidelines and regulations when working out this ratio. In practice, before the construction or refurbishment of a public toilet, the design consultant will first strive to achieve the male-to-female compartment ratio. Depending on the remaining space in male toilet, the consultant will consider providing as many urinals as possible so as to fully utilise the space available. Hence, the number of urinals very much depends on the space available in the male toilet. FEHD has not set a number or ratio requirement for urinals. Nevertheless, FEHD has initiated a review on provision of sanitary fitments including urinals taking into account up-to-date information on usage pattern of compartments and urinals as well as the ratio of male and female users of public toilets.

Item (i)(iii)

23. FEHD has set guideline on the area of each female and male compartment in public toilets. Internal area for each compartment in male and female toilets should measure 900mm wide and 1500mm long between finished wall surfaces.

Item (j)

24. FEHD has initiated a review on the guideline on the provision of sanitary fitments in public toilets and aims to complete the review in 2020. We would consider the best arrangements for meeting public demand for public toilet facilities in the light of the outcome of the review.

Item (k)

25. In handling requests for provision of public toilets, FEHD will consider a number of factors, including:

(1) the need for provision of additional public toilets, e.g., the number of nearby toilets available for the public and tourists (including the toilets provided by other government departments and the private sector), estimated number of users of new public toilets, and whether the current situation can be improved by the provision of new public toilets;

(2) the feasibility of provision of additional public toilets, e.g., the availability of suitable government land at the proposed location, environmental or technical constraints (including the impact of toilet facilities on surrounding environment), electricity, water supply and sewerage facilities, etc.; and

(3) other considerations for provision of additional public toilets, e.g., the resources required, the views of nearby residents, local communities and District Councils, etc.

26. Construction projects of public toilets will be implemented by ArchSD and are usually funded under block votes for Category D projects in the Public Works Programme under the Capital Works Reserve Fund. The Director of Architectural Services is the vote controller of the related block votes. When the issues stated in (1) to (3) above are all resolved, FEHD will submit the proposal through ArchSD for funding approval for Category D projects.

Item (l)

27. In general, the initiating department such as Transport Department will consider the scope of works and facilities of new works projects including public transport interchanges. If public toilet facilities are considered necessary, the initiating department will consult FEHD on the provision and management of such facilities in the proposed project. Similarly, if the initiating department has other considerations in public facilities related to MTR stations, they will consult the MTR Corporation Limited (MTRCL). To our understanding, the MTRCL has been providing public toilet facilities in some MTR stations after major renovation works. MTRCL will also consider providing public toilets within, or adjacent to, stations in the overall design parameters for future new lines and extensions, subject to geographical constraints. In considering the need for provision of new public toilets by FEHD, FEHD will check the availability of toilets nearby available for public use to determine the actual demand of a new public toilet.

Item (m)

28. In planning for construction, reprovisionsing and refurbishment of public toilets, FEHD will consider a number of factors as specified in our reply to item (c) above.

29. Practically speaking, the need for new and reprovisioned public toilets has to be assessed on a case by case basis having regard to the ground situation, including but not limited to the above factors. As a general rule in the assessment, head counting would be conducted to collect the updated utilisation rate of a particular public toilet. Information on alternative toilet facilities in the vicinity would be collected by research and site visits. Availability of government land would be checked through site search procedure and where government land is available. Information about site constraints would be obtained through technical feasibility study with the assistance from relevant departments including Planning Department, Lands Department and ArchSD. The above procedures have already set the framework to ensure the provision of new and reprovisioned public toilets is arranged in a consistent manner.

30. FEHD will keep under review and evaluate its guidelines on and criteria for provision of new and reprovisioned public toilets. Since there is no specific definition for tourist spots in Hong Kong, FEHD has started since April 2018 to consult the tourism sector through the Tourism Commission (TC) to gather their views on priority areas of work required. This notwithstanding, we consider that the planners or operators of new tourist attractions are in a better position to plan adequate toilet facilities to serve tourists at the planning stage. FEHD will continue to consult the TC for review of the adequacy of public toilets at tourist spots, with a view to better serving the need of tourists.

Item (n)

31. The general considerations for providing portable toilets are similar to those for a permanent toilet as listed under item (c) of this reply, which includes the need for the provision of additional public toilet facilities and the views of nearby residents, local communities and District Councils, etc.

32. In case where no toilet facilities are available and the need for a public toilet is established but there are constraints on construction of a public toilet due to space, environmental or technical constraints of individual sites, FEHD will consider providing portable toilet service at suitable locations as an interim measure pending a longer term arrangement.

33. Portable toilets are required to be desludged regularly and may create environmental nuisance and arouse public concern. FEHD will take this into account in considering whether to provide portable toilets at tourist attractions, and consult relevant stakeholders before taking forward any such proposals.

Item (o)

34. Portable toilets are provided where needed. To meet the public expectations for better services at portable toilets, we have commenced a one-year trial at two locations with high utilisation rates, namely Lok Ma Chau Public Transport Interchange and Tai Lam Tunnel Bus-Bus Interchange, from June and November 2019 respectively. The portable toilet at Lok Ma Chau Public Transport Interchange has 4 pedestal type water closets, 2 urinals and 4

wash hand basins. The one at Tai Lam Tunnel Bus-Bus Interchange has 6 pedestal type water closets, 2 urinals and 4 wash hand basins. The needs for public toilets are established in both locations but there are constraints on the construction of permanent public toilets at these locations in the short term. The provision of permanent public toilets as a longer term arrangement is being considered for both locations. The container-type portable toilets are equipped with pedestal type water closets, urinals and wash hand basins and a solar power system to provide power for lighting, ventilation and pumping systems. Other special features include:

- Non-absorbing floor tiles: to prevent urine infiltration and the associated smell problem;

- Non-flushing urinal: the urinals have special coating and sealant to prevent urine accumulation and smell problem, and flushing water is also saved;

- Environmental-friendly flushing system: wastewater from wash hand basins is collected for flushing in water closets; and

- Water seal of water closet - prevent smell from running out from the sewage tank.

35. The monthly rental costs of the container-type portable toilets at Lok Ma Chau Public Transport Interchange and Tai Lam Tunnel Bus-Bus Interchange are $67,000 and $88,500 respectively. It includes the provision of the container toilet, transportation, installation of the container, warranty of the facilities and desludging for the portable toilet. For the portable toilet at Tai Lam Tunnel Bus-Bus Interchange, as the site is not located close to the roadside, the initial installation/construction cost of the portable toilet was comparatively higher. In addition, as there is no water and electricity supply for the site at Tai Lam Tunnel Bus-Bus Interchange, it is necessary to arrange for water wagon to refill the water storage tank and to provide a solar energy system to pump water from the water storage tank to flush the toilets after use. Hence, the rental cost of the container-type portable toilet at Tai Lam Tunnel Bus-Bus Interchange is higher than that of the Lok Ma Chau Public Transport Interchange.

36. We will evaluate the effectiveness of the trial mainly based on the number of defective facilities reported and the number of complaints received, as well as responsiveness of the service contractor in repairs and maintenance works and attending to desludging services.

Item (p)

37. In considering public toilets for refurbishment, FEHD will accord priority to public toilets fulfilling the following four criteria: (a) old designs which have not undergone comprehensive refurbishment; (b) with unsatisfactory internal repair and maintenance conditions; (c) with high utilisation rates; and (d) located at tourist spots. While there is no specific guideline to precisely define the criteria, in respect of (a), we would assess whether the public toilets are of old design, generally with regard to the time lapse since the public toilets were built or last refurbished. On (b), internal condition/state of wear and tear of a public toilet is assessed internally by district staff who conduct regular on-site inspections. On (c), a toilet with 300 or more daily visitors on average is classified as having a high utilisation rate. Since early 2019, FEHD has progressively conducted an infrared sensor counting exercise to replace manual counting to assess the number of visitors to public toilets and their usage pattern. On (d), we would consider the public toilets based on our knowledge of traditionally known tourist spots and referral from the trade and local community as well as the views of the TC.

38. Of the 477 public toilets which have been included under the annual PTRP since 2000-01, 114 are pending for completion (as at 31 December 2019). The project costs of completed projects under the PTRP since 2000-01 with project expenditure finalised ranged from $0.8 million to $10 million.

Item (q)

39. FEHD has all along taken into account factors including internal and repair conditions, time of last refurbishment, patronage rate and location (e.g. at tourist spots) in identifying public toilets for inclusion into PTRP. In the past, FEHD worked with ArchSD to come up with a priority list of public toilets for refurbishment every year and a number of public toilets will be selected in view of other competing priorities.

40. In 2018, FEHD has reviewed the overall progress of the PTRP and considered that more public toilets meeting the basic criteria should be included in the Programme. With a 10-year refurbishment cycle as a general indicator, FEHD has taken the initiative to bid for additional resources, leading to the earmarking of $600 million for commencing full-scale refurbishment or facelifting of some 240 public toilets by phases in the five-year period starting from 2019-20. FEHD and ArchSD have also secured additional manpower resources to expedite the works. We are prepared to bid for more funding to sustain the momentum of the Programme with more operational experience in hand.

Item (r)(i)&(ii)

41. The location of 61 public toilets featured in paragraph 2.36(b)(i) of the Audit Report with utilisation rates is provided in **Annex II**.

42. Of these 61 public toilets, refurbishment works for two public toilets (namely Chun Wah Road Public Toilet and Ngong Ping Bus Terminus Public Toilet) were completed in May and August 2019 respectively. As for the remaining 59 public toilets, 29 public toilets have been included in the PTRP more recently from 2017-18 to 2019-20.

43. For public toilet projects included under the PTRP prior to the implementation of the improvement measures following the completion of a review on the workflow of the projects in 2016, it normally takes about four to five years to complete the projects. Some individual projects, particularly those included in the PTRP in earlier years, may require a longer lead time for completion due to special circumstances or factors, such as site constraints requiring detailed technical assessments; complications involving land issues or private land; planning and interface issues involving other works or development projects; and the need to obtain stakeholders' support of the design proposals, etc.. FEHD has been working in collaboration with ArchSD to expedite the refurbishment projects and a shortened timeline of 2 to 3 years for implementing a refurbishment project applies to the Enhanced Public Toilet Refurbishment Programme (Enhanced PTRP).

Item (r)(iii)

44. In order to expedite the progress of works, FEHD and ArchSD conducted a review in 2016 on the workflow of the public toilet refurbishment works. Since 2016, the following improvement measures have been implemented:

(a) Applications for land allocations from LandsD would be made at early stages as soon as the PTs are shortlisted for inclusion in the PTRP pending funding approval or when the site boundaries are confirmed. Action would be taken to closely monitor the progress of the applications for land allocations;

(b) Once the designs of the toilets to be refurbished are available, early public consultations on the refurbishment works would be arranged;

(c) Stepping up the monitoring of the performance of the project consultants/contractors so as to speed up the submissions of the design proposals for vetting; and

(d) Action has been taken to expedite the vetting of the design proposals submitted by project consultants/contractors in order to commence the works as soon as possible.

Item (r)(iv)

45. The latest progress of the 59 PT refurbishment projects, including their works programme, are set out at **Annex III**.

Item (s)(i)

46. FEHD shortlists a specific number of public toilets for refurbishment works annually under the PTRP which has been implemented since 2000. Under PTRP, priority will be given to shortlisted targeted toilets fulfilling the prevailing criteria of old designs which have not undergone major

refurbishment; with high utilisation rates; located in popular scenic areas or at tourist spots; and with unsatisfactory internal condition / state of repairs.

47. The scope of works mainly includes adoption of new design, improvement in internal toilet layout, beautification of exterior walls and replacement of materials and installations. The outlook and facade of public toilets will also be refurbished if needed, such as repainting of external walls, and replacement of wall tiles, etc. Subject to individual public toilet's layout and condition, feature or thematic wall will be adopted.

48. Prior to the implementation of the improvement measures following the completion of a review on the workflow of the projects in 2016, each refurbishment project under the PTRP took about 4-5 years in general for completion. The project costs of completed projects under the PTRP since 2000-01 with project expenditure finalised ranged from $0.8 million to $10 million depending on the size of toilets and scope of works included in the projects.

49. Starting in August 2018, we have introduced an enhanced model named the Enhanced PTRP, which is divided into two subtypes of works namely refurbishment and facelifting. All new refurbishment or facelifting projects would come under the Enhanced PTRP. For projects which have already started before then under the PTRP, they would be taken forward accordingly as planned.

50. Under the Enhanced PTRP, the targeted toilets, scope of works and estimated cost of works per project of refurbishment under the Enhanced PTRP is the same as that under PTRP while the overall timeline will be shorter and takes about 2-3 years.

51. As regards the selection of targeted toilets for facelifting works, the criteria include public toilets with high utilisation rates and already dilapidated rapidly but premature for another round of refurbishment and subject to serious criticisms and public toilets which have not undergone refurbishment for quite a long period of time and with unsatisfactory internal condition/state of repairs without structural defects (e.g. spalling), and can be simply made good by facelifting without change of layout.

52. The scope of works under facelifting mainly includes replacement of aged facilities and installation of new features, with the prevailing layout and exterior wall remaining unchanged. In general, each facelifting project will take about 1-1.5 years and the estimated average cost of works per project is about $1.5 million.

Item (s)(ii)

53. There is no overlapping between the public toilets in Table 4 of the Audit Report and the 42 public toilet projects being rolled out in 2019-20.

Item (s)(iii)

54. Of the nine public toilets with high utilisation rates and not refurbished for more than 10 to 12 years (Table 5), one has been included in the Enhanced PTRP in 2020-21, and eight are planned to be included in the PTRP in 2021-22. A list of these toilets is provided in **Annex IV**.

Item (s)(iv)

55. Of the 19 public toilets as mentioned in paragraph 2.37(b)(ii), eight have been included in the Enhanced PTRP in 2020-21, and 11 are planned to be included in the PTRP in 2021-22. A list of these public toilets is provided in **Annex V**.

Item (s)(v)

56. The required information on the workflow for implementing public toilet refurbishment and facelifting projects under the Enhanced PTRP, as well as the location, estimated cost, progress, estimated works commencement and completion dates of the 42 PTs under the PTRP in 2019-20 are set out at **Annexes VI and VII** respectively.

Item (s)(vi)

57. Under the Enhanced PTRP, the Government has committed to earmarking about $600 million for commencing refurbishment or facelifting works for about 240 public toilets of FEHD by phases in the five years from 2019-20 to 2023-24. As the condition of the public toilets would vary over time, FEHD is adopting an incremental approach to make the best decision in the selection of toilets for refurbishment each year based on the latest observations and information available. 42 public toilets (comprising 20 toilets for refurbishment and 22 toilets for facelifting) had been selected with funding approval for implementation in 2019-20. As mentioned in our replies for (s)(iii) and s(iv), we have included/are planning to include a number of public toilets with high utilisation rates in the Enhanced PTRPs in 2020-21 and 2021-22. We will prioritise the remaining public toilets for inclusion in the Enhanced PTRP having regard to their utilisation rates and conditions, particularly those with high utilisation rates and in ageing conditions. If the results are satisfactory, we will bid for additional resources to expedite the refurbishment of remaining public toilets which may require funding beyond the $600 million earmarked.

Item (t)

58. Public toilets are provided to the general public. However, in the light of the tourism trade's feedback that tourists often utilise public toilet facilities at major tourist spots, a new initiative to "carry out comprehensive refurbishment works for those public toilets of FEHD with high utilisation rates or located at tourist hotspots" was announced in the 2018 Policy Agenda. In this connection, FEHD has started since April 2018 to consult the tourism sector through the TC to gather their views on the priority areas of work required.

59. In this connection, a list of 23 public toilets under FEHD's management at the major tourist spots were identified and followed up. Refurbishment and facelifting projects have been carried out since August 2018. With regular communication with TC, we continue to keep TC informed of the progress and receive feedback from the trade on the refurbishment or facelifting works for public toilets at major tourist spots. Public feedback on the refurbished or facelifted public toilets is generally positive. FEHD is working

in collaboration with TC to put in place a mechanism to receive from the tourism trade their feedback on the performance of public toilets of concern to them, to consult them on our plans to refurbish or facelift public toilets at scenic areas or tourist spots, and to report progress of such works. We plan to consult TC at least once every year, while dialogue on specific issues would be maintained as necessary throughout the year.

Item (u)

60. The one-stop provision of wash hand basin, soap dispenser and hand dryer in the form of a Cabinet Wash Hand Basin System has been installed in Tsuen Wan Multi-storey Car Park Building Public Toilet and Tak Wah Park Public Toilet on a trial basis during the recent toilet refurbishment. The new system was part of the refurbishment works carried out by ArchSD. ArchSD will provide the relevant cost information to the Public Accounts Committee separately.

61. The two toilets have been re-opened to the public after refurbishment in October and November 2019 respectively. In assessing the effectiveness of the system, FEHD will monitor the floor condition of toilets, review the comments of toilet users, e.g. complaints and suggestions received, views of the toilet attendants and working condition of the new system. FEHD aims to complete evaluation on the effectiveness of the new system by the second quarter of 2020.

Item (v)

62. To improve the cleanliness of public toilets, FEHD are enhancing public toilet management and maintenance with provision of additional resources, application of technology and stepping up collaboration with relevant maintenance departments. Specific measures include:

- provision, on a trial basis since September 2019, of toilet seat sanitizer in toilet compartments of one public toilet for disinfection of water closet seats. Disposable toilet seat covers are currently not provided in our public toilets because of

environmental protection considerations.

- provision of dedicated DCTs progressively since March 2019 for public toilets to enhance toilet cleansing services;
- trial of one stop provision of wash hand basin, soap dispenser and hand dryer in the form of a cabinet wash hand basin system, the provision of high speed electric hand dryers with a drip tray and the installation of modified blower fans under wash hand basins to alleviate the wet floor problem caused by dripping hands of toilet users;
- trial of anti-bacterial coating on urinals and water closets to inhibit bacterial growth and enhance cleanliness; and
- trial of nano-bubble technology and atomised ozonated water technology in the flushing system to inhibit bacteria growth and degrade odour molecules.

63. We are monitoring progress of the above measures on trial and would evaluate their effectiveness before full implementation.

Yours sincerely,



(POON Ping-yeung)
for Director of Food and Environmental Hygiene

c.c. Secretary for Food and Health (fax no. 2526 3753)
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Commissioner for Tourism (fax no. 2801 5792)
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Information on 798 Public Toilets

Information on Public Toilets in Central/Western District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Wa Hing Lane Public Toilet and Bathhouse	21	12	3	0	0	1 : 0.57	1 : 0.5	1 : 0.8
2	Star Ferry Multi Storey Car-park Public Toilet	3	7	5	0	1	1 : 2.33	1 : 0.88	1 : 0.35
3	Exchange Square Public Toilet	3	4	6	0	1	1 : 1.33	1 : 0.44	1 : 0.45
4	Old Peak Road Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.9
5	Rumsey Street Multi Storey Car-park Public Toilet	5	3	0	1	0	1 : 0.6	1 : 0.5	1 : 0.38
6	Mee Lun Street Public Toilet	4	8	4	0	0	1 : 2	1 : 1	1 : 0.46
7	Wellington Street Public Toilet (Male Only)	6	0	7	0	0	Male Toilet Only		
8	Queen's Road Central Public Toilet	10	13	0	2	0	1 : 1.3	1 : 1.08	1 : 0.45
9	Ice House Street Public Toilet	4	5	0	1	1	1 : 1.25	1 : 1	1 : 0.83
10	Glenealy Public Toilet	2	4	2	0	0	1 : 2	1 : 1	1 : 0.79
11	Robinson Road Public Toilet	2	0	2	0	0	Male Toilet Only		
12	Hong Kong Park Indoor Game Hall Public Toilet	3	4	5	0	1	1 : 1.33	1 : 0.5	1 : 0.18
13	Kennedy Road Public Toilet	2	2	3	0	1	1 : 1	1 : 0.4	1 : 0.62
14	MacDonnell Road Public Toilet	0	0	2	0	0	Male Toilet Only		
15	May Road Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.86
16	Wing Wo Street Public Toilet	8	9	0	2	1	1 : 1.13	1 : 0.9	1 : 0.78
17	Hatton Road Public Toilet	1	3	3	0	1	1 : 3	1 : 0.75	1 : 0.65
18	Lan Kwai Fong Public Toilet	5	11	6	0	1	1 : 2.2	1 : 1	1 : 0.22
19	Macau Ferry Bus Terminus Public Toilet	6	6	0	1	2	1 : 1	1 : 0.86	1 : 0.37
20	Man Yiu Street Public Toilet	3	5	1	1	1	1 : 1.67	1 : 1	1 : 0.6
21	Peak Tower Public Toilet	6	8	5	0	0	1 : 1.33	1 : 0.73	1 : 0.45
22	Man Fai Street Public Toilet	3	5	5	0	1	1 : 1.67	1 : 0.63	*N/A
23	Ladder Street Public Toilet	6	7	0	1	0	1 : 1.17	1 : 1	1 : 0.7

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
24	Lok Ku Road Public Toilet	6	7	7	0	0	1 : 1.17	1 : 0.54	1 : 0.61
25	Hospital Road Public Toilet	2	3	4	0	0	1 : 1.5	1 : 0.5	1 : 0.8
26	Wing Lok Street Public Toilet	5	4	5	0	0	1 : 0.8	1 : 0.4	1 : 0.2
27	In Ku Lane Public Toilet	10	8	10	0	1	1 : 0.8	1 : 0.4	1 : 0.16
28	Mui Fong Street Temporary Public Toilet	2	2	2	0	2	1 : 1	1 : 0.5	*N/A
29	Kotewall Road Public Toilet	2	1	0	1	0	1 : 0.5	1 : 0.33	1 : 0.69
30	Belcher's Street Public Toilet	3	6	4	0	1	1 : 2	1 : 0.86	1 : 0.76
31	Smithfield Municipal Services Building Public Toilet	4	6	5	0	1	1 : 1.5	1 : 0.67	1 : 0.46
32	Kennedy Town Bus Terminus Sai Ning Street Public Toilet	4	2	0	1	1	1 : 0.5	1 : 0.4	*N/A
33	Pound Lane Public Toilet and Bathhouse	11	8	4	0	1	1 : 0.73	1 : 0.53	1 : 0.51
34	Water Street Public Toilet and Bathhouse	8	6	4	0	1	1 : 0.75	1 : 0.5	1 : 0.73
35	Shek Tong Tsui Municipal Services Building Public Toilet	4	8	3	0	1	1 : 2	1 : 1.14	1 : 0.46
36	Centre Street Public Toilet	4	8	6	0	Y	1 : 2	1 : 0.8	1 : 0.62

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Wan Chai District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Lin Fa Kung Public Toilet	4	8	3	0	0	1 : 2	1 : 1.14	1 : 0.78
2	Bowen Road Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	1 : 0.75
3	Sing Woo Road Public Toilet	6	6	6	0	1	1 : 1	1 : 0.5	1 : 0.92
4	Tai Hang Road Public Toilet	4	6	5	0	1	1 : 1.5	1 : 0.67	1 : 0.26
5	Wan Chai Market Public Toilet	4	6	2	1	1	1 : 1.5	1 : 0.86	1 : 0.9
6	Warren Street Public Toilet	6	8	5	0	1	1 : 1.33	1 : 0.73	1 : 0.38
7	Moreton Terrace Public Toilet	2	4	3	0	1	1 : 2	1 : 0.8	1 : 0.83
8	Wong Nai Chung Road Public Toilet	3	4	7	0	1	1 : 1.33	1 : 0.4	1 : 0.24
9	Morrison Hill Road Public Toilet	5	5	5	0	1	1 : 1	1 : 0.5	1 : 0.8
10	Canal Road Public Toilet	6	12	9	0	1	1 : 2	1 : 0.8	1 : 0.3
11	Cross Lane Public Toilet	6	12	6	0	1	1 : 2	1 : 1	1 : 0.26
12	Southorn Centre Public Toilet	8	14	7	0	1	1 : 1.75	1 : 0.93	1 : 0.33
13	Kat On Street Public Toilet	10	11	0	1	1	1 : 1.1	1 : 1	1 : 0.24
14	Expo Drive East Public Toilet	5	10	8	0	2	1 : 2	1 : 0.77	1 : 1.25
15	Wan Chai North Temporary Public Transport Interchange Public Toilet	2	4	5	0	1	1 : 2	1 : 0.57	1 : 0.14
16	Amoy Street Public Toilet	6	12	7	0	2	1 : 2	1 : 0.92	1 : 0.33
17	Wing Hing Street Public Toilet	8	8	6	0	2	1 : 1	1 : 0.57	1 : 0.58
18	Hing Fat Street Public Toilet	9	13	9	0	1	1 : 1.44	1 : 0.72	1 : 1.74

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Eastern District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Ning Foo Street Public Toilet	5	10	12	0	1	1 : 2	1 : 0.59	1 : 0.7
2	Kam Wa Street Public Toilet	5	8	9	0	1	1 : 1.6	1 : 0.57	1 : 2.08
3	A Kung Ngam Village Road Temporary Public Toilet	3	3	2	0	0	1 : 1	1 : 0.6	1 : 0.45
4	Nam On Street Public Toilet	4	4	3	0	1	1 : 1	1 : 0.57	1 : 0.56
5	Hoi Ning Street Public Toilet	8	8	6	0	1	1 : 1	1 : 0.57	1 : 0.8
6	Quarry Bay Market Public Toilet	3	6	3	0	1	1 : 2	1 : 1	1 : 0.19
7	Pak Fuk Road Public Toilet	3	6	4	0	0	1 : 2	1 : 0.86	1 : 0.26
8	Java Road Public Toilet	3	5	6	0	1	1 : 1.67	1 : 0.56	1 : 0.36
9	Tong Shui Road Public Toilet	4	8	5	0	1	1 : 2	1 : 0.89	1 : 0.94
10	Oil Street Public Toilet	3	2	3	0	0	1 : 0.67	1 : 0.33	1 : 0.7
11	Tung Hei Road Public Toilet	3	6	5	0	1	1 : 2	1 : 0.75	1 : 0.34
12	Sheung On Street Public Toilet	2	4	2	0	1	1 : 2	1 : 1	1 : 0.18
13	North Point Ferry Pier Public Transport Interchange Public Toilet	4	8	7	0	1	1 : 2	1 : 0.73	1 : 0.32

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Southern District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Pokfulam Road near Queen Mary Hospital Public Toilet	2	4	0	1	1	1 : 2	1 : 1.33	1 : 0.47
2	Pokfulam Village Public Toilet Block A	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
3	Pokfulam Village Public Toilet Block B	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
4	Pokfulam Village Public Toilet Block C	1	2	3	0	0	1 : 2	1 : 0.5	*N/A
5	Pokfulam Village Public Toilet Block D	4	4	3	0	0	1 : 1	1 : 0.57	*N/A
6	No.16 Aberdeen Main Road Public Toilet	10	10	8	0	1	1 : 1	1 : 0.56	1 : 0.48
7	Yip Fat Street Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
8	Repulse Bay Bus Terminus Public Toilet	3	3	4	0	1	1 : 1	1 : 0.43	*N/A
9	Repulse Bay Beach Road Public Toilet	3	6	4	0	0	1 : 2	1 : 0.86	1 : 0.48
10	Repulse Bay Public Toilet (near Life Saving Association)	1	2	6	0	0	1 : 2	1 : 0.29	1 : 0.66
11	Repulse Bay Public Toilet (near No.16 Repulse Bay Beach Road)	0	0	0	0	1	1 AUT Only		
12	Middle Bay Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	*N/A
13	South Bay Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
14	Stanley Link Road Public Toilet	2	3	3	0	1	1 : 1.5	1 : 0.6	*N/A
15	Stanley Tytam Village Public Toilet	2	2	1	0	0	1 : 1	1 : 0.67	*N/A
16	Stanley Main Steet Public Toilet	2	4	4	0	1	1 : 2	1 : 0.67	1 : 0.95

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
17	Shek O Village Public Toilet	3	6	3	0	1	1 : 2	1 : 1	*N/A
18	Wu Nam Street Public Toilet	4	8	6	0	1	1 : 2	1 : 0.8	1 : 0.48
19	Apleichau Municipal Services Building Public Toilet	4	7	9	0	1	1 : 1.75	1 : 0.54	*N/A
20	Lee Lok Street Public Toilet	4	7	6	0	1	1 : 1.75	1 : 0.7	*N/A
21	Shum Wan Road Public Toilet	2	4	0	0	1	1 : 2	1 : 2	*N/A
22	Stanley Municipal Services Building Public Toilet	9	11	6	0	1	1 : 1.22	1 : 0.73	1 : 0.88
23	Stanley Waterfront Public Toilet	2	4	2	0	1	1 : 2	1 : 1	*N/A

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Islands District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Chung Hing Back Street Public Toilet	3	6	0	1	1	1 : 2	1 : 1.5	1 : 0.64
2	San Hing Back Street Public Toilet	4	8	4	0	1	1 : 2	1 : 1	1 : 0.9
3	Pak She Street Public Toilet	4	6	4	0	1	1 : 1.5	1 : 0.75	1 : 0.89
4	Chueng Chau Peak Road Public Toilet cum Bathhouse	7	6	4	0	1	1 : 0.86	1 : 0.55	1 : 0.44
5	Peak Road West Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.62
6	Yung Shue Wan Public Toilet	4	4	3	0	1	1 : 1	1 : 0.57	1 : 0.93
7	Sok Kwu Wan Public Toilet	4	4	3	0	1	1 : 1	1 : 0.57	1 : 0.88
8	Peng Chau Wing On Side Street Public Toilet cum Bathhouse	5	6	10	0	2	1 : 1.2	1 : 0.4	1 : 0.45
9	Ngong Ping Bus Terminus Public Toilet, Lanatu	2	4	3	0	1	1 : 2	1 : 0.8	*N/A
10	Tai O Road Public Toilet	4	5	4	0	1	1 : 1.25	1 : 0.63	1 : 0.85
11	Shek Tsai Po Street Public Toilet	5	7	3	0	0	1 : 1.4	1 : 0.88	*N/A
12	Tai Ping Street Public Toilet, Tai O	2	3	3	1	1	1 : 1.5	1 : 0.5	*N/A
13	Mui Wo Ferry Pier Public Toilet	5	5	0	1	1	1 : 1	1 : 0.83	1 : 0.61
14	Shek Pik Public Toile	1	2	3	0	1	1 : 2	1 : 0.5	*N/A
15	Ngong Ping Road Public Toilet	7	15	9	0	1	1 : 2.14	1 : 0.94	1 : 0.96
16	Po Chu Tam Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
17	Pak Ngan Heung Public Toilet	1	2	1	0	1	1 : 2	1 : 1	1 : 0.48
18	Tai Tei Tong Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 0.73
19	Round Table I Village Public Toilet, Cheung Chau	3	3	0	1	0	1 : 1	1 : 0.75	1 : 0.67

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
20	Self Help Care Village Public Toilet	3	2	0	1	0	1 : 0.67	1 : 0.5	1 : 0.83
21	Round Table III Village Public Toilet, Cheung Chau	2	3	0	1	0	1 : 1.5	1 : 1	1 : 0.57
22	Tsan Tsuen Road Public Toilet	2	3	0	1	0	1 : 1.5	1 : 1	1 : 0.45
23	Ying Sin Leung Care Village Public Toilet	3	2	0	1	0	1 : 0.67	1 : 0.5	1 : 0.55
24	Chung Hau Tsuen Public Toilet	1	1	1	0	1	1 : 1	1 : 0.5	1 : 0.54
25	Tung Wan Tau Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 1
26	Law Uk Tsuen Public Toilet	1	3	3	0	0	1 : 3	1 : 0.75	1 : 0.58
27	Tong Fuk Village Public Toilet (Lower)	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.43
28	Shui Hau Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.55
29	Shek Mun Kap Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.8
30	Lo Wai Village Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.31
31	Ma Wan Chung Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 1
32	Lutheran Village I Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.86
33	Tai Kwai Wan Public Toilet	3	3	2	0	0	1 : 1	1 : 0.6	1 : 0.5
34	Wai Tsai Street Public Toilet	2	2	3	0	0	1 : 1	1 : 0.4	1 : 0.57
35	San Tau Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 2.28
36	Sok Kwu Wan Yung Shue Ha Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.53
37	Mo Tat Village Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 1.86
38	Ngong Ping Camp Site Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.86
39	Pak Mong Village Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.39
40	Shek Tsai Po Street (Near Ferry Pier) Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.81

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
41	Sheung Ling Pei Public Toilet	2	4	5	0	1	1 : 2	1 : 0.57	1 : 0.51
42	Tat Tung Road Public Toilet	3	5	4	0	1	1 : 1.67	1 : 0.71	1 : 0.5
43	Leung Uk Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
44	Tai Peng Village, Lamma Island	2	2	2	0	0	1 : 1	1 : 0.5	*N/A
45	Lo So Shing Village Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.6
46	Sha Lo Wan Beach Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.86
47	Shap Long San Tsuen Public Toilet	2	3	1	0	0	1 : 1.5	1 : 1	1 : 1
48	Ngong Ping Road Interchange Public Toilet	5	10	8	0	1	1 : 2	1 : 0.77	1 : 1.16
49	Ham Tin San Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
50	Tong Fuk Camp Site Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.5
51	Lower Cheung Sha Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.8
52	Tai Long Wan Village Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.79
53	Ngau Au Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 1.56
54	Choi Yuen Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.53
55	Sham Shek Tsuen Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.57
56	Ngau Kwu Long Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.36
57	Tung Chung Hau Wong Temple Public Toilet	3	6	5	0	1	1 : 2	1 : 0.75	1 : 0.75

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
58	Pak Kok Village Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.63
59	Luk Chau Public Toilet	2	2	1	0	0	1 : 1	1 : 0.67	1 : 0.83
60	Lutheran Village II Public Toilet, Cheung Chau	2	2	1	0	0	1 : 1	1 : 0.67	1 : 0.8
61	Nam Wan Sun Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
62	Shan Teng Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
63	Tung Chung Waterfront Promenade Public Toilet	2	4	4	0	1	1 : 2	1 : 0.67	1 : 0.21
64	Shun Fai Road Public Transport Interchange Public Toilet	3	6	8	0	1	1 : 2	1 : 0.55	1 : 0.68
65	Arrival Private Car Clearance Plaza Public Toilet	2	4	2	0	1	1 : 2	1 : 1	#N/A
66	Arrival Goods Vehicle Clearance Plaza Public Toilet	2	4	2	0	1	1 : 2	1 : 1	#N/A
67	Departure Goods Vehicle Clearance Plaza Public Toilet	2	4	2	0	1	1 : 2	1 : 1	#N/A
68	Departure Private Car Clearance Plaza Public Toilet	2	4	2	0	1	1 : 2	1 : 1	#N/A

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Yau Tsim Mong District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Shanghai Street / Waterloo Rd Public Toilet	4	6	4	0	0	1 : 1.5	1 : 0.75	1 : 0.36
2	Market Street Public Toilet and Public Bathhouse	8	10	8	0	0	1 : 1.25	1 : 0.63	1 : 0.62
3	Yau Ma Tei Market Public Toilet	2	4	1	0	1	1 : 2	1 : 1.33	*N/A
4	Gascoigne Rd. Public Toilet	5	10	4	0	1	1 : 2	1 : 1.11	1 : 0.32
5	Battery St. Public Toilet	3	6	4	0	1	1 : 2	1 : 0.86	1 : 0.46
6	Parkes St. Public Toilet & Public Bathhouse	13	15	7	0	0	1 : 1.15	1 : 0.75	1 : 0.19
7	Jordan Rd. Public Toilet	9	9	10	0	2	1 : 1	1 : 0.47	1 : 0.31
8	Science Museum Rd Public Toilet	7	8	7	0	1	1 : 1.14	1 : 0.57	1 : 0.81
9	Tsim Sha Tsui Ferry Concourse Public Toilet	3	4	5	0	1	1 : 1.33	1 : 0.5	1 : 0.62
10	Kimberley Road Urinal Toilet	0	0	4	0	0	Male Toilet Only		
11	Tsim Sha Tsui East Public Transport Interchange Public Toilet	6	12	9	0	2	1 : 2	1 : 0.8	1 : 0.34
12	Lin Cheung Road Public Toilet	5	11	6	0	2	1 : 2.2	1 : 1	1 : 0.61
13	Sai Yee Street Garden Public Toilet	10	20	10	0	2	1 : 2	1 : 1	1 : 0.47
14	Sai Yee Street Public Toilet	8	13	16	0	1	1 : 1.63	1 : 0.54	1 : 0.8
15	Mong Kok Road Public Toilet	7	14	10	2	1	1 : 2	1 : 0.74	1 : 0.45
16	Pok Man Street Public Toilet	4	9	9	0	2	1 : 2.25	1 : 0.69	1 : 0.32
17	Portland Street Public Toilet	4	8	12	0	1	1 : 2	1 : 0.5	1 : 0.44
18	Nelson Street Public Toilet	12	14	12	0	1	1 : 1.17	1 : 0.58	1 : 0.69

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
19	Anchor Street Playground Public Toilet	4	8	7	0	1	1 : 2	1 : 0.73	1 : 0.57
20	Larch Street Public Toilet	4	6	8	0	1	1 : 1.5	1 : 0.5	*N/A

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Sham Shui Po District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Lai Chi Kok Government Offices Public Toilet	2	5	3	0	1	1 : 2.5	1 : 1	1 : 0.72
2	Mei Foo Sun Chuen Bus Terminus Public Toilet	2	4	4	0	1	1 : 2	1 : 0.67	1 : 0.48
3	Cheung Shun Street Public Toilet	4	8	9	0	1	1 : 2	1 : 0.62	1 : 0.35
4	Tonkin Street Public Toilet	5	9	8	0	1	1 : 1.8	1 : 0.69	1 : 0.62
5	Yen Chow Street Public Toilet	6	9	8	0	1	1 : 1.5	1 : 0.64	1 : 1.1
6	Apliu Street Public Toilet	12	12	31	0	1	1 : 1	1 : 0.28	1 : 0.43
7	Sai Chuen Road Public Toilet	4	8	6	0	1	1 : 2	1 : 0.8	1 : 0.33
8	Tai Nan Street Public Toilet cum Bathouse	8	12	8	0	1	1 : 1.5	1 : 0.75	1 : 0.43
9	Nam Cheong Street Public Toilet cum Bathouse	10	14	15	0	1	1 : 1.4	1 : 0.56	1 : 0.69
10	Yee Kuk Street Public Toilet cum Bathouse	4	4	4	0	1	1 : 1	1 : 0.5	*N/A

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Wong Tai Sin District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Hong Keung Street Public Toilet	4	8	7	0	1	1 : 2	1 : 0.73	1 : 0.59
2	Ngau Chi Wan Village Public Toilet	4	8	5	0	1	1 : 2	1 : 0.89	1 : 0.64
3	Lok Fu Public Toilet	5	8	8	0	1	1 : 1.6	1 : 0.62	1 : 0.52
4	Nga Tsin Wai Village Public Toilet	2	4	0	1	1	1 : 2	1 : 1.33	1 : 0.49
5	Choi Hung Bus Terminus Public Toilet	5	10	8	0	1	1 : 2	1 : 0.77	1 : 0.35
6	Sheung Yuen Street Public Toilet	4	8	6	0	2	1 : 2	1 : 0.8	1 : 0.36

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Kowloon City District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Dyer Avenue Public Toilet	8	10	7	0	1	1 : 1.25	1 : 0.67	1 : 1.27
2	Ma Tau Kok Road Public Toilet-cum-bathhouse	7	7	7	0	1	1 : 1	1 : 0.5	1 : 0.8
3	Kowloon City Road Public Toilet	6	12	14	0	1	1 : 2	1 : 0.6	1 : 1.31
4	San Ma Tau Street Public Toilet	7	4	5	0	1	1 : 0.57	1 : 0.33	1 : 1
5	Gillies Avenue South Public Toilet	3	6	6	0	1	1 : 2	1 : 0.67	1 : 0.35
6	Baker Street Public Toilet	7	14	8	0	1	1 : 2	1 : 0.93	1 : 0.64
7	Hok Yuen Street Public Toilet	4	8	7	0	1	1 : 2	1 : 0.73	1 : 0.6
8	New Hung Hom Ferry Pier Public Toilet	5	5	5	0	1	1 : 1	1 : 0.5	1 : 0.55
9	Hung Hom Complex Public Toilet	3	6	5	0	1	1 : 2	1 : 0.75	1 : 0.89
10	Shek Ku Lung Road Public Toilet	5	11	8	0	1	1 : 2.2	1 : 0.85	*N/A
11	Tung Tsing Road Public Toilet	10	10	8	0	1	1 : 1	1 : 0.56	1 : 0.46
12	Lung Kong Road Public Toilet	5	10	8	0	1	1 : 2	1 : 0.77	1 : 0.58
13	Pui Ching Road Public Toilet	5	5	6	0	1	1 : 1	1 : 0.45	1 : 0.91
14	Kowloon City Complex Public Toilet	5	10	12	0	1	1 : 2	1 : 0.59	1 : 1.92
15	Kowloon Tong Public Transport Interchange Public Toilet	4	6	5	0	1	1 : 1.5	1 : 0.67	1 : 0.43

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Kwun Tong District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Chun Wah Road Public Toilet	3	5	5	0	1	1 : 1.67	1 : 0.63	1 : 0.89
2	Shung Yan Street Public Toilet	3	6	4	0	1	1 : 2	1 : 0.86	1 : 0.67
3	Lai Yip Street public Toilet	4	6	6	0	1	1 : 1.5	1 : 0.6	1 : 0.69
4	Kei Yip Street Public Toilet	7	13	7	0	1	1 : 1.86	1 : 0.93	1 : 0.38
5	Hip Wo Street Interim Public Toilet	5	10	7	0	1	1 : 2	1 : 0.83	1 : 0.27
6	Kwun Tong Road Public Toilet	5	5	3	0	1	1 : 1	1 : 0.63	1 : 0.39
7	Lei Yue Mun (Ling Nam Sun Tsuen) Public Toilet	4	7	8	0	1	1 : 1.75	1 : 0.58	1 : 0.56
8	Cha Kwo Ling Road Public Toilet	10	10	4	0	1	1 : 1	1 : 0.71	1 : 0.15
9	Ngau Tau Kok Public Toilet / Bathhouse	5	6	6	0	1	1 : 1.2	1 : 0.55	1 : 0.9
10	Lei Yue Mun Ma Wan Public Toilet cum Bathhouse	8	9	6	0	1	1 : 1.13	1 : 0.64	1 : 0.67

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Kwai Tsing District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Kwai Shun Street Public Toilet	5	9	0	1	1	1 : 1.8	1 : 1.5	*N/A
2	Cheung Tat Road Public Toilet	2	3	0	1	1	1 : 1.5	1 : 1	*N/A
3	Cheung Ching Bus Terminus Public Toilet	4	8	0	1	1	1 : 2	1 : 1.6	1 : 0.45
4	Cheung Fai Road Public Toilet	6	9	4	0	1	1 : 1.5	1 : 0.9	1 : 0.84
5	Tsing Yi New Ferry Terminus Public Toilet	4	6	3	0	1	1 : 1.5	1 : 0.86	*N/A
6	Tam Kon Shan Road (I) Public Toilet	2	3	2	0	1	1 : 1.5	1 : 0.75	1 : 0.33
7	Tam Kon Shan Road (II) Public Toilet	2	3	2	0	1	1 : 1.5	1 : 0.75	*N/A
8	Tai Yuen Street Public Toilet	2	3	0	1	1	1 : 1.5	1 : 1	*N/A
9	Tai Lin Pai Road Public Toilet	3	6	0	1	1	1 : 2	1 : 1.5	1 : 0.32
10	San Kwai Street Public Toilet	3	4	4	0	1	1 : 1.33	1 : 0.57	1 : 0.83
11	Ta Chuen Ping Street Public Toilet	5	9	8	0	1	1 : 1.8	1 : 0.69	1 : 0.61
12	Kwai Hing Station Bus Terminus Public Toilet	5	10	9	0	1	1 : 2	1 : 0.71	1 : 0.51
13	Kwai Fong Station Bus Terminus Public Toilet	7	14	0	1	1	1 : 2	1 : 1.75	1 : 0.25
14	Lantau Link Viewing Platform Public Toilet	6	12	8	0	1	1 : 2	1 : 0.86	1 : 3.2
15	Cheung Yuen Road Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.63
16	Luthern Village Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.13
17	Sheung Yat Tsuen Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.55

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
18	Liu To Village Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.85
19	Shing Mun Road Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	1 : 0.67

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Tsuen Wan District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Yi Pei Chun Village Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.61
2	Tsuen Wan Multi-storey Carpark Building Public Toilet	5	8	7	0	1	1 : 1.6	1 : 0.67	*N/A
3	Sham Tseng Public Toilet	2	5	4	0	1	1 : 2.5	1 : 0.83	1 : 0.41
4	Lo Wai Village Public Toilet	2	2	3	0	0	1 : 1	1 : 0.4	1 : 0.31
5	Wang Lung Street Public Toilet	8	9	12	0	1	1 : 1.13	1 : 0.45	1 : 0.66
6	Heung Che Street Public Toilet	3	4	3	1	1	1 : 1.33	1 : 0.57	1 : 0.76
7	Tak Wah Park Public Toilet	7	11	12	0	1	1 : 1.57	1 : 0.58	*N/A
8	Chai Wan Kok Public Toilet	4	4	5	0	1	1 : 1	1 : 0.44	1 : 0.59
9	Pak Tin Pa San Tsuen Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 4
10	Tsuen Wan 13.5 Miles Public Toilet	1	2	2	1	1	1 : 2	1 : 0.5	1 : 0.79
11	Tai Ho Road Public Toilet	7	14	0	1	1	1 : 2	1 : 1.75	1 : 0.71
12	Shing Mun Road Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.67
13	Sunny Bay Public Toilet	2	3	3	0	1	1 : 1.5	1 : 0.6	1 : 0.46
14	Fu Yung Shan San Tsuen Public Toilet	3	3	2	0	0	1 : 1	1 : 0.6	1 : 0.72
15	Tsing Lung Tau Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.85
16	Pai Min Kok Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.7
17	Chuen Lung Village Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.84
18	Wo Yi Hop Village Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.32

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
19	Hon Man Upper Village Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.19
20	Lo Wai Road Public Toilet	3	7	3	0	1	1 : 2.33	1 : 1.17	1 : 0.89
21	Sam Dip Tam Tsuen Public Toilet	1	1	1	0	0	1 : 1	1 : 0.5	1 : 0.45
22	Ting Kau Village Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.28
23	Kwong Pan Tin Village Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.44
24	Hong Man Lower Village Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 1.17
25	Sheung Kwai Chung Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.74
26	Fu Yung Shan Yiu Tai Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.77
27	Lung Yue Road Public Toilet	2	4	2	0	1	1 : 2	1 : 1	1 : 0.29
28	Sham Tseng Commercial Village Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 1
29	Kwong Pan Tin Village (Section II) Public Toilet	2	4	2	0	0	1 : 2	1 : 1	1 : 0.77
30	Tsing Fai Tong New Village Public Toilet	1	1	1	0	0	1 : 1	1 : 0.5	1 : 0.77
31	Sham Tseng Shu On Terrace Public Toilet	1	1	1	0	0	1 : 1	1 : 0.5	1 : 0.66
32	Sham Tseng East Village Public Toilet	1	1	1	0	0	1 : 1	1 : 0.5	1 : 0.1

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Tuen Mun District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Kin Fung Circuit Public Toilet	4	6	0	1	1	1 : 1.5	1 : 1.2	1 : 0.92
2	Hung Cheung Road Public Toilet	4	4	8	0	1	1 : 1	1 : 0.33	1 : 0.46
3	Tuen Mun Ferry Pier Public Toilet	4	8	5	0	1	1 : 2	1 : 0.89	1 : 0.67
4	Tseng Tau Chung Tsuen Public Toilet	2	4	4	0	1	1 : 2	1 : 0.67	1 : 0.38
5	Kin Lung Street Public Toilet	3	6	6	0	1	1 : 2	1 : 0.67	1 : 0.26
6	Tsing Yeung Circuit Public Toilet	4	8	10	0	1	1 : 2	1 : 0.57	*N/A
7	Yeung Siu Hang Tsuen Public Toilet	1	1	1	0	1	1 : 1	1 : 0.5	1 : 0.67
8	Chung Uk Tsuen Public Toilet	3	3	3	0	0	1 : 1	1 : 0.5	1 : 0.58
9	Tsing Chuen Wai Public Toilet	3	3	3	0	0	1 : 1	1 : 0.5	*N/A
10	San Hing Tsuen Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.28
11	Tuen Tsz Wai Public Toilet	2	2	3	0	0	1 : 1	1 : 0.4	1 : 0.34
12	Tuen Tsz Wai Lam Tei Vegetable Market Office Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.76
13	Chung Shan San Hing Tsuen Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.36
14	Kwong Shan Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.43
15	Pak Kok Tsuen Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.21
16	Tin Tei Yan Road Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.66
17	Siu Lam San Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.57

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
18	Tsz Tin Tsuen Public Toilet (at side of RCP)	1	2	3	0	1	1 : 2	1 : 0.5	1 : 0.44
19	So Kwun Wat Lee Uk Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.63
20	Kei Lun Wai Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.66
21	Lam Tei Market Public Toilet	2	3	3	0	1	1 : 1.5	1 : 0.6	1 : 0.3
22	To Yuen Wai Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.71
23	Wu Shan Road Public Toilet	4	8	5	0	1	1 : 2	1 : 0.89	1 : 0.9
24	Tin Sum San Tsuen Public Toilet	2	4	3	0	0	1 : 2	1 : 0.8	1 : 0.42
25	Lung Kwu Tan Pak Long Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.61
26	Nai Wai Public Toilet (At side of RCP)	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.72
27	So Kwun Wat Ching Uk Tsuen Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.29
28	Nai Wai Public Toilet (near playground)	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.88
29	Yip Wong Road Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	1 : 0.92
30	Shan Shek Wan Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.38
31	Wo Ping San Tsuen Public Toilet	2	3	1	0	1	1 : 1.5	1 : 1	1 : 0.87
32	Tai Lam Chung Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.84
33	Wu Uk Tsuen Public Toilet	1	1	1	0	0	1 : 1	1 : 0.5	1 : 0.67
34	So Kwun Wat Chan Uk Tsuen Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 1.24
35	Sun Fung Wai Public Toilet	2	2	1	0	1	1 : 1	1 : 0.67	1 : 0.89
36	Chung Wong Toi Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 1.31
37	Po Tong Ha Tsuen Public Toilet	1	2	1	0	1	1 : 2	1 : 1	1 : 0.17

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
38	Luen On San Tsuen Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 0.68
39	Tin Hau Road Public Toilet	3	6	4	0	1	1 : 2	1 : 0.86	1 : 0.24
40	Tin Hau Temple Plaza Public Toilet	2	4	3	0	1	1 : 2	1 : 0.8	1 : 0.31
41	Lung Kwu Tan Public Toilet	2	4	4	0	1	1 : 2	1 : 0.67	1 : 0.8
42	Tuen Mun Road Bus-Bus Interchange Public Toilet (Tuen Mun Bound)	2	4	4	0	1	1 : 2	1 : 0.67	1 : 0.28
43	Tuen Mun Road Bus-Bus Interchange Public Toilet (Kowloon Bound)	2	4	4	0	1	1 : 2	1 : 0.67	1 : 0.35
44	Siu Hong Public Toilet	3	6	3	0	1	1 : 2	1 : 1	1 : 0.42
45	Tsz Tin Road Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	1 : 1.13
46	Siu Hang Tsuen Public Toilet	2	2	3	0	1	1 : 1	1 : 0.4	1 : 1.06
47	Fuk Hang Tsuen Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 0.09

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Yuen Long District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Fung Cheung Road Public Toilet	3	5	4	0	1	1 : 1.67	1 : 0.71	1 : 0.49
2	Hong King Street Public Toilet	3	6	6	0	1	1 : 2	1 : 0.67	1 : 0.89
3	Kam Tin Bor Tei Pulbic Toilet	3	5	0	5	1	1 : 1.67	1 : 0.63	1 : 0.83
4	Kam Tin Market Public Toilet	3	7	0	6	1	1 : 2.33	1 : 0.78	1 : 0.72
5	Kuk Ting Street Public Toilet	8	11	7	0	1	1 : 1.38	1 : 0.73	1 : 0.9
6	Lo Uk Tsuen Public Toilet	4	5	0	1	1	1 : 1.25	1 : 1	1 : 0.37
7	Lok Ma Chau Control Point (South) Public Toilet	5	5	2	0	1	1 : 1	1 : 0.71	1 : 0.57
8	Lok Ma Chau Control Point (North) Public Toilet	5	5	2	0	1	1 : 1	1 : 0.71	1 : 0.78
9	Lok Ma Chau Public Transport Interchange Public Toilet (Vacuum Toilet)	2	3	2	0	1	1 : 1.5	1 : 0.75	*N/A
10	Lok Ma Chau Lookout Public Toilet	3	4	0	1	1	1 : 1.33	1 : 1	1 : 0.68
11	Ping Shan Sun Tsuen Public Toilet	5	6	0	1	1	1 : 1.2	1 : 1	1 : 0.64
12	San Tin Public Toilet	4	6	0	1	1	1 : 1.5	1 : 1.2	1 : 0.73
13	Tai Kiu Tsuen Public Toilet	2	3	0	1	0	1 : 1.5	1 : 1	1 : 0.67
14	Tan Kwai Tsuen Road Public Toilet	2	3	0	1	1	1 : 1.5	1 : 1	1 : 0.31
15	Sik Kong Tsuen Public Toilet	4	5	0	1	1	1 : 1.25	1 : 1	1 : 0.54
16	Wang Yip Street Public Toilet	4	6	0	1	1	1 : 1.5	1 : 1.2	1 : 0.48
17	Kik Yeung Road Public Toilet	4	8	3	0	1	1 : 2	1 : 1.14	*N/A
18	Chuk Hang Tsuen Public Toilet	3	4	3	0	1	1 : 1.33	1 : 0.67	1 : 0.36

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
19	Lau Fau Shan Roundabout Public Toilet (Vacuum Toilet)	3	6	4	0	1	1 : 2	1 : 0.86	1 : 0.55
20	Ha Mei San Tsuen Public Toilet	4	4	0	1	0	1 : 1	1 : 0.8	1 : 0.41
21	Wang Yip Street South Public Toilet	2	3	0	1	1	1 : 1.5	1 : 1	1 : 0.72
22	San Tin Wing Ping Tsuen Public Toilet	5	5	0	1	0	1 : 1	1 : 0.83	1 : 0.42
23	Wang Toi Shan Wing Ning Lee Public Toilet	5	5	0	1	0	1 : 1	1 : 0.83	*N/A
24	Kam Sheung Road Public Toilet	4	6	0	1	1	1 : 1.5	1 : 1.2	1 : 0.47
25	Hung Shui Kiu Public Toilet and Bathhouse	14	8	0	1	1	1 : 0.57	1 : 0.53	1 : 0.43
26	Tai Tong Road Public Toilet and Bathhouse	5	10	4	0	1	1 : 2	1 : 1.11	1 : 0.85
27	Shan Pui Tsuen Public Toilet	4	6	0	1	1	1 : 1.5	1 : 1.2	1 : 0.65
28	Fan Tin Tsuen Public Toilet	3	3	0	1	0	1 : 1	1 : 0.75	1 : 0.4
29	Hang Mei Tsuen Public Toilet (Bio-treatment)	3	7	5	0	1	1 : 2.33	1 : 0.88	1 : 0.33
30	Nam Bin Wai Public Toilet	4	6	0	1	1	1 : 1.5	1 : 1.2	1 : 0.63
31	Shap Pat Heung Choi Uk Tsuen Public Toilet	3	3	2	0	0	1 : 1	1 : 0.6	1 : 0.7
32	To Uk Tsuen Public Toilet	4	4	3	0	1	1 : 1	1 : 0.57	1 : 0.15
33	Pok Wai Tsuen Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.46
34	Sheung Tsuen Koo Miu Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.43
35	Kam Tin Yuen Kong Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.46
36	Tsang Uk Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.72
37	Small Traders New Village Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 2.31

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
38	Tin Liu Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.28
39	Pak Sha Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.38
40	Wang Toi Shan (Behind School) Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.72
41	Lam Hau Pok Public Toilet	3	3	2	0	0	1 : 1	1 : 0.6	1 : 0.89
42	Tan Kwai Tsuen (Ying Yin School) Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.49
43	Yeung Uk Tsuen Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.51
44	Chung Hau Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.54
45	Mai Po Lung Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.8
46	Ying Lung Wai Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.32
47	Lo Uk Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.37
48	Pat Heung Sheung Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.46
49	Lau Fau Shan Sha Kiu Tsuen Sheung Wan Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.74
50	Lau Fau Shan Sheung Pak Nai Ap Tsai Hang Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.26
51	Tung Tau Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.66
52	Sheung Cheung Wai Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.59
53	Tai Wai Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.57
54	Mai Po Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.54
55	Kam Tin Shi Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.71
56	Tze Tong Tsuen Public Toilet	3	4	3	0	1	1 : 1.33	1 : 0.67	1 : 0.61
57	Tai Sang Wai (3) Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.1
58	Wong Uk Tsuen Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.58

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
59	Tsing Ling Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.33
60	Kau Nam Street Public Toilet	2	2	3	0	0	1 : 1	1 : 0.4	1 : 0.69
61	Shui Bin Tsuen Public Toilet	2	4	3	0	1	1 : 2	1 : 0.8	1 : 0.78
62	Pak Hok Chau Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
63	Lok Ma Chau PTI Public Toilet	3	6	7	0	1	1 : 2	1 : 0.6	1 : 0.65
64	San Wai Public Toilet	3	4	2	0	1	1 : 1.33	1 : 0.8	1 : 0.58
65	Tai Tseng Wai Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.62
66	Ping Shan Hung Uk Tsuen Public Toilet	3	5	2	0	0	1 : 1.67	1 : 1	*N/A
67	Ping Shan Tong Fong Tsuen Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
68	Ngau Hom Tsuen Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.43
69	Lau Fau Shan Pak Nai near Vegetable Market Office Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	*N/A
70	Tai Shu Ha Public Toilet	2	3	3	0	1	1 : 1.5	1 : 0.6	*N/A
71	Tai Shu Ha Road West Shung Ching San Tsuen Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	*N/A
72	San Wai (Sze Wang Study Hall) Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	*N/A
73	Kam Tin Shui Mei Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.25
74	Kam Tin Fung Kut Heung Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.69
75	Shek Wu Wai Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	*N/A
76	Ping Shan Fung Chi Tsuen Public Toilet	2	2	3	0	0	1 : 1	1 : 0.4	1 : 0.67
77	Lam Hau Tsuen Public Toilet	3	4	3	0	0	1 : 1.33	1 : 0.67	*N/A

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
78	Pat Heung Tin Sum Tsuen Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
79	Tai Tong Road Nam Hang Pai Public Toilet	2	2	3	0	0	1 : 1	1 : 0.4	*N/A
80	Lau Fau Shan Sheung Pak Nai Sha Kong Miu Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
81	Pat Heung Sheung Tsuen Wing Hing Wai Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	*N/A
82	Kam Tin Kam Hing Wai North Public Toilet	2	2	1	0	0	1 : 1	1 : 0.67	1 : 0.6
83	Kam Tin Kat Hing Wai Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 1
84	Ha Tsuen Tseung Kong Wai Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	*N/A
85	Pau Wai, Ha Tsuen Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.91
86	San Tin Fan Tin Tsuen (2) Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.48
87	Lin Fa Tei Public Toielt	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
88	Shan Ha Tsuen (1) Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	*N/A
89	Kam Tsin Wai Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	*N/A
90	Ko Po Tsuen Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.5
91	Tai Hong Wai Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.52
92	Ha Pak Nai Tsuen, Lau Fau Shan Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
93	Tung Tau Tsuen Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.66
94	Lau Fau Shan San Hing Tsuen Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	*N/A
95	Tai Tong Kuk Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
96	Sik Kong Wai Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
97	Fui Sha Wai Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.79
98	Hung Tso Tin Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
99	Ma Tin Tsuen Public Toilet	3	5	4	0	1	1 : 1.67	1 : 0.71	*N/A
100	Ngau Keng Tsuen Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
101	Fuk Hing Lane, San Tin Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.88
102	Pun Uk Tsuen, San Tin Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
103	Lok Ma Chau Tsuen, San Tin Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
104	Wah Shing Tsuen, Kam Tin Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.47
105	Mong Tseng Tsuen (2) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
106	Tai Tong Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
107	Sha Kiu Ha Wan Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
108	Nam Hang Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
109	Ng Ka Tsuen (inside) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
110	San Lung Wai Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
111	Hong Mei Tsuen Public Toilet	2	3	1	0	0	1 : 1.5	1 : 1	1 : 0.76
112	Tin Shui Wai Public Transport Interchange Public Toilet	4	6	5	0	1	1 : 1.5	1 : 0.67	1 : 0.64
113	Hang Hau Tsuen Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
114	Shui Chan Tin Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
115	Yan Shau Wai Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
116	Ha Che East Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.4
117	San Lee Uk Tsuen Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	*N/A
118	Shui Tsiu Lo Wai (2) Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	*N/A
119	Tai Sang Wai (2) Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	*N/A
120	Chung Sum Tsuen (Shek Tau Wai) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
121	Chuk Yuen Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
122	Wing Ning Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
123	Shan Ha Tsuen Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	*N/A
124	Shui Kan Shek Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.3
125	Yeung Uk Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.51
126	Tin Sam Tsuen Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	1 : 0.21
127	Ha Che West Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 0.41
128	Kam Hing Wai Public Toilet	1	2	1	0	1	1 : 2	1 : 1	*N/A
129	Pak Nai (Picnic spot) Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
130	Ma Tin Pok Public Toilet	2	3	2	0	1	1 : 1.5	1 : 0.75	*N/A
131	Ng Uk Tsuen Public Toilet	2	3	1	0	0	1 : 1.5	1 : 1	*N/A
132	Chung Pak Nai Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
133	Ngau Tam Mei East Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
134	Shing Uk Tsuen Public Toilet	2	2	1	0	0	1 : 1	1 : 0.67	*N/A

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
135	Muk Kiu Tau Tsuen Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	*N/A
136	Sha Po Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
137	Sai Bin Wai (1) Public Toilet	1	1	1	0	0	1 : 1	1 : 0.5	1 : 0.67
138	Tai Sang Wai (1) Public Toilet	2	3	1	0	0	1 : 1.5	1 : 1	*N/A
139	Chung Pak Nai (2) Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
140	Shui Lau Tin Tsuen Public Toilet	1	2	1	0	1	1 : 2	1 : 1	1 : 0.43
141	Shek Po Tsuen Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	1 : 0.84
142	Mei Po Lung Tsuen Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
143	Fuk Hing Tsuen Public Toilet	1	1	1	0	0	1 : 1	1 : 0.5	*N/A
144	Kiu Tau Wai Public Toilet	2	2	1	0	0	1 : 1	1 : 0.67	*N/A
145	Lai Sau Tsuen Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
146	Sheung Che Tsuen Public Toilet	1	1	1	0	0	1 : 1	1 : 0.5	*N/A
147	Wong Nai Tun (1)Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
148	Fung Kong Tsuen (Entrance) Public Toilet	1	2	1	0	1	1 : 2	1 : 1	*N/A
149	Fu Tso Tsuen Public Toilet	1	1	1	0	1	1 : 1	1 : 0.5	*N/A
150	Tong Tau Po Tsuen Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
151	Ku Miu Cheung Uk Tsuen Public Toilet	1	1	1	0	1	1 : 1	1 : 0.5	*N/A
152	Lai Uk Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
153	San Sang Tsuen Public Toilet	2	4	1	0	1	1 : 2	1 : 1.33	*N/A
154	Ha Tsuen Shi, VMO Public Toilet	2	4	1	0	1	1 : 2	1 : 1.33	*N/A

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
155	Sha Kiu Sheung Wan Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
156	Pang Ka Tsuen Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
157	Ng Ka Tsuen Public Toilet	1	2	1	0	1	1 : 2	1 : 1	*N/A
158	Ki Lun Shan Public Toilet	1	2	1	0	1	1 : 2	1 : 1	*N/A
159	Shui Chiu San Tsuen (2) Public Toilet	1	1	1	0	0	1 : 1	1 : 0.5	*N/A
160	Yuen Kong San Tsuen Public Toilet	1	2	1	0	1	1 : 2	1 : 1	*N/A
161	Wong Nai Tun (2) Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
162	Siu Hom Tsuen Public Toilet	1	2	1	0	1	1 : 2	1 : 1	*N/A
163	Wai Chai Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
164	Pak Sha Tsuen (3) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
165	Mong Tseng Tsuen (1) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
166	Nga Yiu Tau Tsuen Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
167	Chau Tau Tsuen Public Toilet	2	4	2	0	1	1 : 2	1 : 1	*N/A
168	Tai Kei Leng Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
169	Po Quar Ling Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
170	To Uk Tsuen Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.15
171	Ha Wan Tsuen Public Toilet	1	1	1	0	1	1 : 1	1 : 0.5	*N/A
172	Small Traders New Village (1) Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
173	Pak Sha Tsuen (1) Public Toilet	1	1	1	0	1	1 : 1	1 : 0.5	*N/A
174	Public Toilet at Hong Kong Management Area at the Shenzhen-Hong Kong Western Corridor (I)	3	0	6	0	1	1 : 0	1 : 0	*N/A

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
175	Public Toilet at Hong Kong Management Area at the Shenzhen-Hong Kong Western Corridor (II)	3	0	6	0	1	1 : 0	1 : 0	*N/A
176	Cheung Po Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
177	Sham Chung Tsuen Public Toilet	1	1	1	0	1	1 : 1	1 : 0.5	*N/A
178	Sai Pin Wai (2) Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 0.2
179	Chung Hau Tsuen (1) Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
180	Shan Pui Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.65
181	Mong Tseng Wai Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
182	TungTau Tsuen	2	4	2	0	0	1 : 2	1 : 1	*N/A
183	Tin Fuk Road Public Toilet	4	8	4	0	1	1 : 2	1 : 1	*N/A

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in North District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Kai Leng Tsuen Public Toilet	3	2	2	0	0	1 : 0.67	1 : 0.4	1 : 0.52
2	Sheung Shui Tung Hing Road Public Toilet	3	4	3	0	1	1 : 1.33	1 : 0.67	1 : 0.43
3	Sheung Shui Tung Hing Road Carpark Public Toilet	3	4	3	0	1	1 : 1.33	1 : 0.67	1 : 0.63
4	So Kwun Po Tsuen Public Toilet	2	3	2	0	1	1 : 1.5	1 : 0.75	1 : 0.91
5	Fanling Lau Public Toilet	1	1	2	0	1	1 : 1	1 : 0.33	1 : 1
6	Shung Him Tong Public Toilet	3	4	4	0	1	1 : 1.33	1 : 0.57	1 : 0.89
7	Sheung Shui Wai Wai Noi Tsuen Public Toilet	4	6	2	0	1	1 : 1.5	1 : 1	1 : 0.52
8	Sheung Shui Wai Po Sheung Tsuen Public Toilet	3	6	5	0	1	1 : 2	1 : 0.75	1 : 0.29
9	Fanling Wai Public Toilet	4	5	3	0	1	1 : 1.25	1 : 0.71	1 : 0.86
10	Shek Tsai Ling Public Toilet	2	3	0	1	1	1 : 1.5	1 : 1	1 : 0.48
11	Fanling Wai (South) Public Toilet	3	4	4	0	1	1 : 1.33	1 : 0.57	1 : 0.44
12	Tin Kwong Hui Temporary Wholesale Market On Lok Tsuen Public Toilet	3	4	3	0	1	1 : 1.33	1 : 0.67	1 : 0.31
13	Wo Hop Shek Tsuen Public Toilet	3	4	4	0	1	1 : 1.33	1 : 0.57	1 : 0.62
14	Wo Hing Tsuen Public Toilet	3	4	2	0	1	1 : 1.33	1 : 0.8	1 : 0.79
15	Fanling Station Road Public Toilet	3	6	3	0	1	1 : 2	1 : 1	1 : 0.49
16	Ping Yeung Old Village Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 0.67
17	Lung Wan Street Public Toilet	3	6	5	0	1	1 : 2	1 : 0.75	1 : 0.41

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
18	San Shing Avenue Public Toilet	5	8	9	0	1	1 : 1.6	1 : 0.57	1 : 0.45
19	Luen Cheong Street Public Toilet	5	10	11	0	1	1 : 2	1 : 0.63	1 : 0.6
20	Che Ping Street Public Toilet	5	8	9	0	1	1 : 1.6	1 : 0.57	1 : 0.9
21	Fung Wong Wu Public Toilet	1	2	2	1	1	1 : 2	1 : 0.5	1 : 0.83
22	Hang Tau Luen On Bridge Public Toilet	3	3	2	0	0	1 : 1	1 : 0.6	*N/A
23	Luk Keng Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.4
24	Wu Kau Tan Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.36
25	Lo Wai Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.52
26	Nam Chung Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.49
27	Ma Wat Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.58
28	Kat O Island Public Toilet	6	8	6	0	0	1 : 1.33	1 : 0.67	1 : 0.83
29	Lai Chi Wo Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.74
30	Yin Kong (1) Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.71
31	Tze Tong Tsuen Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.61
32	Ho Sheung Heung (2) Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.4
33	Ho Ka Yuen Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.22
34	Kan Lung Wai Public Toilet*	2	2	2	0	1	1 : 1	1 : 0.5	1 : 0.81
35	Yin Kong (2) Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.48
36	Ying Pun Ha Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.85
37	Ap Chau (I) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.65
38	Liu Pok Tsuen (North) Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.69
39	Sheung Shui Wai Sheung Pak Tsuen Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 1.01
40	Tam Shui Hang Village Public Toilet	2	2	3	0	0	1 : 1	1 : 0.4	1 : 0.75

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
41	Tong Hang Tsuen Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.78
42	Lin Tong Mei (Residential Area) Public Toilet	2	2	3	0	0	1 : 1	1 : 0.4	1 : 0.32
43	Tan Chuk Hang Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	*N/A
44	Lin Tong Mei Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
45	Queen's Hill Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	*N/A
46	San Uk Tsuen Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
47	Kam Tsin (South) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
48	Ling Shan Tsuen Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	*N/A
49	Kwu Tung (Lung Tang Kok) Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.36
50	Ho Sheung Heung San Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.21
51	Kwu Tung (Tung Fong) Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	*N/A
52	Fu Tei Au Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
53	Tai Tau Leng Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.59
54	Fung Kong (Tong Kok) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.27
55	Ma Tso Lung Shun Yee Tsuen (1) Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
56	Liu Pok Tsuen (South) Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	*N/A
57	Ha Ma Tseuk Leng Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
58	Tai Po Tin (1) Public Toliet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
59	Ha Shan Kai Wat (2) Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	*N/A
60	Tai Po Tin (2) Public Toliet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
61	Sze Tau Leng Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
62	Sheung Wo Hang Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
63	San Tong Po Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
64	Sheung Shan Kai Wat Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	*N/A
65	Muk Min Tau Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
66	Kan Tau Wai Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
67	Ta Kwu Ling Tong Fong Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
68	Lin Ma Hang (1) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
69	Tsung Pak Long (South) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
70	Fanling Fu Tei Pai Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	*N/A
71	Wing Ling Wai Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
72	Ta Kwu Ling Ha Shan Kai Wat (1) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
73	Ta Kwu Ling Lei Uk Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
74	Ta Kwu Ling Ping Che Tsuen (1) Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.86
75	Sha Tau Kok Man Uk Pin Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	*N/A
76	Kat O Sai O Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	*N/A
77	Kwan Tei Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
78	Tung Kok Wai Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
79	Tsung Yuen Ha Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
80	Hung Leng Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 0.49
81	On Po Tsuen Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	*N/A

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
82	Kwu Tung (Tin Sum) Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	*N/A
83	Kwu Tung (near Kwu Tung Village Committee Office) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.66
84	Ma Mei Ha Tsuen Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
85	Ta Kwu Ling San Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
86	Ping Che Tsuen (2) Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 0.4
87	Chow Tin (2) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
88	Muk Wu Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.37
89	Tai Tong Wu Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
90	Kwu Tung (Shek Tsai Leng) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
91	Ki Lun Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
92	Chow Tin(1) Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
93	Shan Tsui Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	*N/A
94	Kuk Po (Lo Wai) Public Toilet	2	1	2	0	0	1 : 0.5	1 : 0.25	*N/A
95	San Uk Ling Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
96	Ma Tso Lung Shun Yee Tsuen (2) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
97	Tsung Pak Long (North) Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	*N/A
98	San Uk Tsai Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	*N/A
99	Kwan Tei (North) Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
100	Leng Tsai Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
101	Sha Ling, Cheung Po Tau Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	*N/A
102	Hang Tau Road Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
103	Fung Hang Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
104	Luk keng (Wong Uk) Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
105	Man Kam To Public Toilet	2	2	4	0	1	1 : 1	1 : 0.33	1 : 0.57
106	Kwu Tung (Shui Tong Hang) Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	*N/A
107	Shek Wu San Tsuen Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	*N/A
108	Sam Ah Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
109	Kat O Fisherman Village Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
110	Yuen Ha Tsuen Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
111	Ma Mei Ha Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
112	Ha Wo Hang Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
113	Loi Tung Public Toilet	2	2	1	0	0	1 : 1	1 : 0.67	*N/A
114	Tsiu Keng Pang Uk Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
115	Wang Shan Keuk San Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
116	Nam Chung (Lo Uk) Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
117	Tsiu Keng Lo Wai	1	2	1	0	0	1 : 2	1 : 1	1 : 0.51
118	Leng Pei Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
119	Cheung Lek Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
120	Tong Kung Ling Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.58
121	Ping Kong Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
122	Hok Tau Tsuen Public Toilet	1	1	1	0	0	1 : 1	1 : 0.5	*N/A
123	Kwu Tung (Tiu Yuen) Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
124	Ngar Yiu Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 1
125	Po Kak Tsai, Lau Shui Heung Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	*N/A
126	Sheung Ma Tseuk Leng Public Toilet	1	2	1	0	1	1 : 2	1 : 1	*N/A
127	Hang Tau (Ngai Yuen) Public Toilet	1	1	1	0	1	1 : 1	1 : 0.5	*N/A
128	Ma Tso Lung Yu Hing Tong Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
129	Ma Tso Lung San Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
130	Ying Pun Tsuen Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
131	Ng Uk Tsuen (Chung Chai Yuen) Public Toilet	1	1	1	0	1	1 : 1	1 : 0.5	*N/A
132	Shek Wu Hui Public Toilet	3	6	4	0	1	1 : 2	1 : 0.86	1 : 0.32
133	Chuk Yuen Village Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 0.87
134	Ho Sheung Heung Public Toilet (III)	2	4	4	0	1	1 : 2	1 : 0.67	1 : 0.6
135	Wa Shan Tsuen Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
136	Kam Tsin (North) Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 0.73

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Tai Po District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Tai Po Centre Public Toilet	4	8	9	0	1	1 : 2	1 : 0.62	1 : 0.73
2	Tai Po Plaza Public Toilet	4	7	7	0	1	1 : 1.75	1 : 0.64	1 : 0.44
3	Tai Po Market MTR Station Public Toilet	4	8	5	0	1	1 : 2	1 : 0.89	1 : 7.61
4	Tai Po Old Market Public Toilet	4	7	0	1	1	1 : 1.75	1 : 1.4	1 : 0.57
5	Nam Hang Public Toilet	3	5	0	1	1	1 : 1.67	1 : 1.25	1 : 0.44
6	Ma Wo Public Toilet	3	5	4	0	1	1 : 1.67	1 : 0.71	1 : 0.54
7	Tai Mei Tuk Public Toilet	4	11	0	1	1	1 : 2.75	1 : 2.2	1 : 0.07
8	Pak Shing Street Public Toilet-cum-Bathhouse	5	10	0	1	1	1 : 2	1 : 1.67	1 : 1.39
9	Pan Chung Public Toilet	1	2	0	1	0	1 : 2	1 : 1	1 : 0.47
10	Kam Shan Road Public Toilet	3	3	0	1	0	1 : 1	1 : 0.75	1 : 0.45
11	Yue Kok Public Toilet	3	2	0	1	0	1 : 0.67	1 : 0.5	1 : 0.23
12	Shek Kwu Lung Public Toilet	3	2	0	1	0	1 : 0.67	1 : 0.5	1 : 1.08
13	Shui Wai Public Toilet	3	3	3	0	0	1 : 1	1 : 0.5	1 : 0.43
14	Fong Ma Po Public Toilet	5	12	7	0	1	1 : 2.4	1 : 1	1 : 0.99
15	Sam Mun Tsai Village (North) Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.57
16	Sam Mun Tsai Village (South) Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.89
17	Tap Mun Ha Wai Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.4
18	Tap Mun New Fishermen's Village North Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.59
19	Tap Mun New Fishermen's Village South Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.83
20	Wong Yee Au Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.47
21	Tai Po Tau South Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.52
22	Care Village West Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.68
23	Tap Mun Pier Public Toilet	3	5	6	0	0	1 : 1.67	1 : 0.56	1 : 0.97
24	Ha Hang Village Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.45
25	Ng Tung Chai Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 1

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
26	Tai Hang Chung Sum Wai Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.87
27	Chung Shun Lane Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.6
28	She Shan Tsuen Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.41
29	Po Sam Pai Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.73
30	Chong San Road Public Toilet	2	4	4	0	1	1 : 2	1 : 0.67	*N/A
31	CARE Village East Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.42
32	Tung Ping Chau Public Toilet	2	4	2	0	1	1 : 2	1 : 1	1 : 0.58
33	Wai Tau Village Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.59
34	Hang Ha Po Village Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.42
35	Lin Au Village Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.91
36	San Tong Public Toilet	1	1	2	0	0	1 : 1	1 : 0.33	1 : 0.86
37	Chung Uk Tsuen Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.58
38	Chai Kek Village Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.79
39	Tai Hang Village No.1 Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.16
40	Cheung Shue Tan Village No.2 Public Toilet, Tai Po	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.45
41	Tai Om Village Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.1
42	Tai Mong Che Village Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.61
43	Tong Min Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.79
44	Tai Po Kau Sun Wai Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.39
45	Sheung Pak Ngau Shek Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.3
46	San Uk Tsai Village Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.57
47	Tai Po Tau Village North Public Toilet	2	3	2	0	1	1 : 1.5	1 : 0.75	1 : 0.89

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
48	Ping Long Village Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.76
49	Tai Po Mei Village Public Toilet	1	1	1	0	0	1 : 1	1 : 0.5	1 : 0.5
50	Lung Ah Pai Village Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.42
51	Ma Po Mei Village Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.8
52	Shui Wo Village Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.39
53	Cheung Shue Tan Village Site 1 Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 0.46
54	Shuen Wan Li Uk Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 1.15
55	Yung Shue O Public Toilet	2	2	3	0	0	1 : 1	1 : 0.4	1 : 0.54
56	Nai Chung Pier Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.34
57	Hoi Ha Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.89
58	Pak Sha O Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.8
59	Ko Tong Ha Yeung Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.78
60	Chek Keng Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.41
61	Kei Ling Ha Lo Wai Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.88
62	Tai Tung Tsuen Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 0.81
63	Che Ha Village Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.14
64	Kei Ling Ha Sun Wai Public Toilet	1	1	1	0	1	1 : 1	1 : 0.5	1 : 0.94
65	Kau Lung Hang Village Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.8
66	Nam Wah Po Public Toilet	2	4	2	0	1	1 : 2	1 : 1	1 : 1.03
67	Tan Ka Wan Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
68	Ko Lau Wan Site (1) Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.5
69	Ko Lau Wan Site (2) Public Toilet	1	1	0	0	1	1 : 1	1 : 1	*N/A
70	Tai Hang Public Toilet	1	3	4	0	1	1 : 3	1 : 0.6	1 : 1.05
71	Tai Wo Village Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 0.45
72	Tat Wan Road Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 0.8

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Shatin District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Shing Ho Road Public Toilet	10	15	4	0	1	1 : 1.5	1 : 1.07	1 : 0.57
2	30, Wo Liu Hang Road Public Toilet	4	5	6	0	1	1 : 1.25	1 : 0.5	1 : 0.34
3	Cheung Lek Mei Street Public Toilet	5	7	0	1	1	1 : 1.4	1 : 1.17	1 : 0.8
4	Shan Mei Street Public Toilet	6	6	3	0	1	1 : 1	1 : 0.67	1 : 0.36
5	Kwei Tei Street Public Toilet	5	6	0	2	1	1 : 1.2	1 : 0.86	*N/A
6	Ma Liu Shui off Tolo Highway Public Toilet	3	6	0	0	1	1 : 2	1 : 2	1 : 0.32
7	Tin Sum Village Public Toilet	5	5	2	0	1	1 : 1	1 : 0.71	*N/A
8	Kak Tin Public Toilet	5	5	2	0	1	1 : 1	1 : 0.71	1 : 0.1
9	Hin Tin Street, Sheung Keng Hau Village Public Toilet	3	4	3	0	1	1 : 1.33	1 : 0.67	1 : 0.81
10	Fu Kin Street, Ha Keng Hau Village Public Toilet	2	2	3	0	1	1 : 1	1 : 0.4	1 : 0.46
11	Hin Kwai Lane, Hin Tin Village Public Toilet	3	4	2	0	1	1 : 1.33	1 : 0.8	1 : 0.41
12	Tsang Tai Uk Public Toilet	2	3	2	0	1	1 : 1.5	1 : 0.75	1 : 0.34
13	Ngau Pei Sha Village Public Toilet	3	4	3	0	1	1 : 1.33	1 : 0.67	1 : 0.46
14	Wong Nai Tau Public Toilet	2	2	0	1	1	1 : 1	1 : 0.67	1 : 0.95
15	Sha Tin Tau Public Toilet	3	2	0	1	0	1 : 0.67	1 : 0.5	1 : 0.42
16	Shek Kwu Lung Village Public Toilet	3	2	0	1	0	1 : 0.67	1 : 0.5	*N/A
17	Sheung Pai Tau Village Public Toilet	3	2	0	1	0	1 : 0.67	1 : 0.5	1 : 1.5
18	Siu Lek Yuen Village Public Toilet	3	2	3	0	1	1 : 0.67	1 : 0.33	1 : 0.2
19	Wo Liu Hang Village Public Toilet	3	2	0	1	0	1 : 0.67	1 : 0.5	1 : 0.39

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
20	Chap Wai Kon Village Public Toilet	3	2	0	1	0	1 : 0.67	1 : 0.5	1 : 0.38
21	Shap Yi Watt Village Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.47
22	Science Park Road Public Toilet	2	4	3	0	1	1 : 2	1 : 0.8	1 : 0.64
23	Tai Wai PTI Public Toilet	5	8	7	0	1	1 : 1.6	1 : 0.67	*N/A
24	Ma Liu Shui Waterfront Public Toilet	4	6	4	0	1	1 : 1.5	1 : 0.75	1 : 0.64
25	To Tau Village Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.56
26	Fo Tan Village Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	1 : 0.2
27	Tin Liu Village Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	1 : 2.31
28	Kwun Yam Shan Village Public Toilet	1	2	1	0	0	1 : 2	1 : 1	1 : 0.32
29	Ma On Shan Village Hilltop Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.88
30	University Station Public Toilet	3	6	5	0	1	1 : 2	1 : 0.75	1 : 0.72

*Base on the result of infrared counting exercise conducted in 2019, if available

Information on Public Toilets in Sai Kung District

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
1	Yi Chun Street Public Toilet	4	8	6	0	1	1 : 2	1 : 0.8	1 : 2.12
2	Tseung Kwan O Industrial Estate Public Toilet	2	4	3	0	1	1 : 2	1 : 0.8	1 : 1.27
3	Yan King Road Bus Terminus Public Toilet	4	8	7	0	1	1 : 2	1 : 0.73	1 : 0.55
4	Tai Au Mun Public Toilet	2	4	2	0	1	1 : 2	1 : 1	1 : 0.52
5	Ho Chung Public Toilet	1	2	1	0	1	1 : 2	1 : 1	1 : 0.35
6	Tui Min Hoi Public Toilet	3	3	0	1	0	1 : 1	1 : 0.75	1 : 1.01
7	Tseung Kwan O Village Public Toilet	3	4	0	1	1	1 : 1.33	1 : 1	1 : 0.83
8	Boon Kin Village Public Toilet	3	5	0	1	1	1 : 1.67	1 : 1.25	1 : 0.59
9	Clear Water Bay Second Beach Public Toilet	2	4	0	1	1	1 : 2	1 : 1.33	1 : 0.43
10	Pak Kong Tsuen Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	1 : 0.71
11	Sha Kok Mei Public Toilet (I)	1	2	0	1	0	1 : 2	1 : 1	1 : 0.44
12	Sha Kok Mei Public Toilet (II)	1	2	0	1	0	1 : 2	1 : 1	*N/A
13	Hang Hau PTI Public Toilet	5	10	0	1	1	1 : 2	1 : 1.67	1 : 0.86
14	Tseung Kwan O Public Transport Interchange Public Toilet	4	8	0	1	1	1 : 2	1 : 1.6	1 : 0.41
15	Tiu Keng Leng PTI Public Toilet	3	6	0	1	1	1 : 2	1 : 1.5	*N/A
16	Tui Min Hoi (Chui Tong) Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	1 : 0.51
17	Tai Po Tsai Lower Village Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.54
18	Pak Sha Wan Carpark Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.59
19	Tai Mong Tsai Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.46
20	Sha Kiu (Leung Shuen Wan) Public Toilet	1	3	2	0	0	1 : 3	1 : 1	*N/A

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
21	Tseng Lan Shue Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	1 : 0.55
22	Tsam Chuk Wan Public Toilet	2	5	3	0	1	1 : 2.5	1 : 1	1 : 1.02
23	Hiram's Highway (Nam Wai) Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
24	Tai Chung Hau Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
25	Po Toi O Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
26	Pik Uk Lower Village Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
27	Tso Wo Hang Public Toilet	2	2	2	0	0	1 : 1	1 : 0.5	*N/A
28	Ham Tin Public Toilet	2	3	3	0	0	1 : 1.5	1 : 0.6	*N/A
29	Sun On Tsuen Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
30	Nam Wai Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
31	Nam Shan Village Public Toilet	2	2	2	0	1	1 : 1	1 : 0.5	*N/A
32	Pak Wai Tsuen Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	*N/A
33	Hang Mei Teng Public Toilet	2	3	2	0	0	1 : 1.5	1 : 0.75	*N/A
34	Mau Wu Tsai Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
35	Wai Sun Village Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
36	Pik Shui Shun Tsuen (1) Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	*N/A
37	Pak Sha Wan Church Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
38	Tai Wan Tau Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	*N/A
39	Sheung Sze Wan Public Toilet	1	2	3	0	1	1 : 2	1 : 0.5	*N/A
40	Hung Fa Village (1) Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
41	Ma Yau Tong Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A
42	Tsak Yue Wu Village Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
43	Ah Kung Wan Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	*N/A
44	Mang Kung Uk Lower Village Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
45	Po Lo Che Road Public Toilet	1	2	2	0	0	1 : 2	1 : 0.67	*N/A

Serial No.	Name of Public Toilet	No. of Male Toilet Compartment (a)	No. of Female Toilet Compartment (b)	No. of Urinal Bowl (c)	No. of Trough Urinal (d)	No. of Accessible Unisex Toilet (AUT) (e)	Male-to-female compartment ratio (a) : (b)	Male-to-female sanitary fitments ratio [(a)+(c)+(d)] : (b)	Average male-to-female user ratio (M:F)
46	Wong Yi Chau Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
47	Ta Ku Ling Sun Tsuen Public Toilet	1	2	1	0	1	1 : 2	1 : 1	*N/A
48	Sheung Yeung Public Toilet	1	2	1	0	1	1 : 2	1 : 1	*N/A
49	Shui BinTsuen Public Toilet	1	1	1	0	0	1 : 1	1 : 0.5	*N/A
50	Yim Tin Tsai Public Toilet	1	2	3	0	0	1 : 2	1 : 0.5	1 : 0.55
51	Tun Cheung Upper Village Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
52	Man Sau Sun Tsuen Public Toilet	2	2	1	1	0	1 : 1	1 : 0.5	*N/A
53	Luk Mei Tsuen Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A
54	TaI Miu Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
55	Pak Sha Wan Fisherman Village Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
56	Tai Wan Tsuen Public Toilet	1	2	1	0	1	1 : 2	1 : 1	*N/A
57	Nam Pin Wai Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
58	Ma Nam Wat Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
59	Muk Min Shan Road Public Toilet	1	2	1	0	0	1 : 2	1 : 1	*N/A
60	Duckling Hill Public Toilet	1	2	2	0	1	1 : 2	1 : 0.67	*N/A

*Base on the result of infrared counting exercise conducted in 2019, if available

Annex II

Location of 61 public toilets featured in paragraph 2.36(b)(i) of the Audit Report with utilisation rates

	Name of Public Toilet	Utilisation Rate (Note)
1	Chap Wai Kon Village Public Toilet	Low (below100)
2	Chun Wah Road Public Toilet	High (1000-1999)
3	Dyer Avenue Public Toilet	High (1000-1999)
4	Hin Kwai Lane, Hin Tin Village Public Toilet	Low (below100)
5	Ho Sheung Heung Old Village Public Toilet (II)	Low (below100)
6	Hoi Ning Street Public Toilet	High (1000-1999)
7	Hong King Street Public Toilet	High (over 3000)
8	Java Road Public Toilet	High (300-999)
9	Kak Tin Public Toilet	Low (below100)
10	Kik Yeung Road Public Toilet	High (Over 3000)
11	Kimberley Road Urinal Toilet	High (300-999)
12	Kotewall Road Public Toilet	Normal (100-299)
13	Kwun Tong Road Public Toilet	High (2000-2999)
14	Lan Kwai Fong Public Toilet	High (1000-1999)
15	Lantau Link Viewing Platform Public Toilet	High (300-999)
16	Lok Ku Road Public Toilet	High (300-999)
17	Ma Liu Shui Waterfront Public Toilet	Normal (100-299)
18	Ma Tau Kok Road Public Toilet-cum-bathhouse	High (1000-1999)
19	Morrison Hill Road Public Toilet	High (300-999)
20	Nam On Street Public Toilet	High (2000-2999)
21	Nelson Street Public Toilet	High (300-999)
22	New Hung Hom Ferry Pier Public Toilet	High (1000-1999)
23	Ngong Ping Bus Terminus Public Toilet	High (2000-2999)
24	No.16 Aberdeen Main Road Public Toilet	High (over 3000)
25	Pak Sha Wan Carpark Public Toilet	Normal (100-299)
26	Pak She Street Public Toilet	High (300-999)
27	Parkes Street Public Toilet and Public Bathhouse	High (1000-1999)
28	Peak Road West Public Toilet	Low (below100)
29	Peak Tower Public Toilet	High (1000-1999)
30	Pound Lane Public Toilet and Bathhouse	High (300-999)
31	Pui Ching Road Public Toilet	High (1000-1999)

	Name of Public Toilet	Utilisation Rate (Note)
32	Queen's Road Central Public Toilet	High (1000-1999)
33	Rumsey Street Multi Storey Car-park Public Toilet	High (300-999)
34	Science Museum Road Public Toilet	High (1000-1999)
35	Self Help Care Village Public Toilet	Low (below100)
36	Shan Mei Street Public Toilet	Normal (100-299)
37	Shap Yi Watt Village Public Toilet	Low (below100)
38	Sheung Pai Tau Village Public Toilet	Low (below100)
39	Sing Woo Road Public Toilet	High (1000-1999)
40	Smithfield Municipal Services Building Public Toilet	High (300-999)
41	Southorn Centre Public Toilet	High (Over 3000)
42	Stanley Link Road Public Toilet	Normal (100-299)
43	Tai Hang Road Public Toilet	High (1000-1999)
44	Tai O Road Public Toilet	High (1000-1999)
45	Tap Mun Pier Public Toilet	Normal (100-299)
46	Tat Tung Road Public Toilet	High (2000-2999)
47	Tsan Tuen Road Public Toilet	Normal (100-299)
48	Tseng Lan Shue Public Toilet	Normal (100-299)
49	Tseung Kwan O Village Public Toilet	Low (below100)
50	Tsing Chuen Wai Public Toilet	Normal (100-299)
51	Tuen Mun Ferry Pier Public Toilet	High (2000-2999)
52	Tui Min Hoi Public Toilet	Normal (100-299)
53	Tung Tsing Road Public Toilet	High (300-999)
54	Wan Chai Market Public Toilet	High (300-999)
55	Warren Street Public Toilet	High (1000-1999)
56	Water Street Public Toilet and Bathhouse	High (300-999)
57	Wing Hing Street Public Toilet	High (300-999)
58	Wong Nai Chung Road Public Toilet	High (1000-1999)
59	Yeung Siu Hang Tsuen Public Toilet	Low (below100)
60	Ying Sin Leung Care Village Public Toilet	Normal (100-299)
61	Yung Shue Wan Public Toilet	High (300-999)

Note: The utilsation rates reflected in the table above are prepared based on manual counting before 2019. We are updating them when all results of the infrared sensor counting exercise in 2019 are available.

Details of 59 Public Toilets (PTs) included in the 2011-12 to 2019-20 PT / Enhanced PT Refurbishment Programme[1] (Position as at 31 December 2019)

S/N	Name of PT	Location	Programme Year[2]	Tentative Works Commencement and Completion Dates[3]	Progress/Remarks
1.	New Hung Hom Ferry Pier Public Toilet	Kowloon City	2011-12	Nov 2021 – Sep 2022	The land and interface issues with other project which previously affected this project is now resolved. Design proposal is in progress.
2.	Queen's Road Central Public Toilet	Central and Western	2012-13	To be confirmed	This PT is accommodated in a private development. Liaison with the private developer on the layout design is in progress.
3.	Water Street Public Toilet and Bathhouse	Central and Western	2013-14	Mar 2020 – Jun 2021	ArchSD/Project Consultant and FEHD are making arrangements prior to commencement of site works.
4.	Nelson Street Public Toilet	Mong Kok	2013-14	Dec 2020 – Jun 2021	Design proposal was finalised. Preparation work for tendering is in progress.
5.	Chap Wai Kon Village Public Toilet	Shatin	2013-14	May – Nov 2020	ArchSD/Project Consultant is preparing detailed design and making tender arrangements.

[1] Starting in August 2018, we have introduced an enhanced model named the Enhanced PT Refurbishment Programme (PTRP), which is divided into two subtypes of works namely refurbishment and facelifting. All new refurbishment or facelifting projects would come under the Enhanced PTRP. For projects which have already started before then under the PTRP, they would be taken forward accordingly as planned.

[2] Programme year refers to the financial year when funding was approved for the implementation of the refurbishment works.

[3] Works commencement and completion dates are subject to the smooth completion of public consultations.

S/N	Name of PT	Location	Programme Year[2]	Tentative Works Commencement and Completion Dates[3]	Progress/Remarks
6.	Stanley Link Road Public Toilet	Southern	2013-14	Jun – Dec 2020	ArchSD/Project Consultant is preparing detailed design and making tender arrangements.
7.	Hoi Ning Street Public Toilet	Eastern	2014-15	Jan – Jul 2021	Design proposal was finalised. Further structural assessment is in progress.
8.	Tsan Tuen Road Public Toilet	Islands	2014-15	Jul – Dec 2021	Design proposal is being revised to address the request for more toilet facilities by the locals.
9.	Yung Shue Wan Public Toilet	Islands	2014-15	Oct 2020 – Jun 2021	Design proposal was finalised. Preparation work for tendering is in progress.
10.	Dyer Avenue Public Toilet	Kowloon City	2014-15	Sep 2020 – May 2021	ArchSD/Project Consultant is preparing detailed design and making tender arrangements.
11.	Southorn Centre Public Toilet	Wan Chai	2014-15	Mar – Sep 2020	ArchSD/Project Consultant is preparing detailed design and making tender arrangements.
12.	Peak Tower Public Toilet	Central and Western	2015-16	Feb – Nov 2020	ArchSD/Project Consultant is preparing detailed design and making tender arrangements.
13.	Self Help Care Village Public Toilet	Islands	2015-16	Mar – Aug 2020	ArchSD/Project Consultant is preparing detailed design and making tender arrangements.
14.	Ho Sheung Heung Old Village Public Toilet (II)	North	2015-16	Sep 2019 – Mar 2020	Site works are in progress.

S/N	Name of PT	Location	Programme Year[2]	Tentative Works Commencement and Completion Dates[3]	Progress/Remarks
15.	Tui Min Hoi Public Toilet	Sai Kung	2015-16	Aug 2021 – Apr 2022	ArchSD/Project Consultant is preparing detailed design and making tender arrangements. Lands Department's advice is required on the site boundary in connection with water connection works.
16.	Kak Tin Street Public Toilet	Shatin	2015-16	Dec 2020 – Aug 2021	ArchSD/Project Consultant is preparing detailed design and making tender arrangements. Additional land allocation from LCSD is required for construction of a cat ladder and a maintenance platform.
17.	Tsing Chuen Wai Public Toilet	Tuen Mun	2015-16	May 2019 – Jan 2020	Site works are in progress.
18.	Wing Hing Street Public Toilet	Wan Chai	2015-16	Mar – Sep 2020	ArchSD/Project Consultant is preparing detailed design and making tender arrangements.
19.	Kotewall Road Public Toilet	Central and Western	2016-17	Sep 2019 – Mar 2020	Site works are in progress.
20.	Java Road Public Toilet	Eastern	2016-17	May – Nov 2020	ArchSD/Project Consultant is preparing detailed design and making tender arrangements.
21.	Nam On Street Public Toilet	Eastern	2016-17	Oct 2019 – Jun 2020	Site works are in progress.
22.	Peak Road West Public Toilet	Islands	2016-17	Apr – Aug 2020	ArchSD/Project Consultant is preparing detailed design

S/N	Name of PT	Location	Programme Year[2]	Tentative Works Commencement and Completion Dates[3]	Progress/Remarks
					and making tender arrangements.
23.	Ying Sin Leung Care Village Public Toilet	Islands	2016-17	Jul – Dec 2020	ArchSD/Project Consultant is preparing detailed design and making tender arrangements.
24.	Ma Tau Kok Road Public Toilet-cum-bathhouse	Kowloon City	2016-17	Feb – Dec 2021	Beautification of the façade of the PT is required in order to blend in with the nearby Cattle Depot Artist Village. ArchSD/Project Consultant is preparing detailed design and making tender arrangements.
25.	Tung Tsing Road Public Toilet	Kowloon City	2016-17	Apr – Nov 2020	ArchSD/Project Consultant is preparing detailed design and making tender arrangements.
26.	Lantau Link Viewing Platform Public Toilet	Kwai Tsing	2016-17	Feb – Aug 2021	As the PT is located at major tourist spot, action is being taken to refine the design proposal.
27.	Pak Sha Wan Carpark Public Toilet	Sai Kung	2016-17	Sep 2020 – May 2021	ArchSD/Project Consultant is preparing detailed design and making tender arrangements.
28.	Sheung Pai Tau Village Public Toilet	Shatin	2016-17	Dec 2019 – Jul 2020	Site works are in progress.
29.	Yeung Siu Hang Tsuen Public Toilet	Tuen Mun	2016-17	Oct 2019 – Mar 2020	Site works are in progress.
30.	Wong Nai Chung Road Public Toilet	Wan Chai	2016-17	Jun 2019 – Jan 2020	Site works are in progress.

S/N	Name of PT	Location	Programme Year[2]	Tentative Works Commencement and Completion Dates[3]	Progress/Remarks
31.	Pound Lane Public Toilet and Bathhouse	Central and Western	2017-18	Sep 2020 – Aug 2021	ArchSD/Project Consultant is preparing detailed design and making tender arrangements.
32.	Pak She Street Public Toilet	Islands	2017-18	Jul 2021 – Feb 2022	Design proposal is in progress.
33.	Tseung Kwan O Village Public Toilet	Sai Kung	2017-18	Apr 2020 – Jan 2021	ArchSD/Project Consultant is preparing detailed design and making tender arrangements.
34.	Kimberley Road Urinal Toilet	Yau Tsim	2017-18	May – Aug 2020	Design proposal was finalised. Preparation work for tendering is in progress.
35.	Parkes Street Public Toilet and Public Bathhouse	Yau Tsim	2017-18	Oct 2020 – May 2021	Design proposal was finalised. Preparation work for tendering is in progress.
36.	Kik Yeung Road Public Toilet	Yuen Long	2017-18	Sep 2019 – Mar 2020	Site works are in progress.
37.	Lan Kwai Fong Public Toilet	Central and Western	2018-19	Dec 2020 – Jul 2021	As the PT is located at major tourist spot, action is being taken to refine the design proposal.
38.	Smithfield Municipal Services Building Public Toilet	Central and Western	2018-19	Feb – Aug 2020	Design proposal was finalised. Site works will commence in Feb 2020.
39.	Tai O Road Public Toilet	Islands	2018-19	Jul – Dec 2020	Design proposal was finalised. Preparation work for tendering is in progress.
40.	Pui Ching Road Public Toilet	Kowloon City	2018-19	Feb – Oct 2021	ArchSD/Project Consultant is preparing detailed design and making arrangement

S/N	Name of PT	Location	Programme Year[2]	Tentative Works Commencement and Completion Dates[3]	Progress/Remarks
					for a single tender to cover other PTs.
41.	Kwun Tong Road Public Toilet@	Kwun Tong	2018-19	Not Applicable	Not Applicable
42.	Hin Kwai Lane, Hin Tin Village Public Toilet	Shatin	2018-19	Aug 2021 – Apr 2022	Design proposal is in progress.
43.	Tuen Mun Ferry Pier Public Toilet	Tuen Mun	2018-19	Apr 2021 – Jan 2022	Design proposal is in progress.
44.	Sing Woo Road Public Toilet	Wan Chai	2018-19	Mar – Oct 2020	ArchSD/Project Consultant is preparing detailed design and making tender arrangements.
45.	Tai Hang Road Public Toilet	Wan Chai	2018-19	Dec 2020 – Jul 2021	Design proposal was finalised. Preparation work for tendering is in progress.
46.	Warren Street Public Toilet	Wan Chai	2018-19	Jun – Nov 2020	Design proposal was finalised. Preparation work for tendering is in progress.
47.	Lok Ku Road Public Toilet	Central and Western	2019-20	Feb – Nov 2021	Design proposal is in progress.
48.	Rumsey Street Multi Storey Car-park Public Toilet	Central and Western	2019-20	Feb – Sep 2021	Design proposal is in progress.
49.	Tat Tung Road Public Toilet#	Islands	2019-20	Sep 2019 – Jan 2020	Site works are in progress.
50.	Tseng Lan Shue Public Toilet	Sai Kung	2019-20	Aug 2021 – Apr 2022	Land allocation issue relating to the construction of a new attendant room is being sorted out in discussion with Lands Department. Design proposal is in progress.

S/N	Name of PT	Location	Programme Year[2]	Tentative Works Commencement and Completion Dates[3]	Progress/Remarks
51.	Ma Liu Shui Waterfront Public Toilet	Shatin	2019-20	Dec 2020 – Aug 2021	Design proposal is in progress.
52.	Shan Mei Street Public Toilet	Shatin	2019-20	Feb – Sep 2021	Design proposal is in progress.
53.	Shap Yi Watt Village Public Toilet	Shatin	2019-20	Aug 2021 – Apr 2022	Application for additional land allocation with LandsD is underway. Design proposal is in progress.
54.	No.16 Aberdeen Main Road Public Toilet	Southern	2019-20	May 2021 – Feb 2022	Design proposal is in progress.
55.	Tap Mun Pier Public Toilet	Tai Po	2019-20	Apr – Dec 2021	Design proposal is in progress.
56.	Morrison Hill Road Public Toilet	Wan Chai	2019-20	Feb – Aug 2021	Design proposal is in progress.
57.	Wan Chai Market Public Toilet#	Wan Chai	2019-20	Feb – Jun 2020	Site works will commence in Feb 2020.
58.	Science Museum Road Public Toilet	Yau Tsim	2019-20	Feb – Sep 2021	Design proposal is in progress.
59.	Hong King Street Public Toilet	Yuen Long	2019-20	Mar – Dec 2021	Design proposal is in progress.

@ The reprovisioning of this PT under other development is being considered. Upon confirmation of the reprovisioning proposal, arrangement will be made to withdraw this PT from the PT Refurbishment Programme.

PT facelifting project.

Annex IV

Refurbishment of public toilets with high utilisation rate are not refurbished for more than 10-12 years

Serial No.	District	Name of public toilet	Inclusion into the Enhanced Public Toilet Refurbishment Programme	
			2020-2021	2021-2022 (being planned)
1	Sha Tin	Ngau Pei Sha Village Public Toilet	✓	
2	Islands	Peng Chau Wing On Side Street Public Toilet cum Bathhouse		✓
3	Tai Po	Tai Po Market MTR Station Public Toilet		✓
4	Tai Po	Pak Shing Street Public Toilet-cum-Bathhouse		✓
5	Yuen Long	Fung Cheung Road Public Toilet		✓
6	Yuen Long	Hang Mei Tsuen Public Toilet		✓
7	Yuen Long	Kam Tin Shi Public Toilet		✓
8	Yuen Long	Kam Tin Shui Mei Tsuen Public Toilet		✓
9	Yuen Long	Kam Tin Fung Kut Heung Public Toilet		✓

Annex V

Refurbishment of public toilets with high utilisation rate are not refurbished for more than 12-18 years

Serial No.	District	Name of public toilet	Inclusion in the Enhanced Public Toilet Refurbishment Programme	
			2020-2021	2021-2022 (being planned)
1	Central/Western	Wa Hing Lane Public Toilet-cum-Bathhouse	✓	
2	Central/Western	Wellington Street Public Toilet (Male Only)	✓	
3	Central/Western	Kennedy Road Public Toilet	✓	
4	Central/Western	Ice House Street Public Toilet	✓	
5	Tai Po	Tung Ping Chau Public Toilet	✓	
6	Tai Po	Tap Mun Ha Wai Public Toilet	✓	
7	Yuen Long	Kuk Ting Street Public Toilet	✓	
8	Yuen Long	Tai Tong Road Public Toilet-cum-Bathhouse	✓	
9	North	Sheung Shui Tung Hing Road Public Toilet		✓

Serial No.	District	Name of public toilet	Inclusion in the Enhanced Public Toilet Refurbishment Programme	
			2020-2021	2021-2022 (being planned)
10	North	Sheung Shui Tung Hing Road Carpark Public Toilet		✓
11	North	Shung Him Tong Public Toilet		✓
12	North	Fanling Wai (South) Public Toilet		✓
13	North	Wo Hop Shek Tsuen Public Toilet		✓
14	Islands	Cheung Chau Peak Road Public Toilet-cum-Bathhouse		✓
15	Islands	Ngong Ping Road Public Toilet		✓
16	Islands	Shek Mun Kap Public Toilet		✓
17	Tai Po	Yung Shue O Public Toilet		✓
18	Tai Po	Nai Chung Pier Public Toilet		✓
19	Tai Po	Hoi Ha Public Toilet		✓

Enhanced Public Toilet (PT) Refurbishment Programme
Workflow of Refurbishment and Facelifting Projects

Work Stage[1]	Refurbishment Projects	Facelifting Projects
1.	Food and Environmental Hygiene Department (FEHD) to confirm the scope of works; Architectural Services Department (ArchSD)/Project Consultant to conduct technical feasibility study and prepare design proposals (including layout and materials); and FEHD to handle land allocation issues in collaboration with District Lands Office (if necessary)	FEHD to confirm the scope of works with ArchSD/Term Contractor
2.	ArchSD/Project Consultant to present layout design and materials proposals to FEHD's Pre-vetting Committee for vetting	*Not applicable*
3.	ArchSD/Project Consultant to present layout design and materials proposals to FEHD's Working Group on Upgrading of Public Toilets for consideration and approval	*Not applicable*
4.	FEHD to conduct public consultation	FEHD to conduct public consultation
5.	ArchSD/Project Consultant to prepare detailed drawings and make tender arrangements	*Not applicable*
6.	ArchSD/Project Consultant and FEHD to make arrangement (e.g. finalization of the works scope and works programme, selection of installations and materials, arrangement of temporary toilets, etc.) prior to commencement of site works	ArchSD/Term Contractor and FEHD to make arrangement (e.g. finalising the works scope and works programme, selection of installations and materials, arrangement of temporary toilets, etc.) prior to commencement of site works

[1] In general, there are seven stages for carrying out a PT refurbishment project. Stage (1) for a facelifting project is comparatively more straightforward and stages (2), (3) and (5) are not applicable to a facelifting project.

Work Stage[1]	Refurbishment Projects	Facelifting Projects
7.	Site works and reopening of PTs for public use after works completion	Site works and reopening of PTs for public use after works completion

List of 42 Public Toilets (PTs) under the 2019-20 Enhanced PT Refurbishment Programme (Position as at 31 December 2019)

(A) 20 Refurbishment Projects

S/N	Name of PT	Location	Estimated Project Cost ($M)	Tentative Works Commencement and Completion Dates[1]	Progress/Remarks
1.	Lok Ku Road Public Toilet	Central and Western	8.4	Feb - Nov 2021	Design proposal is in progress.
2.	Ladder Street Public Toilet	Central and Western	6.2	Jan - Oct 2021	Design proposal is in progress.
3.	Rumsey Street Multi Storey Car-park Public Toilet	Central and Western	3.9	Feb - Sep 2021	Design proposal is in progress.
4.	Sheung Shui Wai Po Sheung Tsuen Public Toilet	North	4.2	Apr - Dec 2021	Design proposal is in progress.
5.	Tseng Lan Shue Public Toilet	Sai Kung	3.5	Aug 2021 - Apr 2022	Land allocation issue relating to the construction of a new attendant room is being sorted out in discussion with Lands Department (LandsD). Design proposal is in progress.
6.	Ma Liu Shui Waterfront Public Toilet	Shatin	5.9	Dec 2020 - Aug 2021	Design proposal is in progress.
7.	Science Park Road Public Toilet	Shatin	4.9	Feb - Sep 2021	Design proposal is in progress.
8.	Shan Mei Street Public Toilet	Shatin	3.8	Feb - Sep 2021	Design proposal is in progress.

[1] Works commencement and completion dates are subject to the smooth completion of public consultations.

S/N	Name of PT	Location	Estimated Project Cost ($M)	Tentative Works Commencement and Completion Dates[1]	Progress/Remarks
9.	Shap Yi Watt Village Public Toilet	Shatin	3.5	Aug 2021 - Apr 2022	Application for additional land allocation with LandsD is underway. Design proposal is in progress.
10.	Tai Wai Public Transport Inter-change Public Toilet	Shatin	3.3	Apr - Nov 2021	Design proposal is in progress.
11.	To Tau Village Public Toilet	Shatin	3.3	Apr - Nov 2021	Design proposal is in progress.
12.	No.16 Aberdeen Main Road Public Toilet	Southern	6.2	May 2021 - Feb 2022	Design proposal is in progress.
13.	Fong Ma Po Public Toilet	Tai Po	4.9	Nov 2020 - Aug 2021	Design proposal was finalised. Public consultation will be conducted in Q1 2020.
14.	Ma Wo Public Toilet	Tai Po	3.1	Apr - Dec 2021	Design proposal is in progress.
15.	Tap Mun Pier Public Toilet	Tai Po	3.1	Apr - Dec 2021	Design proposal is in progress.
16.	Sunny Bay Public Toilet	Tsuen Wan	6.8	Jan - Oct 2021	Design proposal is in progress.
17.	Wang Lung Street Public Toilet	Tsuen Wan	5.8	Apr - Nov 2021	Design proposal is in progress.
18.	Morrison Hill Road Public Toilet	Wan Chai	3.6	Feb - Aug 2021	Design proposal is in progress.
19.	Science Museum Road Public Toilet	Yau Tsim	3.5	Feb - Sep 2021	Design proposal is in progress.
20.	Hong King Street Public Toilet	Yuen Long	6.0	Mar - Dec 2021	Design proposal is in progress.

(B) 22 Facelifting Projects

S/N	Name of Public Toilet	Location	Estimated Project Cost ($M)	Tentative Works Commencement and Completion Dates[2]	Progress/Remarks
1.	Hong Kong Park Indoor Game Hall Public Toilet	Central and Western	1.8	Mar - Jun 2020	Site works will commence in Mar 2020.
2.	Wing Lok Street Public Toilet	Central and Western	1.7	Mar - Jun 2020	Site works will commence in Mar 2020.
3.	Ngong Ping Road Interchange Public Toilet	Islands	2.9	Oct 2019 - Jan 2020	Site works are in progress.
4.	Tat Tung Road Public Toilet	Islands	2.9	Sep 2019 - Jan 2020	Site works are in progress.
5.	Kwai Fong Station Bus Terminus Public Toilet	Kwai Tsing	3.6	Oct 2019 - Jan 2020	Site works are in progress.
6.	Kwai Hing Station Bus Terminus Public Toilet	Kwai Tsing	3.0	Oct 2019 - Jan 2020	Site works are in progress.
7.	Lei Yue Mun Ma Wan Public Toilet cum Bathhouse	Kwun Tong	3.0	Mar - Jun 2020	Site works will commence in Mar 2020.
8.	Shung Yan Street Public Toilet	Kwun Tong	1.6	Mar - Jun 2020	Site works will commence in Mar 2020.
9.	Mong Kok Road Public Toilet	Mong Kok	2.8	Mar - Jun 2020	Site works will commence in Mar 2020.
10.	Sai Yee Street Garden Public Toilet	Mong Kok	4.8	Mar - Jun 2020	Site works will commence in Mar 2020.

[2] Works commencement and completion dates are subject to the smooth completion of public consultation.

S/N	Name of Public Toilet	Location	Estimated Project Cost ($M)	Tentative Works Commencement and Completion Dates[2]	Progress/Remarks
11.	Sai Yee Street Public Toilet	Mong Kok	4.7	Mar - Jun 2020	Site works will commence in Mar 2020.
12.	Nam Cheong Street Public Toilet	Sham Shui Po	4.5	Project completed on 29 Nov 2019	-
13.	Toilets at G/F & 1/F of Pei Ho Street Market	Sham Shui Po	6.3	Sep 2019 - May 2020	Site works are in progress.
14.	Yen Chow Street Public Toilet	Sham Shui Po	3.0	Dec 2019 - Mar 2020	Site works are in progress.
15.	Chai Wan Kok Public Toilet	Tsuen Wan	1.6	Feb - Apr 2020	Site works will commence in Feb 2020.
16.	Chuen Lung Village Public Toilet	Tsuen Wan	1.1	Oct 2019 - Jan 2020	Site works are in progress.
17.	Heung Che Street Public Toilet	Tsuen Wan	1.5	Oct 2019 - Jan 2020	Site works are in progress.
18.	Shing Mun Road Public Toilet	Tsuen Wan	0.9	Feb - Apr 2020	Site works will commence in Feb 2020.
19.	Wan Chai Market Public Toilet	Wan Chai	1.5	Mar - Jun 2020	Site works will commence in Mar 2020.
20.	Gascoigne Road Public Toilet	Yau Tsim	1.6	Sep 2019 - Jan 2020	Site works are in progress.
21.	Jordan Road Public Toilet	Yau Tsim	1.8	Sep 2019 - Jan 2020	Site works are in progress.
22.	Market Street Public Toilet and Bathhouse	Yau Tsim	2.7	Oct 2019 - Feb 2020	Site works are in progress.

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TOURISM COMMISSION 旅遊事務署

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本函檔號 Our Ref.： TC T3 22/25/1/7
來函檔號 Your Ref.： CB4/PAC/R73

11 December 2019

Mr Anthony CHU
Clerk to Public Accounts Committee,
Legislative Council Complex,
1 Legislative Council Road,
Central, Hong Kong

Dear Mr Chu,

Public Accounts Committee

Consideration of Chapter 1 of the Director of Audit's Report No. 73

Planning, provision and management of public toilets by the Food and Environmental Hygiene Department

I refer to your letter of 3 December 2019 requesting us to provide the information to facilitate the Public Accounts Committee's consideration of Chapter I of the Director of Audit's Report No. 73. The requested information is set out at Annex for reference.

Yours sincerely,

(Miss Maggie Chow)
for Commissioner for Tourism

c.c. Secretary for Food and Health (fax no. 2526 3753)
Director of Food and Environmental Hygiene (fax no. 2524 1977)
Director of Architectural Services (fax no. 2810 7341)
Secretary for Financial Services and the Treasury (fax no. 2147 5239)
Director of Audit (fax no. 2583 9063)

Annex

Legislative Council
Public Accounts Committee

Consideration of Chapter 1 of the Director of Audit's Report No. 73

Planning, provision and management of public toilets by the Food and Environmental Hygiene Department

Question

With reference to paragraph 2.32 of the Audit Report, has the Tourism Commission ("TC") provided views to the Food and Environmental Hygiene Department ("FEHD") for providing new public toilets or refurbishing existing public toilets at popular scenic areas/tourist spots in the past three years. If yes, details for the correspondence with TC and FEHD.

Reply

In the past three years, TC provided views to FEHD on its public toilets in the vicinity of tourist spots requiring improvement on the following occasions:

(a) TC conveyed the views of the Peak Tower to FEHD on the renovation and cleanliness of the toilets at Peak Tower and Star Ferry Multi Storey Car-park in 2017;
(b) TC conveyed concerns on the cleanliness of public toilets raised by a member of the public, including the public toilet at the Central Market, to FEHD in October 2017;
(c) TC recommended FEHD to improve the cleanliness of the Yim Tin Tsai Public Toilet in January 2018;
(d) TC recommended FEHD to improve the cleanliness and repair damaged facilities of Lai Chi Wo Public Toilet in February 2018; and
(e) TC provided FEHD a list of public toilets which are in the vicinity of tourist spots and required improvement in May 2018 upon FEHD's request.

Correspondence between TC and FEHD in respect of the above cases are summarised in the table below.

Date of the Correspondence	Content of the Correspondence
(a) Peak Tower Public Toilet and Star Ferry Multi Storey Car-park Public Toilet	
12 January 2017	● TC wrote to FEHD conveying the concerns and suggestions raised by the Peak Tower ("PT") on the toilet renovation project regarding the design of the toilet, including adopting a design theme for the renovated toilet, increasing the number of toilet bowl, widening the toilet doors, signage for toilets, etc. PT also urged for enhancing the standard of cleaning services and maintenance for damaged facilities for the public toilets at Peak Tower and Star Ferry Multi Storey Car-park. ● TC invited FEHD to consider the concerns and suggestions raised by PT, and revisit the project brief for the renovation.
26 January 2017	● FEHD replied that the concerns and suggestions raised by PT had been conveyed to the Architectural Services Department ("ArchSD") and its consultant. The suggested items would be well addressed and the consultant would try to meet the requests made by PT. ● Regarding the condition of the two public toilets concerned, FEHD had conducted inspections and reminded cleaning contractors to upkeep the hygiene condition of the toilets.
2 February 2017	● TC wrote to FEHD recapping the telephone discussion between the two parties – it was understood that ArchSD's consultant would address some of the concerns and suggestions raised by PT; for those not addressed at that moment, technical feasibility would be explored. ● FEHD was requested to remind ArchSD's consultant to maintain close contact with PT and share with them relevant information.
17 February 2017	● Upon the receipt of latest schematic design proposal from FEHD, TC wrote to FEHD seeking clarification on whether PT's suggestion for a design theme and widening the toilet entrances could be adopted. ● TC requested FEHD, ArchSD and its consultant to explain the latest plan to PT and address any outstanding issues/concerns before approving the design. ● TC stressed that a toilet renovation plan and design which would enhance visitors' experience and impression about Hong Kong would be desirable, and hoped that FEHD and ArchSD would refine the plan as far as resources permit.
17 February 2017	● FEHD replied and reported the latest development on PT's suggestion for a design theme and widening the toilet entrances. By copy of the reply, FEHD requested ArchSD to refine the toilet renovation plan as far as resources permit, and urged its consultant to continue to liaise with PT closely to address their concerns and

Date of the Correspondence	Content of the Correspondence
	resolve outstanding issues.
14 September 2017	● TC wrote to FEHD stating that PT could not get in touch with FEHD in the past few months on the progress of the toilet renovation project. TC relayed the comments of PT to FEHD again for reconsideration. ● TC reiterated that a toilet renovation plan commensurating with the Peak as a key tourism icon of Hong Kong would be welcome. FEHD was requested to favourably reconsider the issues raised by PT where resources permit.
29 September 2017	● FEHD replied that the proposed design of the toilet had been discussed at the meeting of the Working Group on Upgrading the Public Toilet (WG) on 21 Feb 2017. WG was informed and duly considered the points raised by PT. WG generally endorsed the design proposal, with some minor comments raised on the layout plan, colour scheme and ventilation system. ● FEHD added that WG requested the project consultant to liaise with PT in the past months to resolve the technical and interface issues as necessary. The project consultant would continue to keep in touch with PT regarding the site works schedule and interface with the renovation works of the common corridor.
5 December 2017	● TC wrote to FEHD conveying the comments raised by PT. Among various comments, PT suggested reviewing the provision of cubicles by better utilising the space available and the unique location of the toilet.
19 December 2017	● FEHD replied that the design proposal was sent to PT on 8 November 2017. The layout plans would be further revised to take into account PT's latest suggestions on the provision of toilet compartments.
(b) Northern Frontage of Central Market Public Toilet and Jubilee Street Public Toilet	
24 October 2017	● In response to a public enquiry, TC wrote to FEHD requesting it to address the unpleasant conditions of public toilets in Hong Kong, especially the ones inside Central Market. TC requested FEHD to provide updates on efforts done to ensure the cleanliness of the public toilets and whether new initiatives would be implemented to further improve the situation to facilitate preparation of a reply to the member of the public.
6 November 2017	● FEHD supplemented that various measures had been carried out by FEHD to ensure the hygiene and cleanliness of the public toilets under their management. The measures include regular daily thorough cleansing, arrangement of stationed toilet attendant

Date of the Correspondence	Content of the Correspondence
	at frequently-used public toilets, regular and surprise inspections to check the cleansing contractors' performance, etc. ● FEHD also replied that a working group has been set up with ArchSD to discuss on how to enhance FEHD's public toilets with a modern and harmonised design so as to improve public perception. ● As to the two public toilets at Central Market, namely Northern Frontage of Central Market Public Toilet and Jubilee Street Public Toilet, FEHD replied that while they have inspected the two toilets on its cleanliness, the toilets had been handed over to the Urban Renewal Authority for their management in October 2017.
(c) Yim Tin Tsai Public Toilet	
17 January 2018	● TC wrote to FEHD conveying the observations at Yim Tin Tsai Public Toilet during two site recces conducted in November 2017 and January 2018. Given the insanitary conditions at the public toilet, TC recommended FEHD to help improve the cleanliness of the public toilet by different measures including further strengthening the cleansing service, provision of a stationed toilet attendant and conducting regular inspections to ensure the cleanliness of the toilet is up to the standard.
25 January 2018	● FEHD replied that deep cleansing works had been conducted at the Yim Tin Tsai Public Toilet and the general hygienic condition of the Public Toilet was found satisfactory. On the other hand, while FEHD could not arrange stationed toilet attendant due to the low daily usage rate at the public toilet, FEHD had asked its frontline staff to step up inspection on its cleanliness. [Remarks: FEHD has completed the facelifting works of the said Public Toilet in October 2019 and its overall hygienic condition has significantly improved.]
(d) Lai Chi Wo Public Toilet	
5 February 2018	● TC wrote to FEHD conveying the observations at Lai Chi Wo Public Toilet during a site recce conducted in January 2018. Given the insanitary conditions at the public toilet, TC recommended FEHD to help improve the cleanliness of the public toilet by different measures including further strengthening the cleansing service, provision of a stationed toilet attendant, stepping up regular inspections, as well as arranging repair works for damaged facilities so as to ensure the cleanliness level of the toilet.
20 June 2018	● FEHD replied that deep cleansing and regular desludging works had been conducted at the Lai Chi Wo Public Toilet and the

Date of the Correspondence	Content of the Correspondence
	general hygienic condition of the Public Toilet was found satisfactory. FEHD had also requested ArchSD to limewash the ceiling of the toilet. Furthermore, FEHD would closely monitor the situation and frontline staff had been asked to step up inspection to ensure cleanliness of the public toilet.
(e) List of public toilets requiring improvements	
16 April 2018	● FEHD sought TC's input on the list of public toilets at major tourist spots which required improvements.
11 May 2018	● TC provided a list of 24 public toilets[1] and related opinions to FEHD after consultation with HKTB, TIC and other stakeholders.
4 September 2018 and 12 September 2018	● FEHD updated TC on the tentative implementation schedule of the improvement works on the 23 public toilets[2].

[1] The list of 24 public toilets provided by TC to FEHD included San Ma Tau Street Public Toilet, Peak Tower Public Toilet, Man Yiu Street Public Toilet, Old Peak Road Public Toilet, Lok Ma Chau Control Point (North) Public Toilet, Lok Ma Chau Control Point (South) Public Toilet, Lok Ma Chau Public Transport Interchange Public Toilet, Lai Chi Wo Public Toilet, Ap Chau (I) Public Toilet, Yim Tin Tsai Public Toilet, Tsim Sha Tsui Ferry Concourse Public Toilet, Tsim Sha Tsui East Public Transport Interchange Public Toilet, Repulse Bay Public Toilet (near Life Saving Association), Stanley Municipal Services Building Public Toilet, Repulse Bay Beach Road Public Toilet, Stanley Waterfront Public Toilet, Repulse Bay Bus Terminus Public Toilet, Repulse Bay Public Toilet (near No.16 Repulse Bay Beach Road), Stanley Main Street Public Toilet, Apliu Street Public Toilet, Shek Tsai Po Street Public Toilet, Southorn Centre Public Toilet, Expo Drive East Public Toilet, as well as a public toilet at Central Harbourfront.

[2] As the public toilet at Central Harbourfront was under the management of the Leisure and Cultural Services Department ("LCSD"), FEHD referred the case to LCSD for follow-up in June 2018.

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13 January 2020

Mr. Anthony Chu,
Clerk to Public Accounts Committee,
Legislative Council Complex,
Legislative Council Road,
Central, Hong Kong

Dear Mr. Chu,

Public Accounts Committee

Consideration of Chapter 1 of the Director of Audit's Report No. 73

Planning, provision and management of public toilets by the Food and Environmental Hygiene Department

I refer to your letter of 24 December 2019. Our reply is provided in the ensuing paragraphs.

Item (a)

2. To take forward the Enhanced Public Toilet Refurbishment Programme (Enhanced PTRP), additional manpower including 20 professional/site supervisory/technical/clerical staff and 6 officers have been or will be deployed to the Architectural Services Department (ArchSD) and the Food and Environmental Hygiene Department (FEHD) respectively to plan, coordinate and implement various refurbishment and facelifting projects under the

Enhanced PTRP. With the additional resources in place, the two departments are able to speed up planning of the refurbishment and facelifting works, monitoring of the performance of the project consultants/contractors and works progress, submissions and vetting of the design proposals, and ensure timely commencement and completion of the project works

Item (b)(i)

3. In the recent five years from 2015-16 to 2019-20, out of the 97 public toilets which were newly built, reprovisioned or refurbished, 13 refurbished public toilets were not provided with accessible unisex toilets (AUTs) due to site constraints or local objections. Local objections were received during acquisition of additional land for construction of the proposed AUT mainly due to concerns over potential change of land use in the village, obstruction of village access, and potential impact on Feng Shui. In one case, the private land owner refused to grant the right of way to access the proposed AUT.

Item (b)(ii)

4. 263 public toilets had been considered in the Retrofitting Programme for provision of AUTs but found infeasible due to various reasons including site constraints, local objections and complicated land issues. Accessible urinals, braille and tactile signs for toilets and handrails with braille and tactile information were provided as far as practicable to facilitate people with disability and the elderly to use the public toilet facilities. FEHD and ArchSD will continue to explore the feasibility of providing AUTs in these toilets under the Enhanced PTRP.

Item (c)

5. Generally speaking, FEHD will submit the proposal on refurbishment works of the public toilets to respective District Councils about 3 months before the commencement of the proposed works. The paper submitted to the District Council outlines the details of the refurbishment works including the temporary arrangement on provision of portable toilets, if applicable, for consideration of

the District Council.

6. From 2015 to 2019, out of a total of 82 public toilets that were refurbished, 17 were not provided with portable toilets during the refurbishment works period. The reasons were mostly because of site constraints and availability of other public accessible toilet facilities in the vicinities.

Item (d)(i) & (iii)

7. Portable toilets provided by FEHD before 2019 comprised basic provisions of the sanitary fitments, including squatting type water closet, hand-washing facilities, soap dispenser, toilet paper and water flushing system. Regular desludging services are required to remove sludge from portable toilets. The cleansing frequency of portable toilets varies among locations subject to the utilisation rate, ranging from three times a day to twice a week.

8. Since 2019, FEHD has adopted new designs for portable toilets with enhanced facilities, including pedestal type water closets, LED lighting and exhaust fans operated by solar energy with motion sensor switch, mirror and coat hook. We will progressively replace the existing portable toilets at suitable locations by those with new designs upon renewal of the portable toilet services contracts to improve the portable toilets services.

9. Besides, FEHD is conducting a trial on the use of container-type portable toilets at Lok Ma Chau Public Transport Interchange and Tai Lam Tunnel Bus Interchange. The container-type toilets are equipped with up-to-date toilet facilities such as pedestal type water closets, urinals, wash hand basins, sensor type water taps, soap dispensers, electric fans, hand dryers, etc. which are similar to the provision of permanent public toilets. The container-type portable toilets are also equipped with solar power system to provide power for lighting, ventilation and pumping systems. Non-absorbing floor tiles and water seals of water closets are introduced to reduce the smell problem.

10. FEHD will continue to explore new facilities and technologies to improve the hygiene condition of portable toilets and provide better public toilet services.

Item (d)(ii)

11. While portable toilets are in general not provided with toilet attendant services, 2 portable toilets at Leaping Dragon Link, Chai Wan in Eastern District and 8 portable toilets at Fo Yin Road in Tai Po District are provided with attendant services during weekends and public holidays to meet service needs. The container-type temporary toilets at Lok Ma Chau Public Transport Interchange and Tai Lam Tunnel Bus Interchange in Yuen Long District respectively are provided with daily toilet attendant services.

Item (e)

12. FEHD has been actively exploring new facilities and technologies for improving public toilet facilities through various channels including the internet, by reaching out to the trade, local research and development institutions, and conducting field visits. Recent examples on making reference to experiences and technologies outside Hong Kong include:

(1) With reference to the European experience, FEHD has since May 2019 worked in collaboration with ArchSD and EMSD to study the feasibility of introducing auto cleansing toilets into Hong Kong. Auto cleansing public toilets are individual free-standing modules, each containing a water closet pan and a built-in wash hand basin. After the user has finished using the toilet, opening the door from inside would activate the flushing system and when the user comes out, the door would close and lock. Automatic cleaning and drying of floor and toilet seat would then be carried out within a short period of time before the toilet is ready for use again. A meeting with the representatives of a European company specialising in auto cleansing public toilets was held in September 2019. FEHD is following up.

(2) In August 2019, FEHD conducted a duty visit to Singapore to better understand the latest developments there in the fields of environmental hygiene and pest control. Particularly, the smart

toilet system with various sensors to detect the level of consumables and condition of the toilets in the commercial toilets in Singapore was studied as we are also implementing smart toilet system in public toilets on a trial basis in Hong Kong.

Item (f)

13. In the recent three years from 2017-18 to 2019-20 (up to 31 December 2019), 26 meetings of the Working Group on Upgrading of Public Toilets (Working Group) were held. As members of the Working Group, representatives from ArchSD offer technical advice on the design and layout proposals as well as the colour/material schemes of the public toilet projects proposed by the project consultants/contractors from design and maintenance perspectives to ensure that FEHD's standards and requirements on the provision of toilet facilities as well as relevant barrier free access requirements are complied with as far as practicable.

Item (g)(i)

14. In general, while initiating consultation for a public toilet project, FEHD will, through District Office (DO) of Home Affairs Department (HAD), inform stakeholders of the purposes, background, key issues requiring attention, and the departmental contact point for enquiries on the subject being consulted. The respective DO will then collate the feedback of the stakeholders and forward it to District Environmental Hygiene Office of FEHD (DEHO) together with DO's assessment, where appropriate.

15. In the case of reprovisioning of Toilet F, the DEHO conducted local consultation through North District Office of HAD and received the feedbacks in May 2012. Among 27 consultees (including 1 District Council member, 5 Village Representatives (VRs) and 21 nearby residents), 26 supported the proposal on the re-provisioning of the public toilet and one offered no comment.

Item (g)(ii)

16. In February 2017, the FEHD received a referral from HAD regarding the objection from a VR against the construction works of Toilet F. He was among the 5 VRs consulted in 2012. The VR alleged that the proposed location of the construction works of Toilet F was situated in front of the sites on which village houses would be built, and that would give rise to "Feng Shui" problem and cause sanitary nuisance to the residents. After several rounds of discussion with the VR and villagers, FEHD agreed to conduct enhanced beautification works at Toilet F, and the construction works resumed in June 2017.

17. Subsequent to the completion of construction works of Toilet F in September 2018 and the beautification works in July 2019, the VR conducted a site visit to the toilet on 15 July 2019 and raised objection to the opening of Toilet F due to dissatisfaction with the beautification works.

Item (g)(iii)

18. In response to the VR's views, ArchSD conducted further beautification works in September and October 2019 before the opening of Toilet F. The toilet was open for public use on 11 October 2019.

Item (g)(iv)

19. The case of Toilet F was an isolated case that local consultation process had been completed at first without objection from the stakeholders and objection was only received with change in circumstances later (i.e. villagers' plan to build village houses in front of the toilet site). In respect of any future public toilet projects, we would continue to provide details of our proposals (including the purposes, background, key issues requiring attention) to all relevant stakeholders at an early opportunity to seek their understanding and support. We would also speed up our refurbishment work as far as possible. With additional resources and improvement measures in place under the

Enhanced PTRP, we would aim to shorten the overall timeline to complete a refurbishment project in 2 to 3 years or a facelifting project in 1 to 1.5 years.

Item (h)

20. Among the toilets referred to in Table 6 in paragraph 3.9 of the Audit Report, three public toilets were withdrawn from the PTRP as they were affected by other works or development projects and demolition would be required. As the works or development projects were confirmed after the three public toilets were included in the respective year of the PTRP, action was taken to withdraw these public toilets from the programme to ensure prudent use of public money.

Item (i)

21. In order to expedite the implementation of projects already included under the PTRP and step up the monitoring efforts to ensure their timely completion, the following improvement measures have been implemented to shorten the time required for the refurbishment projects following the completion of the review on workflow of the projects in 2016:

(1) Applications for land allocations from Lands Department (LandsD) would be made at an early stage as soon as the public toilets are shortlisted for inclusion in the PTRP pending funding approval or when the site boundaries are confirmed. Action would be taken by FEHD to closely monitor the progress of the applications for land allocations;

(2) Once the designs of the toilets to be refurbished are available, early public consultations on the refurbishment works would be arranged by FEHD;

(3) Monitoring of the performance of the project consultants/contractors would be stepped up by ArchSD to expedite

the submissions of the design proposals for vetting; and

(4) Action has been taken by ArchSD to expedite the vetting of the design proposals submitted by project consultants/contractors in order to commence the works as soon as possible.

22. In 2018, FEHD has reviewed the overall progress of the PTRP and considered that more public toilets meeting the basic criteria should be included in the PTRP. We have then introduced the Enhanced PTRP in August 2018. Apart from securing additional resources to take forward more public toilet refurbishment projects, we have further divided the improvement works of the public toilets into two subtypes of works, namely refurbishment and facelifting under the Enhanced PTRP. The overall timeline for refurbishment would be shortened to about 2 to 3 years. The scope of works under facelifting mainly includes replacement of aged facilities and installation of new features, with the prevailing layout and exterior wall remaining unchanged. In this connection, the overall timeline to take forward a facelifting project would be about 1 to 1.5 years in general. We have also made use of the latest utilisation rates collected to prioritise the public toilets for inclusion in the Enhanced PTRP.

23. Apart from the above-mentioned improvement measures, ArchSD is exploring the use of "Design for Manufacture and Assembly" (DfMA) method, which is an innovative approach to minimise on-site assembly works by means of off-site construction works such as prefabrication of wall panels with urinals, and integrated manufacturing of wash basins with sanitary fittings and modular cabinets, etc. so as to shorten the closure period in public toilet refurbishment and facelifting projects, and better ensure that the projects will be completed on time.

Item (j)(i)

24. The aqua privies in question were not converted into flushing toilets mainly due to lack of water supply and/or sewerage system, complicated slope or land issues and local objections. Some were demolished or pending demolition due to low usage.

Item (j)(ii)

25. ArchSD is the department responsible for the construction, reprovisioning and refurbishment works of public toilets and aqua privies. ArchSD will provide the relevant information to Public Accounts Committee separately.

Item (k)(i)

26. Updated status of the 45 aqua privies as at 31 December 2019 is provided as follows:

(1) Eight aqua privies will be converted to flushing toilets. Conversion works of three of them is in progress. Another three are pending commencement of works. Local consultation on in-situ conversion for one aqua privy is underway. Another aqua privy is pending feasibility study by ArchSD;

(2) Two aqua privies would be reprovisioned by flushing toilets under private development projects pending commencement;

(3) Site search and land allocation have been initiated through Planning Department and LandsD to reprovision 10 aqua privies. Sites have been identified for two of them, and application for land allocation is in progress or will follow;

(4) 13 aqua privies are considered not feasible for in-situ conversion to flushing toilets due to the lack of water supply and/or sewerage system, encroachment to private lands or site constraints. Nine of them have completed in-situ refurbishment to provide interim improvements to their internal condition. FEHD is studying the alternatives of reprovisioning these 13 toilets at other sites or demolition altogether with regard to utilisation level and actual need; and

(5) 12 aqua privies are planned for demolition. Local consultation was completed for four of them and the proposal would be submitted to District Council shortly. One aqua privy will be closed and handed over to Lands Department for private development. Local consultation on the remaining aqua privies is in progress.

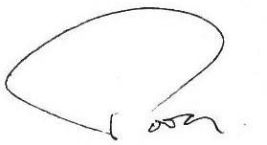
27. As an interim measure pending a longer term arrangement, 9 of the 45 aqua privies have been refurbished to improve their internal condition. FEHD will review the wear and tear condition of aqua privies and plan for refurbishment if required. Apart from regular cleansing operations, FEHD would deploy deep cleansing teams to improve the hygiene conditions of aqua privies. FEHD also applies Microbiological Odour Arresting Agent in the aqua privies on a regular basis for odour control purpose.

28. In respect of the six aqua privies mentioned in paragraph 3.23(e) of the Audit Report, all of them have been closed, pending commencement of demolition works or with site technical issues being resolved by relevant works departments before proceeding with demolition works. It remains our plan to demolish them as soon as practicable.

Item (k)(ii)

29. Taking into account the difficulties and complications encountered in converting aqua privies into flushing toilets, FEHD and ArchSD would collaborate to enhance communications with other relevant departments, including the LandsD and the Water Supplies Department to implement conversion works of the aqua privies and ensure that the works will comply with the existing legislation. For instance, we would timely discuss with LandsD if land issues are involved, and with WSD for an alternative solution in case the proposed water main connection routing is found technically not feasible.

Yours sincerely,



(POON Ping-yeung)
for Director of Food and Environmental Hygiene

c.c. Secretary for Food and Health (fax no. 2526 3753)
Director of Architectural Services (fax no. 2877 0594)
Commissioner for Tourism (fax no. 2801 5792)
Director of Water Supplies (fax no. 2827 8400)
Secretary for Financial Services and the Treasury (fax no. 2147 5239)
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29 January 2020

Mr. Anthony CHU
Clerk to the Public Accounts Committee
Legislative Council
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1 Legislative Council Road
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Dear Mr. CHU,

Public Accounts Committee
Consideration of Chapter 1 of the Director of Audit's Report No. 73
Planning, provision and management of public toilets by
the Food and Environmental Hygiene Department

Thank you for your letter dated 24 December 2019 requesting response / information to facilitate the Public Accounts Committee's consideration of the above Chapter. Please find our reply in the Appendix.

Yours sincerely,

(Allen LEUNG)
for Director of Architectural Services

Encl. as stated

c.c. Secretary for Food and Health (fax no. 2526 3753)
Director of Food and Environmental Hygiene (fax no. 2524 1977)
Commissioner for Tourism (fax no. 2801 5792)
Director of Water Supplies (fax no. 2827 8400)
Secretary for Financial Services and the Treasury (fax no. 2147 5239)
Director of Audit (fax no. 2583 9063)

Part 2 – Planning and provision of public toilets

Item (a)
as additional funding of $600 million would be allocated under the Enhanced Public Toilet Refurbishment Programme, please advise what additional resources would be allocated to the Food and Environmental Hygiene Department ("FEHD") and the Architectural Services Department ("ArchSD"), including the number and rank of new staff created, and how and the extent the new resources could expedite the refurbishment of public toilets;

To take forward the Enhanced Public Toilet Refurbishment Programme (Enhanced PTRP), additional manpower including 20 professional/site supervisory/technical/clerical staff and 6 officers have been or will be deployed to the Architectural Services Department (ArchSD) and the Food and Environmental Hygiene Department (FEHD) respectively to plan, coordinate and implement various refurbishment and facelifting projects under the Enhanced PTRP. With the additional resources in place, the two departments are able to speed up planning of the refurbishment and facelifting works, monitoring of the performance of the project consultants/contractors and works progress, submissions and vetting of the design proposals, and ensure timely commencement and completion of the project works. ArchSD will closely monitor the progress and the implementation of the programme. If needed, additional manpower resources will be considered at appropriate junctures.

Item (b)
with reference to paragraph 2.49 of the Audit Report, please advise:

(i) for the 263 toilets which had been considered in the Retrofitting Programme for barrier-free facilities but found infeasible, whether FEHD and ArchSD have come up with any measures to provide accessible unisex toilets to facilitate the use of these public toilets by persons with disability, wheelchair users and the elderly. If yes, details of these measures; and

(ii) regarding the studies of providing accessible unisex toilets in the 139 toilets:
- what are the scope of the further studies and why these studies could not be conducted at earlier stages;
- the progress, timelines and results (if any) of the studies; and
- the timeline and costs (if any) of providing accessible unisex toilets in these toilets;

263 public toilets had been considered in the Retrofitting Programme for provision of accessible unisex toilets but found infeasible due to various reasons including site constraints, local objections and complicated land issues. Accessible urinals, braille and tactile signs for toilets and handrails with braille and tactile information were provided as far as practicable to facilitate people

Item (b) (Cont'd)

with disability and the elderly to use the public toilet facilities. FEHD and ArchSD will continue to make the best endeavours to explore the feasibility of providing accessible unisex toilets in these toilets under the Enhanced Public Toilet Refurbishment Programme.

Upon our further checking of records, for the 139 public toilets mentioned in para 2.49 of the Audit Report, it was verified that the provision of accessible unisex toilet for 134 of them had been found infeasible when they were studied in either Phases 6 or 7 of the aqua privy conversion programme, the Public Toilet Refurbishment Programme, or the Retrofitting Programme. FEHD will collaborate with ArchSD to complete feasibility study to the remaining 5 public toilets within 6 months.

The Working Group on Upgrading of Public Toilets (Working Group) will regularly review the situation of those public toilets for which the provision of accessible unisex toilets had been found infeasible. If there is any change in the external factors or situation which might make the provision of accessible unisex toilets possible, the Working Group will proceed and review the feasibility study again.

Item (c)

regarding the Cabinet Wash Hand Basin System stated in paragraph 2.56 (a) of the Audit Report, the procurement cost of the system and its individual components (i.e. cabinet, wash hand basin, soap dispenser and hand drier);

The one-stop provision of wash hand basin, soap dispenser and hand dryer in the form of a Cabinet Wash Hand Basin System was installed in Tak Wah Park Public Toilet and Tsuen Wan Multi-storey Car Park Building Public Toilet on a trial basis during the recent toilet refurbishment works. The refurbishment projects, which encompassed renovation of the external facade, lighting and ventilation system, internal fittings, fixtures and finishes, were procured through lump sum quotation contracts with a contract sum of approximately $3.36 million and $3.50 million respectively for the two aforesaid public toilets. Nevertheless, as a rough indication based on a rudimentary market research on similar integrated wash hand basin system available locally as conducted by consultant in 2018, the procurement cost of the Cabinet Wash Hand Basin System (per wash hand basin) is approximately $18,000 to $26,000, excluding associated plumbing, drainage and electrical installations.

Part 3 – Management of public toilet works projects

Item (d)
with reference to paragraph 3.2 of the Audit Report, the number of meetings the Working Group on Upgrading of Public Toilet held in last three years and role and responsibility of ArchSD in the Group;

In the recent three years from 2017-18 to 2019-20 (up to 31 December 2019), 26 meetings of the Working Group were held. As members of the Working Group, representatives from ArchSD offer technical advice on the design and layout proposals as well as the colour/material schemes of the public toilet projects proposed by the project consultants/contractors from design and maintenance perspectives to ensure that FEHD's standards and requirements on the provision of toilet facilities as well as relevant barrier free access requirements are complied with as far as practicable.

Item (e)
with reference to paragraph 3.6 of the Audit Report:

(i) explain in detail how the term contract system operates;

A term contract covering specific scope of works, normally straddles over a period of time (e.g. three years), during which works orders, each detailing specific items of works to be carried out, are issued to the contractor from time to time. Most term contracts are re-measurement contracts under which payments are made based on the actual quantities of works performed.

For each term contract let by the ArchSD, the standard "Schedule of Rates for Term Contracts for Building Works" (SoR) containing estimated unit rates for items of works grouped under different trade sections is a pricing document for adjustments to be proposed by tenderers during the tender stage.

In the tender documents of a term contract, the estimated values of works to be performed under each trade sections of the SoR are specified by the ArchSD. Tenderers are required to propose adjustments in the form of "plus" or "minus" percentages (contract percentages) for each trade section of the SoR. The sum of the tender prices for all the trade sections will become the tenderer's total tender price for tender evaluation purpose. The term contract is normally awarded to a tenderer who has obtained the highest combined score in respect of a host of factors including the tenderer's technical proposals, capability and past performance as well as the tender prices, etc.

Item (e) (Cont'd)

The tender percentages proposed by the successful tenderer for each trade sections of the SoR will form part of the contract, which serves as the basis for payments to be made to the contractor. During the contract period, works orders, each specifying the details of the works to be carried out, are issued to the term contractor from time to time. Upon satisfactory completion of works under a works order, the works carried out will be measured in accordance with the method of measurement specified in the term contract and the contractor will be paid according to the rates of the relevant SoR items and the respective contract percentages.

(ii) regarding the list of term consultants/ term contractors/ term design-and-build contractors kept by ArchSD:

- please advise which works category, group and the respective contract value limit of the List of Approved Contractors for Public Works do the term consultants/ contractors/ term design-and-build contractors for public toilet projects belong to;

- whether any standard assessment/ scoring forms are in place for the tendering process. If yes, a copy of the forms; and

- will ArchSD review the performance of the term consultants/ term contractors/ term design-and-build contractors. If yes, the frequency; if not, why not;

(i) Term consultants:

Consultants on the "List of Consultants of the Architectural and Associated Consultants Selection Board (AACSB)" maintained by the AACSB[1] are normally invited to submit tenders for the consultancies for public toilet projects.

In bidding for a term consultancy, tenderers are required to submit technical and fee proposals for assessment by the tender assessment panel in accordance with DEVB TC(W) No. 2/2016 (Annex A). The tenderer who obtains the highest combined technical and fee scores will normally be awarded the consultancy.

[1] The AACSB is appointed by the Secretary for Financial Services and the Treasury to look after consultant selection, appointment and performance review matters of architectural and associated consultants. There are two Bands of consultants under the list, namely Band 1 and Band 2. Band 1 consultants are eligible to undertake consultancies with an estimated project value exceeding $300 million, whereas Band 2 consultants are eligible to undertake consultancies with an estimated project value not exceeding $300 million.

Note by Clerk, PAC:** **Refer to Development Bureau's website for Annex A.

Item (e) (Cont'd)

Project teams will closely monitor the performance of the term consultant during the course of the consultancy, which will be duly reflected in its performance reports to be issued quarterly in accordance with the "AACSB Hand book" issued by the AACSB.

(ii) Term contractors/ term design-and-build contractors

Contractors on the List of Approved Contractors for Public Works under the "Buildings" Category are normally invited to submit tenders for the Term Contract/Design and Build Term Contract for public toilet projects. The Group of contractors under the "Buildings" Category invited to tender for public toilet projects are as set out in paragraphs 2.2 and 2.3 of Contractor Management Handbook published by DEVB (Annex B).

Tender evaluation method is as set out in DEVB TC(W) No. 4/2014 (the Circular) on Tender Evaluation Methods for Works Contracts. Depending on the complexity of the contract, either the 'Formula Approach' (which takes into account the tenderers' performance ratings and tender prices) in Appendix B of the Circular or the 'Marking Scheme Approach' (which takes into account the technical scores of the tenderers' technical proposals and tender prices) in Appendix C/ C1 of the Circular will be adopted. The standard assessment/ scoring forms can be found in the copy of the Circular in Annex C.

Project teams will closely monitor the contractor's performance during the contract period, which will be duly reflected in its performance reports to be issued on a quarterly basis in accordance with the Contractor Management Handbook published by DEVB.

(iii) what criteria will ArchSD take into account when deciding whether the public toilet projects should be implemented by term consultants, term contractors, term design-and-build contractors or engaging the contractors through open tender; and

ArchSD will normally assign toilet projects with higher degree of complexity and more design input to a term design consultant that possesses suitable experience and resources in handling designs and administration of public toilet projects to facilitate the design vetting process and overall project delivery. For toilet projects which require less design requirements, ArchSD will assign them to a design and build term contractor. For projects assigned to a term design consultant, the construction works will be executed by a term contractor or a contractor via open tendering depending on the scale of the works.

***Note by Clerk, PAC:** Refer to Development Bureau's website for Annexes B and C.*

Item (e) (Cont'd)

For toilet projects which are straightforward and do not involve design input (e.g. toilet facelifting or maintenance), they are normally assigned to a term contractor for execution of the construction works.

(iv) for the term consultant/ contractors/ design-and-build contractors which ArchSD considers their performances unsatisfactory, details of follow-up actions that can be taken by ArchSD;

(i) Term consultants

For term consultants with unsatisfactory performance, follow-up actions that can be taken by ArchSD include interviewing the consultant, issuing warning letters and/or adverse reports to the consultant, taking regulating actions (e.g. suspension from tendering) and/or other actions in accordance with Sections 10.7 and 10.8 of the AACSB Handbook (Annex D).

(ii) Term contracts/term design-and-build contracts

For term contractors/term design and build contractors with unsatisfactory performance, follow-up actions that can be taken by ArchSD include issuing warning letters and/or adverse reports to the contractor, taking regulating actions (e.g. suspension from tendering) and/or other actions in accordance with Sections 4 and 5 of Contractor Management Handbook published by DEVB (Annex E).

Item (f)
with reference to paragraphs 3.4 and 3.7 of the Audit Report, a flow chart to illustrate the workflow of and time required for each procedure in the construction, reprovisioning, full-scale refurbishment and smaller-scale facelifting of public toilets. Please clarify the discrepancy between the target works period for construction or reprovisioning of a public toilet as advised by Director of Architectural Services at the public hearing (one year) and as stated in the Audit Report (nine months);

Please refer to the attached flow chart illustrating workflow for construction and reprovisioning of public toilet.

Note by Clerk, PAC:** ***Refer to Architectural Services Department's website for Annex D, and Development Bureau's website for Annex E.

Item (f) (Cont'd)

		Construction/ Reprovision of Public Toilets	
(1)	3.4(a) Consultation and feasibility study	FEHD to conduct local consultation and define scope of works FEHD to apply for land allocation (if necessary)	3-6 months
(2)		ArchSD to conduct technical feasibility study and preliminary design	3-4 months
(3)	3.4(b) Funding approval	FEHD to submit funding application to the Minor Building Works Committee through ArchSD (Item 703 (Building) Sub-head 3101 GX)	Approx.12 months
(4)	3.4(c) Detailed design [Note: Additional consultations will be carried out by FEHD on an ad hoc basis in case there are concerns raised by local bodies or changes in user's requirements. In these cases additional time may be required.]	ArchSD/Consultant to conduct detailed design (including layout of toilet and recommended materials)	4-6 months
(5)		ArchSD/Consultant to submit the design to the Pre-Vetting Committee on Public Toilet Projects for vetting	2-3 months
(6)		ArchSD/Consultant to submit the design and recommended materials to the Working Group on Upgrading of Public Toilets for vetting	1-2 months
(7)	3.4(d) Implementation of works and handover	ArchSD/ Consultant to finalize the design and issue works order to Term Contractors or conduct separate tender exercise	2-10 months
(8)		Pre-construction arrangement by ArchSD/ Consultant and FEHD (e.g. Site inspection, desludging/ removal of existing facilities (if applicable), negotiation of works commencement date and arrangement of portable toilets, etc.)	1-2 months
(9)		Construction (with general allowance of slippage (e.g. inclement weather))	Approx. 9-12 months
		Total	Approx. 3.5-5 years

Item (f) (Cont'd)

The target works period for the construction or reprovisioning of a public toilet of 9 months as mentioned in paragraph 3.7 of the Audit Report is the anticipated duration for carrying out the works which does not include any allowance for slippage (e.g. inclement weather). From the perspective of project management of the toilet projects, ArchSD normally allow an overall construction period of 12 months for the construction of a public toilet, which includes a general allowance for possible slippage due to unforeseen site constraints and inclement weather.

For full scale refurbishment and smaller-scale facelifting of public toilets under Enhanced Public Toilet Refurbishment Programme, the workflow is tabled below.

Project planning stage	Refurbishment Projects (2 – 3 years)	Facelifting Projects (1 – 1.5 years)
1	FEHD to confirm the scope of works; ArchSD/Project Consultant to conduct technical feasibility study and prepare design proposals (including layout and proposed materials); and FEHD to handle land allocation issues with District Lands Office (if necessary) (4 – 6 months)	FEHD to confirm the scope of works with ArchSD/Contractor (1 month)
2	ArchSD/Project Consultant to present the layout design and materials proposals to FEHD's Pre-vetting Committee for vetting (3 months).	Not applicable
3	ArchSD/Project Consultant to present the layout design and materials proposals to FEHD's Working Group on Upgrading of Public Toilets for consideration and approval (1 – 2 months)	Not applicable
4	FEHD to conduct public consultations (3 – 4 months). Additional consultations will be carried out by FEHD on an ad hoc basis in case there are concerns raised by local bodies or changes in user's requirements. In these cases additional time may be required.	FEHD to conduct public consultations (3 – 4 months)

5	ArchSD/ Project Consultant to prepare detailed drawings and make tender arrangements (6 – 10 months)	Not applicable
6	ArchSD/Project Consultant and FEHD to make arrangement (e.g. finalization of the works scope and works programme, selection of installations and materials, arrangement of temporary toilets, etc.) prior to commencement of site works (1 – 2 months)	ArchSD/Term Contractor and FEHD to make arrangement (e.g. finalising the works scope and works programme, selection of installations and materials, arrangement of temporary toilets, etc.) prior to commencement of site works (3 – 5 months)
7	Site works and reopening of public toilets for public use after works completion (6 – 9 months)	Site works and reopening of public toilets for public use after works completion (3 – 8 months)

Item (g)

according to note 20 of paragraph 3.7 of the Audit Report, there are various causes for a construction contract or works order to be completed beyond the target completion date stated in the contract or works order. For the cases which are outside the control of the contractors, extensions of time will be granted to the contractors and contracts completed beyond the original target completion dates due to the encountering of such events cannot be regarded as delay. In this connection, please provide/advise;

(i) whether there are guidelines on the granting of extensions of time, and whether such guidelines and the duration of the extension are stipulated in the contracts; and;

The events which will give rise to extensions of time being granted to contractors and the relevant procedures are detailed in the contract, e.g. Clause 53 of the General Conditions of Contract for Term Contracts for Building Works 2004 Edition[2] (Annex F).

(ii) in what cases the extension of time will not be granted. It was mentioned at the public hearing that a penalty could be charged for delay in completion of projects under some specific conditions. Details, such as the amount of penalty and the specific conditions;

[2] The General Conditions of Contract for Term Contracts for Building Works 2004 Edition is one of the standard contract forms commonly used in ArchSD for government projects including the construction and reprovisioning of public toilets.

***Note by Clerk, PAC:** Refer to Development Bureau's website for Annex F.*

Item (g) (Cont'd)

When delays are caused by events not covered by item (g)(i) above (e.g. delay due to contractor's inadequate resources or poor planning), extension of time will not be granted. For such delays, the Government is entitled to recover from the contractor liquidated damages calculated using the daily rate stated in the contract. A typical contract clause on liquidated damages is at Annex G. The liquidated damages stipulated in a public works contract represent the genuine estimate of the financial losses of the Government due to delays caused by the contractor. The calculation of liquated damages is detailed in DEVB TC(W) No. 4/2003 issued by DEVB (Annex H).

Item (h)
according to paragraph 3.7 in the Audit Report, there were 7 to 11 months delay in five public toilet reprovisioning projects and they were all carried out by the same term contractor. Whether any sanctions had been imposed on the contractor concerned. If not, why not;

All delays in the completion of the construction contract/works order after taking into account all extension of time incidents have been duly reflected in the contractor's performance reports.

Liquidated Damages will also be imposed on the contractor for delays due to the contractors' faults.

Item (i)
with reference to Case 1 in paragraph 3.7 of the Audit Report, please explain/ advise;

(i) why ArchSD decided to issue the works order to Contractor A in October 2016 while ArchSD was already aware that Contractor A had a labour shortage problem before issuing the works order to it;

It is Contractor A's obligation under the contract to provide adequate resources in carrying out works ordered in accordance with the terms of the contract. When ArchSD noticed in July 2016 that Contractor A had encountered the labour shortage problem, the project team held immediate discussions with Contractor A on the scope and programme for the construction of Toilet F with a view to achieving a more reasonable and balanced workload on Contractor A. At the discussions, the project team was given to understand that if the commencement of works for Toilet F was deferred to October 2016, Contractor A would be able to deploy enough resources for executing the works. Considering that a separate tendering exercise would cause an even longer delay, ArchSD issued a works order to Contractor A in October 2016. The project team had in fact taken reasonable measures in handling Toilet F prior to issuing the works order.

***Note by Clerk, PAC:** Refer to Development Bureau's website for Annex H.*

Item (i) (Cont'd)

(ii) why ArchSD certified that the works as substantially completed while there were 21 items of defective or critical outstanding works, the rank of the authorized persons to certify completion of works, and whether any mechanism was in place to ensure that Contractor A would finish the outstanding works as undertaken in time;

In Case 1, the defects and outstanding works (such as defective wall partition and outstanding testing and commissioning works of electrical system) identified upon the substantial completion of the works order were minor in nature and would not affect the subsequent handover inspections with FEHD. Therefore, upon receipt of an undertaking from Contractor A for completion of the defects and outstanding works, the chief project manager, a D1 officer, issued a letter certifying that the works order had been substantially completed in accordance with the terms of the contract (please refer to Clause 56 of the General Conditions of Contract for Term Contracts for Building Works 2004 Edition at Annex I). Such an arrangement facilitated handing over the completed toilet to FEHD at the earliest opportunity. It should be noted that it was Contractor A's obligation under the contract to complete all outstanding works and rectification of defects timely. Payments for the non-completed works had been withheld until they were satisfactorily completed. Contractor A's progress in completing the outstanding works and rectification of defects were also duly reflected in his performance report. In fact, all defects and outstanding works for the new toilet had been rectified/completed before the completed facilities were handed over to FEHD.

(iii) regarding the consultation with villagers and their requests for beautification works of Toilet F:

- details of the beautification works (both in 2017 and 2018), a breakdown of the costs and the time taken for these works; and

  In March 2017, in response to an objection raised by villagers, beautification works were planned for Toilet F. In December 2018, after further liaison with the villagers' representative, FEHD updated the scope of the beautification work as follows:

  (a) Erection of fence wall of wooden print pattern along the Eastern and northern boundaries;

  (b) Planting of four number of Juniperus Chinensis var. kaizuka (龍柏) along the Northern and Eastern façade of the public toilet and climbers on the Eastern fence; and

***Note by Clerk, PAC:** Refer to Development Bureau's website for Annex I.*

Item (i) (Cont'd)

(c) Fencing off the entrances to the new toilet temporarily to prevent entry.

In addition to the above, some minor painting works were carried out at the base platform of the building upon the villagers' further request raised during subsequent liaison with FEHD in September 2019.

The estimated costs of the above building works and planting works were approximately $350,000 and $20,000 respectively.

- while the beautification works were substantially completed in May 2019, why was Toilet F not handed over to FEHD until July 2019;

After the beautification works of Toilet F were substantially completed on 24 May 2019, ArchSD immediately arranged handover inspections with FEHD. During the inspections, defects that FEHD considered should be completed before the opening of the toilet were identified for urgent follow up by the contractor. Upon rectifying the defects to the satisfaction of FEHD, the beautification works were handed over to FEHD on 9 July 2019. FEHD then arranged a site visit by the villagers' representative on 15 July 2019. Following the satisfactory completion of the minor painting works further requested by the villagers' representative, the toilet was opened for use by the public on 11 October 2019.

(iv) whether any sanctions had been imposed on Contractor A for its unsatisfactory performance. If yes, the details; if not, why not;

Please refer to response for items (h) and (i)(ii) above.

(v) Director of Architectural Services said at the public hearing that a "two-envelope system" was adopted for tender assessment under which both tender price and technical proposal would be given due consideration in procuring contracts. Please advise how the unsatisfactory performance of Contractor A will be taken into account under this system for future tenders under ArchSD or other works departments;

According to DEVB Technical Circular (Works) No. 4/2014 (Annex C), under the two-envelope system, a tenderer shall submit its tender in two parts, i.e., the technical submission and the tender price documents. During the tender assessment stage, the technical submission will be evaluated in accordance with a marking scheme in which the tenderers' past performance is one of the attributes to be assessed in deriving the tenderer's technical score. For tenderers with unsatisfactory past performance, their overall technical score will be affected which will in turn affect their combined technical and price score and hence the opportunity of being awarded the contract.

***Note by Clerk, PAC:* Refer to Development Bureau's website for Annex C.**

Item (i) (Cont'd)

(vi) Director of Architectural Services said at the public hearing that Contractor A is listed under the List of Approved Contractors for Public Works, which is managed by the Development Bureau. Please advise whether there is a mechanism for ArchSD to report the performance of Contractor A for the reference of other works departments in their tendering processes; and

In accordance with the Development Bureau (DEVB)'s Contractor Management Handbook, all works departments, including ArchSD, are required to prepare reports on contractor's performance for all works contracts under their purview on a quarterly basis and upload the reports to DEVB's computerised Contractor Management Information System (CMIS), through which the performance reports of contractors are available to all works departments for reference during tender assessment.

(vii) this case revealed that there was deficiencies of ArchSD in monitoring the contractors to carry out works projects, causing delays to the projects. What lessons has ArchSD learnt from this case;

ArchSD proposed the following improvement measures on contractor's performance monitoring in handling future construction, reprovisioning and refurbishment of toilet projects:

1. ArchSD will remind its staff and consultants to pay particular attention to ensure that sufficient resources are deployed by a term contractor to carry out the projects.

2. When it is found that the progress of works is unsatisfactory due to lack of resources, measures including issuance of warning letters, conducting high-level management interviews with the contractor and reflecting their inadequate resources in the contractor's performance reports will be implemented timely

3. Although it is the contractor's obligation under the contract to provide adequate resources to execute the works detailed in each works order, ArchSD will request the term contractors to advise their resources level from time to time and coordinate with them as far as possible before issuance of works orders to facilitate the contractors to plan ahead their resource requirements so as to minimise the risk of project delay due to insufficient resources of the contractors.

Item (j)
with reference to Table 6 in paragraph 3.9 of the Audit Report, please explain why the 25 public toilets included in the Public Toilet Refurbishment Programmes between 2011-2012 and 2015-16 were still under design as of August 2019, and has ArchSD taken any measures to expedite the works progress. If yes, the details, timelines and expected completion dates; if not, why not; and

For public toilet projects included under the Public Toilet Refurbishment Programme prior to the implementation of the improvement measures following the completion of a review on the workflow of the projects in 2016, it normally took about four to five years to complete the projects. Some individual projects, particularly those included in the Public Toilet Refurbishment Programme in earlier years, might require a longer lead time for completion and are still under design as of August 2019 due to special circumstances or factors, such as site constraints and additional user requirements requiring detailed technical assessments; complications involving land issues or private land; planning and interface issues involving other works or development projects; and the need to obtain stakeholders' support of the design proposals, etc.. ArchSD has been working in collaboration with FEHD to expedite the refurbishment projects and a shortened timeline of 2 to 3 years for implementing a refurbishment project would apply to the Enhanced Public Toilet Refurbishment Programme.

In order to expedite the implementation of projects already included under the Public Toilet Refurbishment Programme (PTRP) and step up the monitoring efforts to ensure their timely completion, the following improvement measures have been implemented to shorten the time required for the refurbishment projects following the completion of the review on workflow of the projects in 2016:

(1) Applications for land allocations from Lands Department (LandsD) would be made at early stages as soon as the public toilets are shortlisted for inclusion in the PTRP pending funding approval or when the site boundaries are confirmed. Action would be taken by FEHD to closely monitor the progress of the applications for land allocations;

(2) Once the designs of the toilets to be refurbished are available, early public consultations on the refurbishment works would be arranged by FEHD;

(3) Monitoring of the performance of the project consultants/contractors would be stepped up to expedite the submissions of the design proposals for vetting. The performance of consultants and contractors in public toilet refurbishment projects will also be critically reflected in their performance reports; and

(4) Action has been taken to expedite the vetting of the design proposals submitted by project consultants/contractors in order to commence the works as soon as possible. Regular review of approved projects will be conducted in the Working Group

Item (j) (Cont'd)

meeting so as to expedite the progress of projects. Should there be any projects with progress hindered by persistent external factors, e.g. objections by the local community, another project will be considered to be injected into the Programme to replace the problematic one so as not to affect the overall delivery programme.

In 2018, FEHD has reviewed the overall progress of the PTRP and considered that more public toilets meeting the basic criteria should be included in the PTRP. FEHD has then introduced the Enhanced PTRP in August 2018. Apart from securing additional resources to take forward more public toilet refurbishment projects, FEHD has further divided the improvement works of the public toilets into two subtypes of works, namely refurbishment and facelifting under the Enhanced PTRP. The overall timeline for refurbishment would be shortened to about 2 to 3 years. The scope of works under facelifting mainly includes replacement of aged facilities and installation of new features, with the prevailing layout and exterior wall remaining unchanged. In this connection, the overall timeline to take forward a facelifting project would be about 1 to 1.5 years in general. FEHD has also made use of the latest utilisation rates collected to prioritise the public toilets for inclusion in the Enhanced PTRP.

Apart from the above-mentioned improvement measures, ArchSD is exploring the use of "Design for Manufacture and Assembly" (DfMA) method, which is an innovative approach to minimise on-site assembly works by means of off-site construction works such as prefabrication of wall panels with urinals, and integrated manufacturing of wash basins with sanitary fittings and modular cabinets, etc. so as to shorten the closure period in public toilet refurbishment and facelifting projects, and better ensure that the projects will be completed on time.

Item (k)
with reference to Case 2 in paragraph 3.9 of the Audit Report, please advise:

(i) the duties and the cost of the assignment for Consultant Y;

(ii) whether ArchSD considered the visual inspection on the structural integrity of Toilet G conducted by Consultant Y sufficient, and whether ArchSD had conducted any site investigations to confirm that Toilet G was structurally feasible. What lessons has ArchSD learnt from this case;

(iii) whether ArchSD considered the performance of Consultant Y unsatisfactory. If yes, had any sanction been imposed on Consultant Y. If no, the reasons;

(iv) has ArchSD enquired with Contractor B on the cost of $1.35 million for the replacement of defective bricks of structural brick walls and explored whether other measures could be adopted at a lower cost; and

(v) whether the refurbishment works of Toilet G have been completed;

Item (k) (Cont'd)

The duties of Consultant Y in this project mainly comprise conducting feasibility studies and project design, carrying out the tender phase work and supervising the works at construction stage till handover of the works to the user. The final cost of the assignment is $153,110.37.

The visual inspection to assess the structural feasibility for refurbishment of Toilet G conducted by Consultant Y was considered in line with general professional practice, i.e., the practice that other building professionals normally would adopt in both Government projects and private practice, based on the fact that no additional load would be imposed by the project scope and no major defects were observed during the time of site inspection. In addition, to avoid conducting destructive tests which would affect the normal use of the toilet, visual inspection instead of destructive test is a preferred practice for toilet refurbishment projects at the preliminary feasibility study stage. ArchSD had drawn lessons from this case and will assess as early as possible the conditions of the structural brick walls, if any, after the public toilets are included in Enhanced PTRP. In this connection, ArchSD will complete a stock taking exercise to identify the existence of structural brick walls for about 850 public toilets and aqua privies by the first quarter of 2020.

The performance of Consultant Y in this project was generally acceptable in view that its recommendation to ArchSD in this project was in line with general professional practice.

ArchSD had explored with Contractor B on the cost of $1.35 million for the necessary remedial works with a view to proceeding with the works at a more reasonable cost. Contractor B originally submitted a quotation at approximate $1.46M for replacement of the brickwork. ArchSD held a meeting on 18 February 2019 with Contractor B and Consultant Y, and requested Contractor B to review its quotation which was considered on the high side. After further discussions, Contractor B revised the quotation on 1 March 2019 to $1.35M but declined to offer any further reduction. As ArchSD and Consultant Y still considered the quotation too high, they explored with Contractor B at another meeting on 5 March 2019 the possibility of terminating the works with the latter. Contractor B agreed on 12 March 2019 to terminate the contract with payment of $0.3M for the works that had already been carried out.

The refurbishment works of Toilet G were assigned to another contractor by a works order of $1.5 million for carrying out the remaining works. The works were completed and handed over to FEHD on 29 November 2019.

Item (l)

with reference to paragraphs 3.8 and 3.10 of the Audit Report, apart from new resources, what other measures/ new technologies have been adopted to shorten the overall timeline for taking forward a refurbishment project and how can the Administration ensure that the projects will be completed on time;

Please refer to the measures and new technology to shorten the overall timeline of refurbishment projects in item (j) above.

Item (m)

referring to Table 7 in paragraph 3.19 and Table 8 in paragraph 3.20 of the Audit Report about Phase 7 of the aqua privy conversion programme, please explain/ advise:

(i) reasons for not converting the remaining 21 aqua privies into flushing toilets (only 124 of the targeted 145 aqua privies were converted);

The aqua privies in question were not converted into flushing toilets mainly due to lack of water supply and/or sewerage system, complicated slope or land issues and local objections. In fact, some of the aqua privies were demolished or pending demolition due to low usage.

(ii) reasons for the delays in completing 23 (17% of 135) works orders and what improvement measures will the Administration take in future; and

The delays in completing 23 (17% of 135) works orders were mainly due to events for which the contractor was responsible, e.g. inadequate input of resources, poor planning, etc. Liquidated damages had been imposed on the contractor for such delay. In the future, ArchSD will take appropriate measures to closely monitor the works progress, which include issuance of warning letters, conducting high-level management interviews with the contractor and reflecting their inadequate resources in their performance reports.

(iii) whether any measures will be taken to ensure more accurate estimates for the expenditure of the aqua privy conversion programme and other public toilets projects could be made, so that excessive reserve of funding will not occur;

In view of the tight delivery programme and large amount of aqua privies (AP) involved, a design-and-build term contract was deployed to carry out the works under the Phase 7 aqua privy conversion programme. Since the design, actual scope of works and exact numbers of aqua privy to be converted were still uncertain, the approved project estimate could only be based on (i) a standard prototype scheme for each type of conversion work and (ii) the estimated target numbers of aqua privy under each prototype scheme. In most cases, the best

Item (m) (Cont'd)

way to deliver this kind of minor building works with uncertain amount of works involved should be through the issuing of works orders under term contracts / design and build term contracts when funding is approved.

Owing to the highly uncertain scope of the works, it is in fact difficult, if not impossible, to have a very accurate estimate of the project expenditure. For future aqua privy conversion projects, ArchSD will make every endeavour to update the project estimates from time to time when the actual scope of works for each aqua privy is known upon completion of detailed design, so that any excessive reserve could be released as soon as possible. That said, for future projects involving conversion of aqua privies, reprovision and construction of public toilets, sufficient desktop and site studies will be carried out to ensure the technical feasibility and to ascertain the scope of works as far as practicable, such that more accurate estimates for the expenditure can be obtained prior to application for funding.

Item (n)

according to Case 3 in paragraphs 3.22 of the Audit Report, Toilet H had not fully conformed to the Waterworks Ordinance (Cap. 102) for nearly five years since its opening in April 2013. Please provide a chronology and the following details:

(i) details of the non-compliance with Cap. 102 and the difficulties encountered by ArchSD (such as the land and substantial geotechnical issues mentioned in paragraph 3 and 4 of Case 3);

As mentioned by WSD, the Waterworks Ordinance (WWO) (Cap. 102) does not apply to Government premises and hence Toilet H. Notwithstanding, it has been the practice that ArchSD will follow the requirements of WWO in the delivery of projects including seeking approval of WSD for the plumbing works.

The chronology is attached at Annex J.

In August 2012, WSD approved Contractor C's design proposal to install a new watermain (25mm dia.) for the supply of fresh water for general ablution, cleansing and flushing purposes (with three water meters) to Toilet H.

In February 2013, fresh water supply via the new watermain (25mm dia.) was outstanding. To facilitate early opening of Toilet H for public use, the flushing water supply to the toilet was temporarily connected to an existing watermain (20mm dia.) previously serving the aqua privy.

Subsequently, WSD conducted an inspection in August 2013 and confirmed the plumbing works in order. WSD therefore urged ArchSD/Contractor C to complete the new watermain connection (25mm dia.) as soon as possible since there was no water supply to the newly installed plumbing works during WSD's

Item (n) (Cont'd)

In September 2016, it was found that there was no feasible alignment for the new watermain (25mm dia.) connection. Therefore, FEHD, ArchSD and Contractor C negotiated with WSD to call off the originally proposed new watermain connection. Subsequently, application to adopt the existing watermain (20mm dia.) as the permanent watermain connection was submitted to WSD in January 2017 for flushing supply.

During WSD's inspection conducted in February 2017, it was observed that there was an extension of the existing fresh water main after the meter position to provide supply to the new plumbing works. As no prior approval had been given on such uses and hence it was considered as not conforming to the requirement of WWO from procedural point of view.

[Remark: As mentioned above, the original application (new 25mm watermain) was withdrawn in September 2016 and replaced by the application for flushing water supply connection from the existing watermain (20mm dia.) submitted in January 2017. Since the application was not yet approved by WSD in February 2017, the inspection was carried out based on the original layout of the Aqua Privy before March 2012, thus resulting in the observation of an alteration.]

In September 2017, WSD had no objection to its proposal for providing flushing water supply for Toilet H, including water supply to be branched off from the existing fresh watermain (20mm dia.) with a separate water meter. Finally in February 2018, WSD inspected and authorised the water supply for flushing upon receipt of all the related documents and minor modification at the connection point from Contractor C.

Although the non-compliance lasted for nearly five years (counting from opening of the toilet in April 2013 to authorization of flushing water supply in February 2018), it was essentially a procedural non-compliance as the plumbing works installed for flushing water supply when Toilet H was completed in 2013 technically complied with the requirement of WWO.

In most aqua privy conversion cases, WSD's approved connection point would be very close to the lot boundary of the aqua privy. However, according to the proposed alignment accepted by WSD in October 2013 for Toilet H, the routing of the new water main would be about 60m long and encroached into private lot and slopes. Therefore, the water supply connection for Toilet H was much more complicated than those normally encountered in other aqua privy conversion projects.

Item (n) (Cont'd)

(ii) site investigations conducted by ArchSD and/or Contractor C before submitting the proposed alignment of water main to WSD and the results. If no investigations were made, why not;

(iii) the Water Supplies Department approved the proposed alignments of the water main in October 2013 and the revised one in October 2014 but why did the alignments in both cases were later considered not feasible;

Before submitting the original and revised proposed alignments of new watermain (25mm dia.) to WSD, Contractor C had carried out a site survey to confirm the constructability of the new watermain. These two alignments were also accepted by WSD in October 2013 and October 2014 respectively.

Subsequently, FEHD submitted application to District Lands Office for carrying out excavation and pipe laying works for the new watermain (25mm dia.), which was eventually not accepted due to encroachment into private lot and underlying geotechnical issues (stability of adjacent slope might be affected in case of leakage of the watermain).

(iv) for the temporary measure mentioned in paragraph 8(a) of Case 3, whether ArchSD has informed the Water Supplies Department of this temporary arrangement. If yes, what was the reply of the Water Supplies Department? If not, did ArchSD have any obligation to inform the Water Supplies Department the arrangement;

As ArchSD originally planned to complete the new watermain connection (25mm dia.) as soon as possible and only considered the temporary arrangement in paragraph 8(a) of Case 3 as an interim measure to facilitate early opening of Toilet H, WSD had not been informed.

WSD conducted several inspections of the plumbing works at Toilet H during August 2013 to February 2018 and WSD's reply after these inspections were listed as follows:

In August 2013, WSD replied that the new internal plumbing works were found generally in order and urged ArchSD/ Contractor C to complete the new watermain connection (25mm dia.) as soon as possible.

In February 2017, WSD found the new watermain (25mm dia.) was still not installed and noticed that the new plumbing works of Toilet H had been connected to the existing 20mm dia. watermain which did not conform to the requirement of WWO and thus requested FEHD/ArchSD to rectify the non-conformance.

Item (n) (Cont'd)

In February 2018, WSD found the plumbing works complied with the latest plumbing installation proposal (i.e. the proposal to use the existing watermain (20mm dia.) for provision of flushing water supply that was approved in September 2017 and authorized the plumbing works.

(v) whether the Water Supplies Department had exercised any discretion in approving the flushing water supply system for Toilet H in February 2018 and whether Toilet H with flushing water supply to be branched off from existing water main previously serving the aqua privy is now fully conformed to Cap. 102;

The proposal to use the existing watermain (20mm dia.) for provision of flushing water supply to Toilet H was approved by WSD in September 2017. In February 2018, WSD inspected and authorized the flushing water supply system upon receipt of all the related documents and minor modification for meter installation at the connection point from Contractor C. Therefore, ArchSD was not aware that WSD had exercised any discretion in approving the flushing water supply system for Toilet H as the flushing water supply system was fully conformed to WWO.

(vi) what measures will be taken by ArchSD to ensure that the requirements of Cap. 102 and the hygienic requirements for water supply system are compiled with in implementing aqua privy conversion programme in future; and

In implementing future aqua privy conversion projects, ArchSD will pay particular attention to projects with anticipated plumbing connection difficulties to ensure that the requirements of WWO are complied with. ArchSD will remind its staff and consultants to allow reasonable time for the planning of watermain connection works (e.g. to carefully review the site constraints affecting the proposed water main connection routing, to timely negotiate with WSD and LandsD (if land issues are involved) for an alternative solution in case the proposed routing is not feasible) as far as practicable.

(vii) how many aqua privies are connected to seawater supply network for flushing. Has the Administration reviewed whether it is technically feasible and cost-effective to expand the seawater supply system or explore new water resources in order to reduce the use of fresh water for flushing for aqua privies; and

The aqua privies managed by FEHD are not provided with flushing water (seawater or freshwater). Meanwhile for the previously converted aqua privies, most of them are located in remote areas beyond the seawater supply network. Nevertheless, the plumbing materials used in the flushing systems of these converted aqua privies have already been designed to be resistant to seawater corrosion and are ready for conversion to use seawater for flushing which may be available in future upon extension of the seawater supply network.

Item (n) (Cont'd)

On whether it is technically feasible and cost-effective to expand the seawater supply system or explore new water resources in order to reduce the use of fresh water for flushing for aqua privies, the question was referred to the WSD. According to WSD,

> "To save the precious fresh water resources, seawater for flushing has been introduced in Hong Kong since the late 1950's. Up till now, the seawater flushing network has already covered about 85% of the total population of Hong Kong. One of the major initiatives under WSD's latest Total Water Management Strategy released in 2019 is to expand the network coverage of using lower grade water for flushing and other non-potable uses from 85% of the total population to 90% in order to further reduce the fresh water demand. Lower grade water refers to seawater and recycled water comprising reclaimed water (produced by further processing treated sewage effluent), treated grey water and harvested rainwater.
>
> A number of projects for the supply of recycled water for non-potable uses are being implemented. They include supply of reclaimed water in the northeast New Territories in phases starting with Sheung Shui and Fanling from 2022 onward tentatively and construction of a district-based grey water recycling system at the Anderson Road Quarry development site in 2020. The seawater flushing systems for the existing Tung Chung New Town and its extension are also being implemented for commissioning in phases by end 2023.
>
> WSD will continue to review the extension of supply of lower grade water to other new development areas and those areas still being supplied with fresh water for flushing and other non-potable purposes to save the precious fresh water resources."

Item (o)
with reference to paragraph 3.24(a) of the Audit Report, please advise:

(i) updated status on the conversion of 45 aqua privies, including the timeline. If they would not be converted, measures to improve the conditions of the aqua privies concerned. Whether the six aqua privies mentioned in paragraph 3.23(e) of the Audit Report have been demolished; and

Please refer to FEHD's reply dated 13 January 2020 item (k)(i).

Note by Clerk, PAC:** ***See Appendix 12 of this Report for the reply dated 13 January 2020 from Director of Food and Environmental Hygiene.

Item (o) (Cont'd)

(ii) whether FEHD and ArchSD will, taking into account the difficulties and complications encountered in converting aqua privies into flushing toilets, enhance the communication with other relevant departments (e.g. the Water Supplies Department and the Lands Department) so as to facilitate the smooth implementation of the works and ensure that the works will comply with existing legislation.

Taking into account the difficulties and complications encountered in converting aqua privies into flushing toilets, FEHD and ArchSD would collaborate to enhance communications with other relevant departments, including LandsD and WSD to implement conversion works of the aqua privies and ensure that the works will comply with the existing legislation. For instance, we would timely discuss with LandsD if land issues are involved, and with WSD for an alternative solution in case the proposed water main connection routing is found technically not feasible.

the Maintenance Surveyor considers it necessary owing to the default, negligence, omission or slow progress of the Contractor.

(3) The Contractor shall not be entitled to any additional payment for complying with any instruction given in accordance with this Clause.

Liquidated damages for delay

55. (1) If the Contractor fails to complete the Works within the time for completion or such extended time as may be granted in accordance with Clause 53, then the Employer shall be entitled to recover from the Contractor liquidated damages, and may but shall not be bound to deduct such damages either in whole or in part, in accordance with the provisions of Clause 89. The payment of such damages shall not relieve the Contractor from his obligations to complete the Works or from any other of his obligations under the Contract. .

(2) The liquidated damages per day shall be calculated using the formula prescribed in the Appendix to the Form of Tender.

Provided that, if the Maintenance Surveyor certifies completion under Clause 56 of any part of the Works before completion of the Works then the liquidated damages for the Works shall from the date of such certification be reduced in the proportion which the value of the part so certified bears to the value of the Works. For the avoidance of doubt, the Maintenance Surveyor shall determine the value of the part of the Works completed and the value of the Works both as of the date of certification.

(3) The period for which liquidated damages shall be calculated shall be the number of days from the date for completion as provided in sub-clause (1)(*a*) of Clause 51 or any extension thereof of the Works until and including the certified date of completion.

Provided that, if the Maintenance Surveyor subsequently grants an extension of time which affects the period described above, then the Employer shall reimburse to the Contractor the liquidated damages for the number of days so affected together with interest at the rate provided for in Clause 82 within 28 days of the granting of such extension of time.

(4) All monies payable by the Contractor to the Employer pursuant to this Clause shall be paid as liquidated damages for delay and not as a penalty.

Completion of the Works

56. (1) When the Works have been substantially completed and have passed any final test that may be prescribed by the Contract, the Contractor may notify the Maintenance Surveyor to that effect and give an undertaking to carry out any outstanding work during the Maintenance Period and request the Maintenance Surveyor to issue a certificate of completion. The Maintenance Surveyor shall, within 21 days of the date of receipt of such notice either:

(*a*) issue a certificate of completion stating the date on which, in the Maintenance Surveyor's opinion, the Works were substantially completed in accordance with the Contract and the Maintenance Period shall commence on the day following the date of completion stated in such certificate, or

(*b*) give instruction in writing to the Contractor specifying all the work which, in the Maintenance Surveyor's opinion, is required to be done by the Contractor before such certificate can be issued, in which case the Contractor shall not be permitted to make any further request for a certificate of completion and the provisions of sub-clause (2) of this Clause shall apply.

(2) Notwithstanding the provisions of sub-clause (1) of this Clause, as soon as in the opinion of the Maintenance Surveyor the Works have been substantially completed and passed any final test which may be prescribed by the Contract, the Maintenance Surveyor shall issue a certificate of completion in respect of the Works and the Maintenance Period shall commence on the day following the date of completion stated in such certificate.

(3) The Contractor shall complete any outstanding work as soon as reasonably practicable after the issue of the certificate of completion or as directed by the Maintenance Surveyor and in any event before the expiry of the Maintenance Period. The Contractor's obligation to provide, service and maintain site offices, latrines and the like, shall continue for as long as may be necessary for the completion of any outstanding work.

(4) The provisions of sub-clauses (1), (2) and (3) of this Clause shall apply equally to any Section.

(5) (*a*) The Maintenance Surveyor shall give a certificate of completion in respect of any part of the Works which has been completed to the satisfaction of the Maintenance Surveyor and is required by the Employer for permanent occupation or use before the completion of the whole of the Works or any Section.

(*b*) The Maintenance Surveyor, following a written request from the Contractor, may give

Item (n) - Chronology to Case 3 in paragraphs 3.22 of the Audit Report

	(Mth .Yr)	Description
1	3.2012	Commencement of Conversion Work for Aqua Privy (Toilet H).
2	8.2012	Water Supplies Department (WSD) approved Contractor C's design proposal to install a new water main (25mm dia.) for the supply of fresh water for general ablution, cleansing and flushing purposes (with three water meters) to Toilet H. WSD also requested ArchSD to undertake the design and laying of the water main outside the lot boundary of Toilet H as entrusted works.
3	2.2013	ArchSD certified that the conversion works were substantially completed. [Remark: The new water main (25mm dia.) connection was outstanding but, to facilitate earliest opening of Toilet H for public use, the flushing water supply to the toilet was connected from the existing water main (20mm dia.) previously serving the aqua privy. On the other hand, since the temporary connection was made via an existing WSD supply and adequate measures (e.g. provision of flushing water tank) were already provided to separate the flushing water supply system from the fresh water supply system to prevent contaminations, thus public safety/ hygiene was safeguarded.]
4	4.2013	Toilet H was handed over to FEHD for public use
5	8.2013	WSD requested FEHD to commence the new water main (25mm dia.) connection works as soon as possible [Remark: WSD conducted an inspection in the same month and found that the plumbing works were completed generally in order and there was no water supply to the newly installed plumbing works.] ArchSD submitted drawings to WSD showing the proposed alignment of new water main (25mm dia).

6	10.2013	WSD approved the proposed alignment for the new water main (25mm dia.).
7	11.2013	FEHD submitted application to carry out excavation and pipe laying works for the new water main (25mm dia.) to the District Land Office (DLO), but was eventually not accepted due to encroachment into private lot and underlying geotechnical issues (stability of adjacent slope might be affected in case of leakage of water main).
8	9.2014	Contractor C submitted a revised alignment of the water main (25mm dia.) to WSD. [Remark: the revised alignment would not encroach into private lot.]
9	10.2014	WSD approved the revised alignment for the new water main (25mm dia.). FEHD re-submitted application to carry out excavation and pipe laying works for the new water mains (25mm dia.) to DLO, but was still not accepted due to underlying geotechnical issues (stability of adjacent slope might be affected in case of leakage of water main).
10	8.2015 – 11.2015	Contractor C submitted a proposal of plumbing installation works due to change in layout of Toilet H and the proposal was approved by WSD in November 2015.
11	7.2016	WSD requested Contractor C, ArchSD and FEHD to complete the new water main (25mm dia.) and report completion of plumbing installation works in Toilet H.
12	9.2016	As requested by ArchSD, FEHD informed WSD that it decided to cancel the application of the new water main (25mm dia.) connection. WSD had no objection to the cancellation. [Remark: During 2013 to 2016, FEHD, ArchSD and Contractor C had explored different alignments for the water main (25mm dia) connection but without success. Upon confirmation that all alignments for the new water main connection were eventually found not feasible, FEHD, ArchSD and Contractor C had

		proactively negotiated with WSD to call off the originally proposed new water main connection and re-submit a formal application to adopt the existing 20mm dia. water main as the permanent water main connection.]
13	1.2017	Contractor C submitted a new application to WSD for flushing water supply connection from the existing water main (20mm dia.) for approval.
14	2.2017	WSD carried out an inspection at Toilet H and observed that there was an extension of the existing fresh water main after the meter position to provide supply to the new plumbing works. As no prior approval had been given on such uses, it was considered as not conforming to the requirement of Waterworks Ordinance (Cap. 102) from procedural point of view. WSD requested FEHD/ ArchSD to rectify the non-conformance. [Remark: The original application (new 25mm dia. water main) was withdrawn in Sept 2016 (see item 12) and replaced by the application submitted in Jan 2017 for flushing water supply connection from the existing water main (20mm dia.) as mentioned in item 13 above. Since the application was not yet approved by WSD in Feb 2017, the inspection was carried out based on the original layout of the Aqua Privy before Mar 2012.]
15	9.2017	WSD informed Contractor C that WSD had no objection to its proposal for flushing water supply for Toilet H, including flushing water supply to be branched off from the existing fresh water main (20mm dia.) and provision of a separate meter to the existing water main for flushing purpose.
16	2.2018	Contractor C completed the associated meter installation works and the water supply for flushing was then authorised by WSD. (WSD issued Form WWO46 Pt. V to the licensed plumber to certify that no irregularity was found during WSD's inspection.)

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11 December 2019

Mr. Anthony Chu,
Clerk to Public Accounts Committee,
Legislative Council Complex,
Legislative Council Road,
Central, Hong Kong

Dear Mr. Chu,

Public Accounts Committee

Consideration of Chapter 1 of the Director of Audit's Report No. 73

Planning, provision and management of public toilets by the Food and Environmental Hygiene Department

I refer to your letter of 3 December 2019. Our reply is provided in the ensuing paragraphs.

(a)(i)

2. A copy of the Handbook on Standard Features for Public Toilet ("Handbook") is provided at **Annex 1a**.

(a)(ii)

3. While no revisions and updates have been made to the Handbook direct in the past five years, regular reviews of the standard features and design have

been conducted to facilitate the planning for the construction, reprovisioning and refurbishment of public toilets. To supplement the guidelines in the Handbook, FEHD had drawn up and issued in April 2016 and August 2018 respectively two sets of internal guidelines, namely "Design Guidelines for Larger Toilet Compartments for Priority Use by the Elderly and Universal Toilets in Public Toilets of FEHD" and "Enhanced design features/requirements/installations for new/refurbished public toilets". Copies of these two sets of guidelines are provided at **Annexes 1b and 1c**. We are now reviewing and updating the Handbook in consultation with Architectural Services Department (ArchSD) with a view to incorporating all the enhanced features and standards in the Handbook in one go.

(a)(iii)

4. In planning for the construction, reprovisioning and refurbishment of public toilets, the standards and guidelines as set out in the Handbook as well as the two additional guidelines as mentioned above are followed as far as practicable, subject to technical feasibility, site conditions, availability of space, usage rate and local views. In the past five years from 2015-16 to 2019-20, a total of 97 public toilets were newly built, reprovisioned or refurbished. A breakdown of these toilets by year is provided in **Annex 2**.

5. Of the 24 newly built/reprovisioned public toilets, all of them meet the 1:2 male-to-female toilet compartment ratio and are provided with accessible unisex toilets.

6. Of the 73 refurbished public toilets, 19 public toilets do not meet the 1:2 male-to-female toilet compartment ratio, mainly because of space constraints and high usage rate of the male toilets. 13 public toilets are not provided with accessible unisex toilets mainly due to site constraints and local objections.

7. The guidelines on provision of elderly priority compartments and universal toilets (issued in April 2016) apply to 18 refurbishment projects with four or more compartments in male or female toilets, and with design proposals presented to the Working Group on Upgrading of Public Toilets for endorsement since July 2016. Of these 18 refurbished public toilets, two public toilets are not provided with elderly toilet compartments while 14 public toilets are not

provided with universal toilets mainly due to site constraints and heavy utilisation.

(b)

8. In implementing public toilet projects, apart from the Handbook and guidelines mentioned above, FEHD and our works agent, i.e. ArchSD and other works departments also follow the requirements set out in the Design Manual: Barrier Free Access 2008 ("Manual") issued by the Buildings Department for provision of barrier free access facilities in public toilets. The Manual is provided at **Annex 3**.

(c)

9. The relevant provisions in the Public Health and Municipal Services Ordinance (Cap. 132) relating to the provision, regulation, maintenance, management and control of public toilets and aqua privies are provided in **Annexes 4a and 4b**.

(d)

10. The number and locations of public toilets which are not equipped with automatic sensor soap dispensers, water taps and flushing water systems are provided at **Annex 5a**. All aqua privies are not equipped with automatic sensor soap dispensers and flushing water systems. A list of aqua privies equipped with sensor activated water tap is provided at **Annex 5b**.

11. According to the Handbook, sensor type flushing system should be installed in the WC cubicles and at urinal bowls if site conditions permit. If no sensor type flushing system could be provided for WC cubicles, provision of button-type flushing device operated by hand is preferred over foot pedal device. If site conditions do not permit installation of sensor type flushing system at urinal bowls, auto-flushing system should be adopted. Separately, based on the guidelines in the Handbook, most of the public toilets are equipped with recess type soap dispenser. Since FEHD drew up and issued the internal guidelines on "Enhanced design features/requirements/installations for new/refurbished public toilets" in August 2018, all newly built/ reprovisioned/refurbished public toilets are equipped with automatic sensor

Note by Clerk, PAC:** ***Refer to Buildings Department's website for Annex 3, Public Health and Municipal Services Ordinance (Cap. 132) - Section 36 Provision and maintenance of public latrines and bathhouses for Annex 4a, and Public Conveniences (Conduct and Behaviour) Regulation (Cap. 132BL) for Annex 4b.

soap dispensers. For newly built/reprovisioned/refurbished PTs, automatic sensor type soap dispenser, water tap and flushing system will be provided as far as practicable.

(e)

12. The number of reported crime cases in public toilets and aqua privies in the past five years is provided at **Annex 6**.

(f)

13. Since 2000, FEHD has implemented a Public Toilet Refurbishment Programme and shortlisted a specific number of public toilets for refurbishment works annually. FEHD will consider relevant criteria as a whole in setting the priority for inclusion into the Programme, namely:

(a) public toilets of old design which have not undergone major refurbishment;
(b) public toilets with high utilisation rates;
(c) public toilets located in popular scenic areas or at tourist spots; and
(d) public toilets with unsatisfactory internal condition/state of wear and tear.

14. In respect of (a), we would assess whether the public toilets are of old design, generally with regard to the time lapse since the public toilets were built or last refurbished. On (b), a toilet with 300 or more daily visitors on average is classified as having a high utilisation rate. Since early 2019, FEHD has progressively conducted an infrared sensor counting exercise to replace manual counting to assess the number of visitors to public toilets. On (c), we would consider the public toilets based on our knowledge of traditionally known tourist spots and referral from the trade and local community as well as the views of the Tourism Commission. On (d), internal condition/state of wear and tear of a public toilet is assessed internally by district staff who conduct regular on-site inspections.

(g)

15. To improve the hygiene conditions and making facilities of public toilets more convenient and user friendly, FEHD continues to introduce new

facilities and technologies into the refurbishment programme. In general, the workflow for adoption of the new facilities and technologies is as follows:

- FEHD to explore new facilities/technologies through various channels including the internet, by reaching out to the trade, local research and development institutions, and by conducting field visits;
- FEHD to conduct surveys and market research in studying the cost effectiveness and feasibility of application to public toilets;
- FEHD to consult relevant departments, notably ArchSD and Electrical and Mechanical Services Department, on technical feasibility where appropriate;
- FEHD to conduct pilot trials at selected public toilets; and
- If the result is considered satisfactory, FEHD to apply the technology to a larger scale testing covering more public toilets for evaluation before full implementation.

(h)

16. ArchSD is the department responsible for the capital works for construction, reprovisioning and refurbishment of public toilets and aqua privies. ArchSD will provide the relevant information to Public Accounts Committee separately.

(i)

17. For public toilets with cleansing services provided by in-house staff and public toilets with cleansing services provided by contractors, the guidelines of inspection frequency are provided in **Annex 7**.

(j)(i), (ii)&(iii)

18. As at 1 December 2019, 34 outsourced street cleansing services contracts are in force, which cover cleansing services of public toilets and aqua privies. The number of bids received for each tender ranged from 2 to 6. A breakdown is provided in **Annex 8**.

19. FEHD has enhanced the marking scheme for procuring street cleansing services which cover cleansing services of public toilets and aqua privies, for tenders issued on or after 1 April 2019, to implement the new policy announced by the Chief Executive in October 2018 to better protect non-skilled workers. Specifically, the weighting of technical assessment has been increased from 30% to 50%; and the weighting of the wage level of non-skilled workers has been increased from 16% to 25% in the technical assessment. Of the 34 outsourced street cleansing services contracts in force as at 1 December 2019, 8 were tendered on or after 1 April 2019 and adopted the enhanced marking scheme. The average committed monthly wage for toilet attendants employed by the successful bidder of these outsourced services contracts is about $12,810. This is about 20% above the average committed monthly wage at about $10,610 for the other contracts tendered before introduction of the enhanced marking scheme.

Yours sincerely,

(POON Ping-yeung)
for Director of Food and Environmental Hygiene

c.c. Secretary for Food and Health (fax no. 2526 3753)
Director of Architectural Services (fax no. 2877 0594)
Commissioner for Tourism (fax no. 2801 5792)
Secretary for Financial Services and the Treasury (fax no. 2147 5239)
Director of Audit (fax no. 2583 9063)

Annex 1a

Handbook on Standard Features for Public Toilets

Planning & Development Section
Food and Environmental Hygiene Department
December 2011

TABLE OF CONTENTS

		Page
CHAPTER 1	**OVERVIEW**	
1.1 – 1.2	**Planning Guidelines**	1
1.3	**New Construction Projects and Reprovisioning Projects**	1
1.4	**Refurbishment of Public Toilets**	1
1.5	**Conversion of Aqua Privies into Flushing Toilets**	1
1.6	**Compliance with Barrier Free Access Requirements**	1
1.7	**Compliance with Smoking (Public Health) Ordinance (Cap. 371)**	2
CHAPTER 2	**EXTERNAL DESIGN OF PUBLIC TOILET**	
2.1 – 2.5	**General Layout**	3
2.6 – 2.8	**Outlook**	3 – 6
2.9	**External Lighting**	6
2.10	**Cat Ladder**	7
CHAPTER 3	**INTERNAL DESIGN OF PUBLIC TOILET – TOILET COMPARTMENT AND URINAL**	
3.1 – 3.4	**Toilet Compartments in Male and Female Toilets**	
3.1 (3.1.1)	Provision of Toilet Compartments in Male and Female Toilets	8
3.2 (3.2.1 – 3.2.2)	Provision of Pedestal and Squatting Types Water Closets	8
3.3 (3.3.1 – 3.3.13)	General Design of Water Closet (WC) Compartments	9 – 13
3.4 (3.4.1 – 3.4.3)	Baby Rest	13
3.5	**Urinals in Male Toilets**	
(3.5.1 – 3.5.7)	Provision of Urinals in Male Toilets	13 – 15

3.6	**Flushing System**	
3.6 (3.6.1 – 3.6.6)	Flushing System for Toilet Compartments and Urinals	15 – 16
3.7 – 3.14	**Accessible Unisex Toilet**	16 – 19
CHAPTER 4	**INTERNAL DESIGN OF PUBLIC TOILET – COMMUNAL AREA**	
4.1 – 4.9	**Internal Fitting-out**	
4.1 (4.1.1 – 4.1.8)	Wash Hand Basin and Vanity Benchtop	20 – 22
4.2 (4.2.1 – 4.2.4)	Mirror	22 – 23
4.3 (4.3.1 – 4.3.4)	Water Tap	23 – 25
4.4 (4.4.1)	Soap Dispenser	25
4.5 (4.5.1– 4.5.2)	Make-up Corner	25 – 26
4.6 (4.6.1 – 4.6.6)	Baby Changing Counter and Baby Changing Room	26 – 28
4.7 (4.7.1 – 4.7.5)	Attendant Room	28 – 29
4.8 (4.8.1 – 4.8.4)	Slop Sink/ Mop Sink	29 – 31
4.9 (4.9.1 – 4.9.7)	Other Provision	31 – 34
4.10 – 4.13	**Internal Finishing and Colour Scheme**	
4.10 (4.10.1 – 4.10.3)	Wall	34
4.11 (4.11.1 – 4.11.4)	Floor	34 – 35
4.12 (4.12.1 – 4.12.2)	Ceiling	35
4.13 (4.13.1)	Internal Colour Scheme	35 – 36
4.14	**Materials with Properties that Can Retard Bacteria Growth**	37
4.15 – 4.17	**Lighting**	37 – 38

4.18 – 4.20	**Sightlines**	38 – 39
4.21 – 4.22	**Service Passage or Walk-in Services Ducts**	39
CHAPTER 5	**DRAINAGE AND VENTILATION**	
5.1 – 5.2	**Prevention of Wet Floors**	
5.1 (5.1.1)	Blower Fan	40
5.2 (5.2.1 – 5.2.3)	Drainage	41 – 42
5.3 – 5.5	**Ventilation and Odour Control**	
5.3 (5.3.1 – 5.3.3)	Ventilation	42 – 43
5.4 (5.4.1 – 5.4.3)	Odour Control	43 – 44
5.5 (5.5.1 – 5.5.2)	Others	44 – 45
CHAPTER 6	**SIGNAGE**	
6.1 – 6.4	**Toilet Title on External Wall**	46 – 47
6.5 – 6.10	**Illuminated Sign Box/ Wall-mounted Sign on External Wall**	47 – 49
6.11	**Composite Sign**	49 – 50
6.12 – 6.24	**Information Sign**	51 – 57
6.25 – 6.27	**Others**	57 – 58
6.28	**Compliance with Barrier Free Access Requirements**	58
APPENDIX	**Points to Note for Construction/ Reprovisioning/ Refurbishment/ Conversion Project**s	59 – 60

CHAPTER 1

OVERVIEW

Planning Guidelines

1.1 The Hong Kong Planning Standard and Guidelines do not specify the criteria for the provision of public toilets on a population basis or any other basis.

1.2 In general, consideration would be given to providing public toilets at tourist spots and locations with anticipated high patronage rate and without adequate alternative toilet facilities in the vicinity (e.g. toilets within public/commercial venues like parks, playgrounds or shopping arcades) to serve the public/tourists.

New Construction Projects and Reprovisioning Projects

1.3 It is the onus of user sections to critically examine and fully justify the need for new or reprovisioned public toilets having regard to all relevant factors including but not limited to existing and anticipated patronage rate, availability of similar facilities in the vicinity, etc.

Refurbishment of Public Toilets

1.4 FEHD has implemented a Public Toilet Refurbishment Programme since 2000 to bring new looks to public toilets with enhancement in design and facilities. The Programme is ongoing with funding from Block Vote 3004GX under ArchSD's control.

Conversion of Aqua Privies into Flushing Toilets

1.5 Since 2005, FEHD has been converting aqua privies (i.e. village-type dry latrines) into flushing toilets under a phased programme, with the final phase scheduled tentatively to be completed in 2013.

Compliance with Barrier Free Access Requirements

1.6 Provision of male toilet, female toilet and accessible unisex toilet should comply with the requirements in the prevailing "Design Manual – Barrier Free Access" issued by Buildings Department and other legislation and codes of practice relating to barrier free access.

Compliance with Smoking (Public Health) Ordinance (Cap. 371)

1.7 In accordance with the Ordinance, public indoor places are designated as no smoking areas. Smoking is therefore prohibited in public toilets. No ash trays should be provided in the toilets.

CHAPTER 2

EXTERNAL DESIGN OF PUBLIC TOILET

General Layout

2.1 Public toilets normally comprise a male toilet, a female toilet and an accessible unisex toilet.

2.2 All toilets should be provided at ground floor level. If female and male toilet facilities cannot be provided on the same floor due to site or other constraints, female toilet should be located on the ground floor or lower floor as far as possible.

2.3 If both male toilet and female toilet are required to be located on upper floor level due to site constraint, separate entrances at ground floor level should be provided for male toilet and female toilet as far as practicable.

2.4 The accessible unisex toilet should normally be at ground floor level. If not, it should be accessible by wheelchair users with special designs (i.e. an accessible route should be provided for wheelchair users by provision of an accessible ramp or lift).

2.5 If a public toilet is located inside a building, it should be located at areas with natural ventilation and natural lighting available as far as practicable.

Outlook

2.6 The external outlook should match with the surrounding environment and give an image of public toilet as a healthy, clean, safe and decent public facility.

2.7 Feature wall on the exterior should be considered for the public toilets in tourist areas to create a lively atmosphere.

Example (1) : - External colour scheme and design to match with the surrounding environment



Tui Min Hoi (Chui Tong) Public Toilet (Sai Kung)



Tai Po Old Market Public Toilet (Tai Po)

Example (2) : - Modern external design



Lantau Link Viewing Platform Public Toilet (Kwai Tsing)

Example (3) : - Use of feature wall for external wall design



Ngong Ping Road Interchange Public Toilet (Islands)

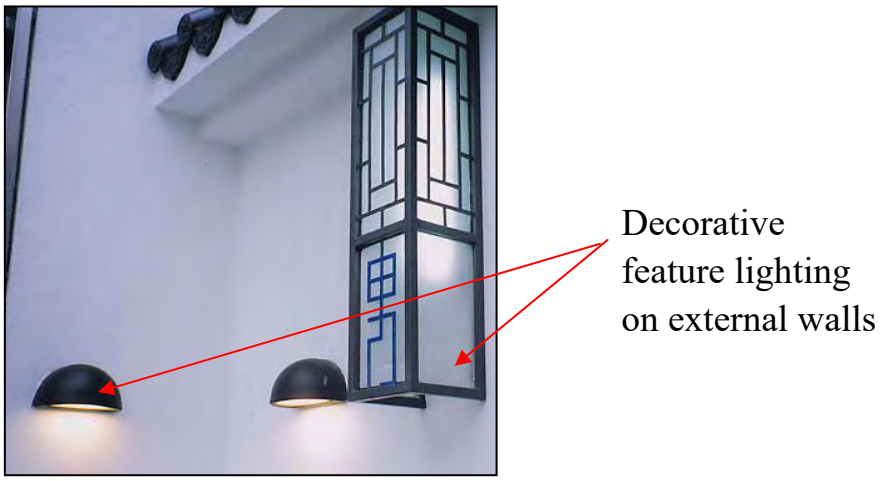
2.8 Finishing materials for external walls should be easy to maintain and easy for cleansing as far as possible. Due care should be taken in the use of reflective materials to avoid causing nuisance to nearby residents.

External Lighting

2.9 Decorative feature lighting should be introduced to enhance illumination to the external elevation of the toilet. The installation should take into account the need to protect the environment and to minimise lighting impact on nearby residents with appropriate measures introduced (e.g. adjusting the angle of the external lights, using lamp shades, directing external lights downwards, etc.).



Lantau Link Viewing Platform Public Toilet (Kwai Tsing)



Fong Ma Po Public Toilet (Tai Po)

Cat Ladder

2.10 Cat ladder will be provided for access to the roof-top for inspection/ maintenance of water tank if necessary. Cat ladder should be placed at external wall of male toilet and far away from windows/louvers of female toilet as far as possible. Cat ladder should also be placed far away from the windows and balconies of adjacent buildings that are very close to the public toilet.

CHAPTER 3

INTERNAL DESIGN OF PUBLIC TOILET - TOILET COMPARTMENT AND URINAL

Toilet Compartments in Male and Female Toilets

3.1 Provision of Toilet Compartments in Male and Female Toilets

3.1.1 The ratio of 1 male to 2 female toilet compartments should be used as a general guideline, unless otherwise specified. The actual number of toilet compartments should depend on site condition, space availability, usage pattern and operational need.

3.2 Provision of Pedestal and Squatting Types Water Closets

3.2.1 Both pedestal and squatting types water closets should be provided. Generally, the ratio of 1 pedestal type water closet to 1 squatting type water closet should be adopted. The actual number of pedestal and squatting type water closets should depend on site condition, space availability, usage pattern and operational need. Consideration should be given to providing more pedestal type water closets in public toilets at tourist spots to cater for the needs of overseas tourists.



Pedestal type water closet



Squatting type water closet

Kam Tin Market Public Toilet (Yuen Long)

3.2.2 When eight or more male or female toilet compartments are provided, one of the pedestal type water closets should be at children-height level, i.e. about 300mm to 350mm from finished floor level. The actual provision should depend on site condition, space availability, usage pattern and operational need.

3.3 General Design of Water Closet (WC) Compartments

3.3.1 Internal area for each WC compartment should measure 900mm wide and 1700mm long between finished wall surfaces. The length can be reduced to 1500mm if water cistern is installed in the service passage or walk-in service duct behind the WC compartment.

3.3.2 Compartments are enclosed by proprietary partitions and doors. Water resistant and durable materials of colours matching with the internal environment should be used.

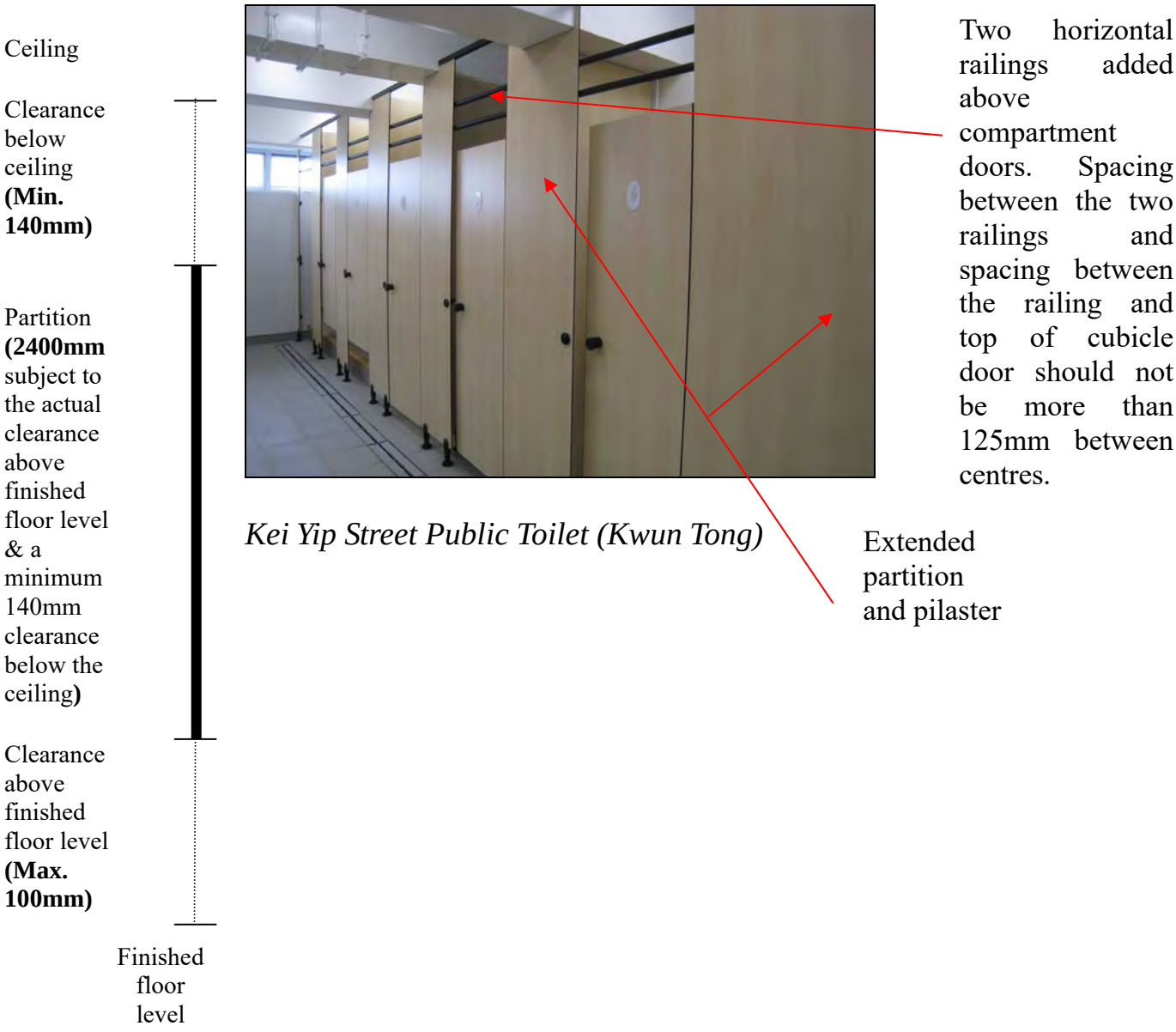
3.3.3 Compartment doors and partitions shall not exceed 100mm clear above finished floor level. Actual clearance above finished floor level should take into consideration cleansing, ventilation and sightline concerns.

3.3.4 The compartment partitions should measure 2400mm in height (not including the actual clearance above finished floor level), subject to a minimum clearance of 140mm between the ceiling and the top of compartment partitions. For toilets with higher than usual ceilings, leaving significant space between the top of the partition and ceiling, the partition should be extended as appropriate or horizontal railings (which should be in tubular shape and of about 25mm to 38mm in diameter) should be added above the compartment partitions. The spacing between tubular railings and top of the partition should not be more than 125mm (measured from centre of the tubes).

3.3.5 The compartment doors should measure 1830mm in height (not including the actual clearance above finished floor level). Pilasters should be of the same height as the compartment partitions (i.e. should measure 2400mm in height, not including the actual clearance above finished level), two horizontal tubular railings (of about 25mm to 38mm in diameter) not more than 125mm apart (measured from the centre of the tubes) should be added above the compartment door.

3.3.6 Railings, supporting frame, hinges, locks and legs for cubicle partitions & compartment doors should be of colours matching with the toilet cubicle door/partition. They should also be durable against corrosion and heavy usage.

3.3.7 Notwithstanding that squatting type cubicle is provided, flat floor design throughout the toilet should be adopted if circumstances permit. In case of technical or site constraint, localized raised floor design should be adopted with steps to tackle the level difference. Warning strips should be added along the edge of the steps to alert toilet users.



Kei Yip Street Public Toilet (Kwun Tong)

3.3.8 Hand-grip rails in white colour coating should be provided on both sides of squatting type and pedestal type toilets to assist the elderly and health impaired persons.

3.3.9 Hand-grip rails should measure 750mm above finished floor level for the higher end (near the cubicle door) and 550mm above finished floor level for the lower end (near the rear of the cubicle) for squatting type toilets.

3.3.10 Hand-grip rails should measure 850mm above finished floor level for the higher end (near the cubicle door) and 650mm above finished floor level for the lower end (near the rear of the cubicle) for pedestal type toilets.



Hand-grip rails in white colour coating on both sides of the pedestal type toilet

In Ku Lane Public Toilet (Central/Western)

3.3.11 The following small fittings should be provided in each toilet compartment –

(i) Door stoppers at about 200mm above the finished floor level, either at compartment doors or compartment partitions

(ii) Coat hook at about 500mm below the top of the cubicle door, and in a colour matching with the partition/door of the WC compartment and other accessories like hinges, locks, legs, etc.

(iii) A slanted semi-circular protective cover/ledge above the coat hook rendering a narrow gap of 50mm between the two. The dimensions of the cover/ledge should be 50mm in radius and 12mm to 13mm thick. The cover/ledge should be made of solid surfacing material (e.g. "Corian", "Surrell" or other similar materials) in a matching colour with vanity benchtop or compartment partitions/doors. The design of the cover/ledge and coat hook should be compatible with each other.

(iv) Small rectangular rack in size measuring about 150mm x 200mm with round corners should be positioned above the toilet paper holder and at a height of about 900mm to 1200mm above the finished floor level (i.e. at the eye level of toilet users in a sitting position). The small rack should be of solid surfacing material (e.g. "Corian", "Surrell" or other similar materials) in a matching colour with vanity benchtop or WC compartment.

(v) Toilet paper holder

(vi) Wall-mounted sanitary disposal bin (for female WC compartment only) of recess type installed at the rear

3.3.12 Water cisterns and related piping should be concealed by panels, leaving appropriate space/ access openings behind for installation of the disinfecting devices/ future maintenance. If water cisterns are only partially concealed by flat platforms placed on top, slanted ledges (with an angle of about 45^{o}) should be added.



Coat hook with cover/ledge



Small rack above toilet paper holder



Toilet paper holder



Recess-type sanitary disposal bin



Cistern and related piping are concealed from view, leaving the toilet cubicle clean and tidy

Kwai Fong Station Bus Terminus Public Toilet (Kwai Tsing)



Slanted ledge covering water cistern

Lei Yue Mun (Ling Nam Sun Tsuen) Public Toilet (Kwun Tong)

3.3.13 WC compartments located at dead ends should be avoided where possible for security reasons.

3.4 Baby Rest

3.4.1 Baby rest should be installed in at least one female cubicle if site conditions permit. If there is enough space, provision of a baby rest in one male WC cubicle and the accessible unisex toilet may be considered. The actual provision should depend on site condition, space availability, usage pattern and operational need.

3.4.2 The baby rest should be installed inside a pedestal cubicle, the size of which should be suitably enlarged.

3.4.3 The baby rest of a floor standing type with a fixed front guard should be securely affixed to the floor and the wall/ the toilet compartment partition.

(Please refer to photos under para. 6.20)

Urinals in Male Toilets

3.5 Provision of Urinals in Male Toilets

3.5.1 Ceramic urinal bowls (about 580mm to 620mm above finished floor level) with modesty boards should be provided.

3.5.2 The modesty board separating each urinal should be of adequate size for addressing sightline and privacy concerns.

3.5.3 One accessible urinal in compliance with the requirements of the prevailing "Design Manual - Barrier Free Access" should be provided for use by persons with ambulant disabilities, the elderly and children when more than one urinal is provided, unless there is space or other constraints.

3.5.4 When eight or more urinals are provided (including the accessible urinal), provision of one children-height (with a front rim not higher than 400mm) or one elderly (with hand-grip railing installed) urinal may be considered on a case-by-case basis depending on site condition, space availability, usage pattern and operational need.

3.5.5 The vertical grab rail for the accessible urinal and hand-grip railing for elderly urinal should be in white colour coating similar to those in WC compartments.

3.5.6 A shelf / rack above the urinals of about 100mm in depth for putting personal belongings should be provided. The shelf / rack should be made of the same material of the vanity benchtop and of matching colour.

3.5.7 Cisterns of the urinals and the related piping should be concealed as far as practicable, leaving appropriate space / access openings for installation of the disinfecting devices / to facilitate future maintenance.



Kwai Fong Station Bus Terminus Public Toilet (Kwai Tsing)



Tai Po Centre Public Toilet (Tai Po)

Flushing System

3.6 Flushing System for Toilet Compartments and Urinals

3.6.1 If site conditions permit, valve-type flushing system should be used. The flushing valves should be a model and type approved by Water Supplies Department. The related piping for the flushing system should be concealed.

3.6.2 For toilets where installation of flushing valves is found infeasible, water cisterns and the related piping should be concealed from view.

3.6.3 Sensor type flushing system should be installed in the WC cubicles and at urinal bowls if site conditions permit. Flushing sensors should be equipped with an overriding manual button so that manual flushing could be effected in case of malfunctioning of the flushing sensor.

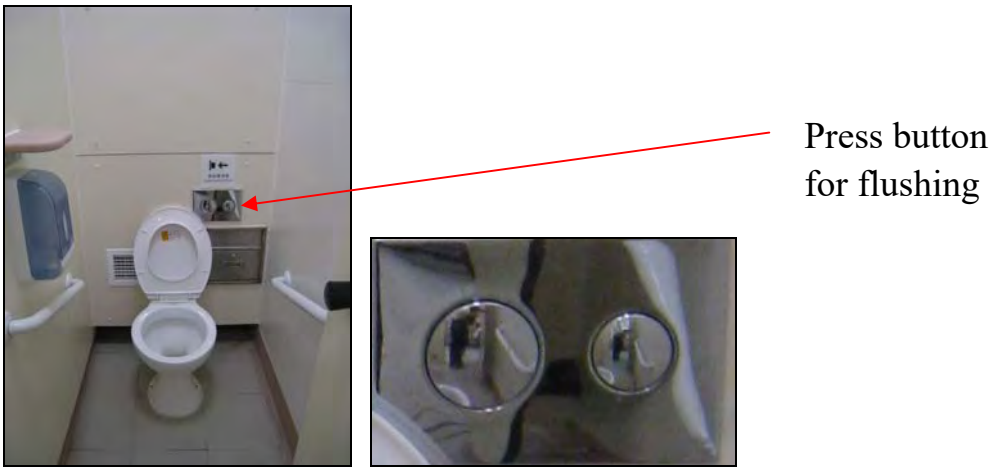
3.6.4 If no sensor type flushing system could be provided for WC cubicles, provision of button-type flushing device operated by hand is preferred over foot pedal device.

3.6.5 If site conditions do not permit installation of sensor type flushing system at urinal bowls, auto-flushing system should be adopted and set to flush at an appropriate frequency subject to the usage rate, type of flushing water and type of sewer treatment system (e.g. at every 10 - 15 minutes if fresh water is used for flushing or if holding tanks for temporary storage of waste/ bio-treatment system is used).

3.6.6 Flushing water for urinal bowls should be by means of individual sparge outlets, specifically designed for the selected brand of urinal, to ensure full flushing over the entire inner surface without spillage onto the surrounding floor.



Mei Foo Sun Chuen Bus Terminus Public Toilet (Sham Shui Po)



Stanley Main Street Public Toilet (Southern)

Accessible Unisex Toilet

3.7 Provision of accessible unisex toilet should comply with the requirements in the prevailing "Design Manual – Barrier Free Access" issued by Buildings Department and other legislations and codes of practice relating to barrier free access.

3.8 Accessible unisex toilet for use by persons of both sexes and access to which does not necessitate traversing an area reserved for one sex should be provided. The toilet should, where possible, be accessible from a public corridor or directly from outside the building so that the toilet can be used by persons with a disability, wheelchair users, the elderly and the elderly with frailty, etc., with assistance from members of either sex if necessary.



Tui Min Hoi (Chui Tong) Public Toilet (Sai Kung)



Tai Po Centre Public Toilet (Tai Po)

3.9 Coat hook, small rack, toilet paper holder, electric hand dryer, litter bin, hand sanitizer and other small fittings available in male and female toilets, should be provided and positioned suitably for use by wheelchair users.

3.10 An emergency call bell, with audible signal and red warning light signal, should be provided at the accessible unisex toilet. To minimize nuisance to nearby residents, the alarm system should be provided with a manually reset function (without keys) and an automatic device which stops the audible signal not more than 15 minutes after activation. Once the alarm system is activated, the red warning light signal should remain on until the alarm system is reset.



Emergency call bell, with audible signal and red warning light signal, above the entrance of the accessible unisex toilet

Lei Yue Mun (Ling Nam Sun Tsuen) Public Toilet (Kwun Tong)

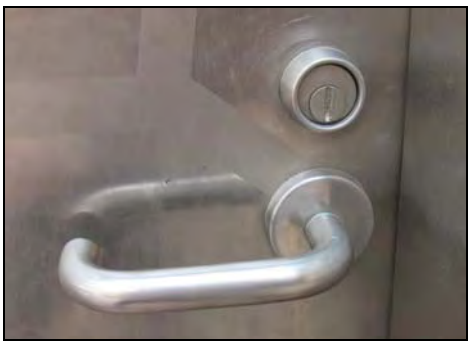
3.11 Door fastening of the accessible unisex toilet should be capable of being released from the outside in the event of an emergency. The door/ door fastening shall be equipped with push-type or lever-type handle (capable of being easily opened/ closed by one hand) and an indicator bolt for indicating whether the toilet is occupied/ vacant in color. The door should also be designed to swing outward unobstructively.

3.12 Consideration may be given to installing an alarm that would be activated when the door is opened from the outside when the toilet is in use and locked from the inside on a need basis. If the door fastening can be released with a coin from the outside, door alarm that would be activated once a "coin" is inserted to open the door from the outside could be adopted. (To minimize nuisance to nearby residents, the alarm system should be provided with a manually reset function (without keys) and an automatic device which stops the audible signal not more than 15 minutes after activation. Once the alarm system is activated, the red warning light signal should remain on until the alarm system is reset.)

3.13 In addition to the alarm provision or as an alternative, a warning notice shall be displayed to alert the public that it is an offence to enter the occupied accessible unisex toilet by forcible or improper means. The warning notice is set out as follows -

除緊急情況外，強行或以不當方法進入有人使用的廁格，最高可被罰款二千元。

UNLESS DURING AN EMERGENCY, ENTERING ANY OCCUPIED TOILET COMPARTMENT BY FORCIBLE OR IMPROPER MEANS IS LIABLE TO A MAXIMUM FINE OF $2,000.



Door lock can be opened with a coin from outside

Lantau Link Viewing Platform Public Toilet (Kwai Tsing)



Door swings outward unobstructively

Tui Min Hoi (Chui Tong) Public Toilet (Sai Kung)

3.14 Water cisterns and related piping should be concealed by panels, leaving appropriate space/ access openings behind for installation of the disinfecting devices/ future maintenance.

CHAPTER 4

INTERNAL DESIGN OF PUBLIC TOILET – COMMUNAL AREA

Internal Fitting-out

4.1 Wash Hand Basin and Vanity Benchtop

4.1.1 Provision of wash hand basins shall be at the rate of one for every two WC cubicles. Additional wash hand basins shall be provided at the rate of about one for every two urinal bowls at male toilet. In any case, at least one wash hand basin should be provided in each male and female toilet.

4.1.2 Normally, wash hand basins should be installed at about 850mm from finished floor level at the maximum.

4.1.3 If more than two wash hand basins are provided, one of them should be at children-height level, i.e. around 615mm to 635mm from finished floor level. The water tap and the soap dispenser should be suitably positioned at the side of the wash hand basin within easy reach of children.

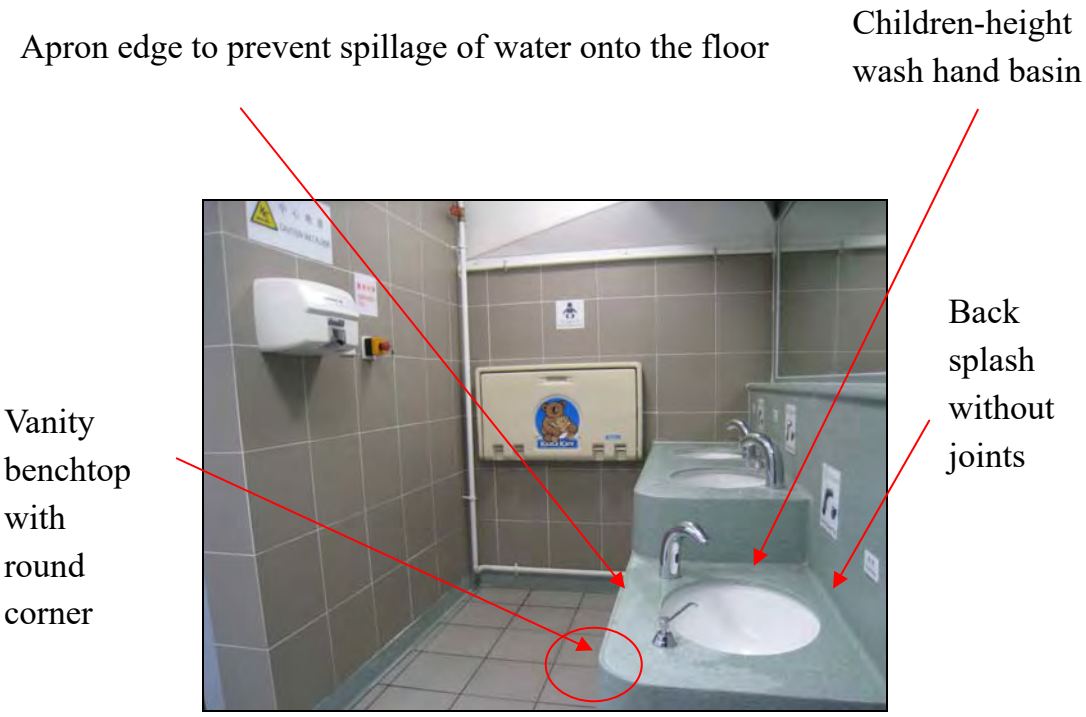
4.1.4 Wash hand basins made of solid surfacing material (e.g. "Corian", "Surrell" or other similar materials same as vanity benchtop) should be incorporated in vanity benches, fabricated as a single unit. Stainless steel wash hand basins should be avoided.

4.1.5 Vanity benchtop should be made of solid surfacing material (e.g. "Corian", "Surrell" or other similar materials). Straight edge vanity benchtop (rectangular shape) with round corners is preferred to one with curved-edged fitted into each wash hand basin. Vanity benchtop with sharp corners should be avoided.

4.1.6 Back splash without joints should be provided.

4.1.7 Apron edge should be provided to prevent spillage of water onto the floor.

4.1.8 For wash hand basins provided outside the toilet premises, trough type basin with 2 to 3 taps at suitable intervals should be adopted. Wash hand basins similar to those provided inside the toilet should be avoided. Design of the wash hand trough should match with the surroundings of the toilet.



Kin Lung Street Public Toilet (Tuen Mun)



Kam Tin Market Public Toilet (Yuen Long)





Wash hand trough outside the toilet premises

Sai Wan Public Toilet (Sai Kung) *Chek Keng Public Toilet (Sai Kung)*

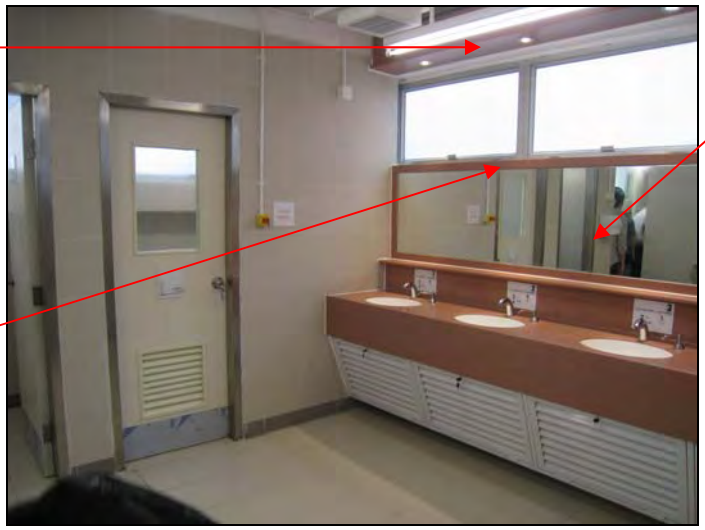
4.2 Mirror

4.2.1 Glass mirror extended to the full length of the vanity benchtop should be provided. The frame of the mirror should be made of the same material of the vanity benchtop. Light colour or a colour matching with the vanity benchtop should be adopted for the mirror frame.

4.2.2 A light trough with suitable light fittings over each wash hand basin should be provided above the mirror. The light trough should be made of the same material of the vanity benchtop. Light colour or a colour matching with the vanity benchtop should be adopted for the light trough.

4.2.3 Same colour scheme should be adopted for the mirror frame and light trough.

4.2.4 A shelf (about 300mm – 350mm in depth), fixed to the wall above the vanity benchtop and below the mirror, should be provided for the full length of the vanity benchtop. The shelf should be made of the same material of the vanity benchtop and of matching colour.



Lung Kong Road Public Toilet (Kowloon City)



Tai Po Old Market Public Toilet (Tai Po)

4.3 Water Tap

4.3.1 Automatic infra-red sensor water taps operated by alternating current should be provided for male toilet, female toilet and accessible unisex toilet. An alternative water tap of hydro generator type with battery back-up may be considered. The water taps should be a model and type approved by Water Supplies Department.

4.3.2 The design and workmanship of the water taps should prevent splashing of water onto the vanity benchtop of wash hand basins. The design of infra-red sensor water taps should be user-friendly and standardized as far as circumstances warrant. They should be durable, fitted with sufficiently wide infra-red angle and with instant response in terms of reaction time.



Kin Lung Street Public Toilet (Tuen Mun)

4.3.3 The size of automatic infra-red sensor water taps provided in accessible unisex toilet should match with the size of the wash hand basin and in usual circumstances, a smaller sized water tap should be used. Where it is not possible to provide infra-red sensor tap in accessible unisex toilet, lever control type water tap without spring loading should be installed. The water tap should not require tight grasping, pinching or twisting of the wrist.



Mei Foo Sun Chuen Bus Terminus Public Toilet (Sham Shui Po)



Lever control type water tap in accessible unisex toilet

Tai Po Old Market Public Toilet (Tai Po)

4.3.4 For the wash hand trough provided outside toilet premises, consideration may be given to adopting T-shape press release type water taps with modern design.

4.4 Soap Dispenser

4.4.1 Recess type soap dispenser should be provided for each wash hand basin and mounted on the vanity benchtop.



Soap dispenser (recess type)

Mei Foo Sun Chuen Bus Terminus Public Toilet (Sham Shui Po)

4.5 Make-up Corner

4.5.1 For public toilets at prime tourist spots, a make-up corner with a long stretch of vanity benchtop with mirror(s) and a seating bench should be provided in the female toilet, if space permits.



Make-up corner with a seating bench

Lantau Link Viewing Platform Public Toilet (Kwai Tsing)

4.5.2 If space permits, consideration may be given to providing a full-height mirror in the female toilet.

4.6 Baby Changing Counter and Baby Changing Room

4.6.1 A baby changing counter should be provided in male toilet and female toilet respectively, unless site conditions do not permit. Provision of a baby changing counter in the accessible unisex toilet may be considered subject to site condition, space availability, usage pattern and operational need.

4.6.2 Folding baby changing counter should be provided as far as practicable. Models without napkin holder is preferable.

4.6.3 If space warrants provision of a fixed baby changing counter, provision of a soft pad on top of hard supporting surface may be considered. The soft pad, however, should be removable for cleansing purpose. Sharp corners should also be avoided.

4.6.4 The length of fixed baby changing counter should not be too long. If space permits, consideration should be given to installing a seating bench or a foldable chair.

4.6.5 If the fixed baby changing counter is an extension of the vanity benchtop, a low height partition between the baby changing counter and the wash hand basins should be provided to prevent water from splashing to the baby changing counter.





Folding baby changing counter with indicative sign above

Kam Tin Bor Tei Public Toilet (Yuen Long)



Provision of napkin holder should be avoided



Low-height partition to prevent the counter from getting wet

Soft pad

Fixed baby changing counter with indicative sign above

Peak Tower Public Toilet (Central/Western)

4.6.6 A separate baby changing room may be provided if space permits. If such room is provided, it should be equipped with a wash hand basin with vanity benchtop, a seating bench or a foldable chair, a lockable jumbo roll toilet paper holder, a litter bin and an emergency call bell. (To minimize nuisance to nearby residents, the alarm system should be provided with a manually reset function (without keys) and an automatic device which stops the audible signal not more than 15 minutes after activation. Once the alarm system is activated, the red warning light signal should remain on until the alarm system is reset.) The door of the room should be similar to the one provided for accessible unisex toilet and can be opened from outside in case of emergency. The door should also not be too heavy to facilitate user carrying a baby.



Ngong Ping Road Interchange Public Toilet (Islands)

4.7 Attendant Room

4.7.1 A small cubicle (floor area approximately 3m² if space permits) should be provided in each male toilet and female toilet for the attendant / cleansing staff.

4.7.2 Generally, solid-core wooden door (instead of hollow door) with mortise lock operated by key externally and thumb-turn internally should be provided for attendant room for security reason. If metal door is used instead, close shackle padlock (instead of open shackle padlock) should be used.

4.7.3 Each attendant room should be provided with a viewing panel with tempered clear glass (or a viewing panel on the door) to facilitate the toilet attendant to keep a vigilant watch over the toilet area.



Lantau Link Viewing Platform Public Toilet (Kwai Tsing)

4.7.4 A 13amp power point and an oscillating fan should be provided inside the attendant room.

4.7.5 A key box should be provided inside the attendant room.



Mortise lock for wooden door



Close shackle for metal door

4.8 Slop Sink / Mop Sink

4.8.1 A slop sink / mop sink housed inside a compartment should be provided inside each male toilet and female toilet as far as practicable. The slop sink / mop sink should not be exposed in the toilet circulation area.

4.8.2 The designated compartment for slop sink should have storage facilities like racks to allow storage of cleansing gear therein.

4.8.3 For toilets provided with attendant rooms, the slop sink / mop sink may be housed inside the attendant rooms.

4.8.4 If space does not permit, the slop sink / mop sink may be accommodated inside a tailor-made cabinet in the toilet, a compartment outside the toilet premises or may be replaced by provision of lockable water tap underneath the wash hand basin.



Slop sink and storage facilities inside a compartment

Tat Tung Road Public Toilet (Islands)

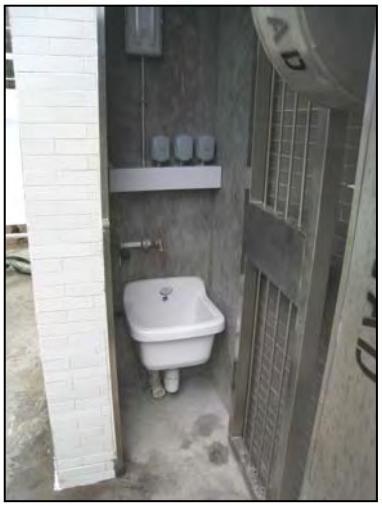




Slop sink in a tailor-made cabinet

Tsim Sha Shui Ferry Concourse Public Toilet (Yau Tsim)





Slop sink in a compartment outside the toilet premises

Shing Mun Road Public Toilet (Tsuen Wan)

Lau Fau Shan Roundabout Public Toilet (Yuen Long)

4.9 Other Provision

4.9.1 The following small fittings should be provided in communal area –

(i) Electric hand dryers, preferably with automatic sensor controlled operation

They should be placed as close to the wash hand basins as practicable. At least one electric hand dryer should be provided at each of female and male toilet. The need to provide more than one electric hand dryer should be assessed case-by-case having regard to the no. of wash hand basins and the layout of the toilet.





Electric hand dryer

Siu Lek Yuen Village Public Toilet (Sha Tin)

Tseung Kwan O Industrial Estate Public Toilet (Sai Kung)

(ii) Litter bins matching with the environment

They should not be placed immediately under hand dryers and should not cause obstruction to the users.

(iii) Lockable jumbo roll toilet paper holder



Litter bin (wall-mounted)



Lockable jumbo roll toilet paper holder in communal area

Ta Chuen Ping Street Public Toilet (Kwai Tsing)

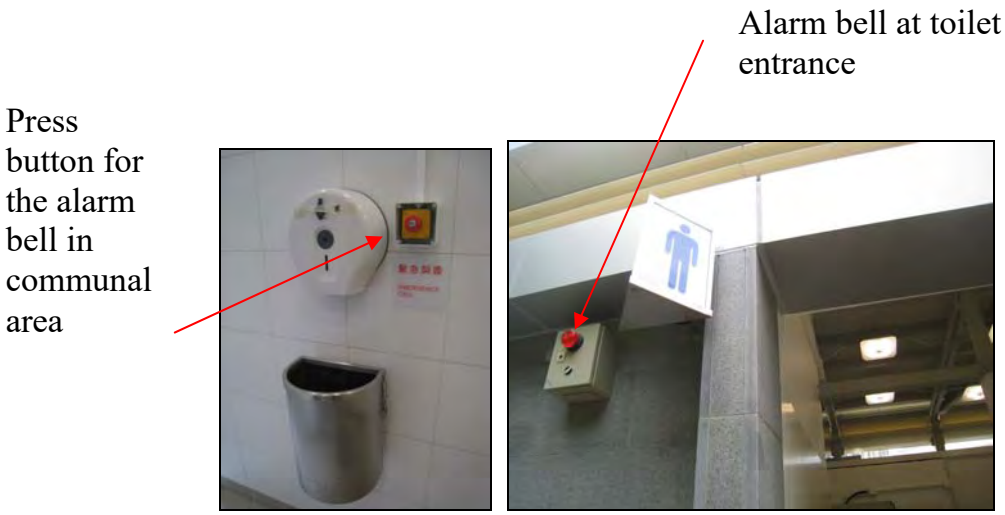
Sheung On Street Public Toilet (Eastern)

(iv) Aesthetic holders for small planters at a suitable height

(v) Hand sanitizer of manual-operated type (with refill of hand-gel based antiseptic solution)

Electric hand dryers, litter bins, lockable jumbo roll toilet paper holder and hand sanitizer should be positioned at 1200mm to facilitate both adult and children.

4.9.2 Emergency call bell, with audible signal and red warning light signal, should be installed in communal area in both male and female toilets. To minimize nuisance to nearby residents, the alarm system should be provided with a manually reset function (without keys) and an automatic device which stops the audible signal not more than 15 minutes after its activation. Once the alarm system has been activated, the red warning light signal should remain on until the alarm system is reset.



Siu Lek Yuen Village Public Toilet (Sha Tin)

4.9.3 Conduits and a 13 amp power point (power point to be provided at the attendant room) should be provided to pave way for the broadcasting of music and educational messages at public toilets with high usage rates or located in popular scenic areas/ hot tourist spots that are stationed by toilet attendants. The conduits provided should facilitate the cable connection for installation of a separate motion sensor near the entrance of male and female toilets for control of the broadcasting of music and educational messages.

4.9.4 Water-proof power sockets should be provided to facilitate operation of cleansing equipment by cleansing contractors.

4.9.5 Cage for housing mosquito trap (about 460mm (L) x 450mm (W) x 300mm (D)) should be installed at a high level for public toilets in rural area or public toilets in urban area with mosquito problem. Water-proof power socket should be provided for the mosquito trap.



Cage for mosquito trap at a high level

Tui Min Hoi (Chui Tong) Public Toilet (Sai Kung)

4.9.6 A Cleansing Inspection Register / Box preferably installed with a padlock should be provided.

4.9.7 There is no need to provide gates or doors at the respective main entrances to male toilet and female toilet unless otherwise specified. Instead, eyelets should be provided at the two sides of the entrances for hanging of chain or notice for temporary closure of toilet in case of need.

Internal Finishing and Colour Scheme

4.10 Wall

4.10.1 Large wall tiles (preferably not less than 300mm x 300mm) with matt finishes should be used, as far as practicable.

4.10.2 If dado/ border wall tiles are adopted, their dimensions should be aligned with the background wall tiles. If upper and lower portions of wall tiles with different colours are adopted, same wall tile dimensions should be adopted.

4.10.3 Wall tiles should preferably be fitted up to the ceiling. Otherwise, light-colour paint that is easy to maintain should be used for the top portion of the wall surface.

4.11 Floor

4.11.1 Coloured and large floor tiles (not less than 300mm x 300mm) should be used to minimize the number of joints. They should also be non-slippery (with slip-resistance valuation group R10 or equivalent), low-water absorbent and easy for cleansing.

4.11.2 Grouting between floor tiles should be proprietary type and low water absorbent to improve waterproofing and be effectively sealed.

4.11.3 Skirting tiles should match the selected floor tiles and shall be minimum 100mm high with coving at the junction of the floor and the wall.

4.11.4 Non-slippery nosing tiles with a distinctive colour and round edge should be installed along the step in front of raised floor area for safety reason.



Lau Fau Shan Roundabout Public Toilet (Yuen Long)

Skirting tiles should match the selected floor tiles and shall be minimum 100mm high with coving at the junction of the floor and the wall

4.12 Ceiling

4.12.1 Light-colour paint that is easy to maintain can be used for ceiling surface. False ceiling should be avoided for easy cleansing and maintenance.

4.12.2 Junctions of floor tiles and wall tiles should be coved.

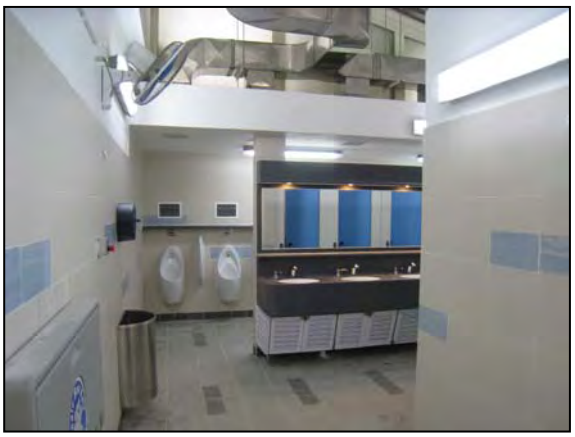
4.13 Internal Colour Scheme

4.13.1 Bright / Light colour scheme should be used to create a pleasant environment.

Example (1) : - Use of bright colour scheme for male and female toilets to produce a healthy, clean and pleasing atmosphere



Female Toilet



Male Toilet

Anchor Street Playground Public Toilet (Mong Kok)


Female Toilet


Male Toilet

Pok Man Street Public Toilet (Mong Kok)

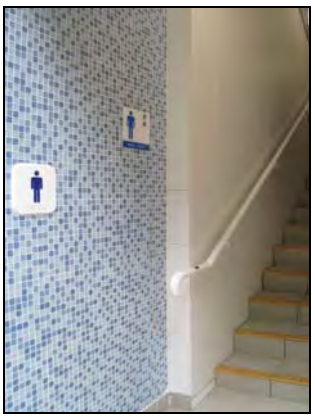

Female Toilet


Male Toilet

Mei Foo Sun Chuen Bus Terminus Public Toilet (Sham Shui Po)

Example (2) : - Use of feature wall tiles at toilet entrances to highlight male and female toilets


Female Toilet


Male Toilet

Apleichau Municipal Services Building Public Toilet (Southern)

Materials with Properties that Can Retard Bacteria Growth

4.14 Consideration may be given to using materials with properties that can retard the growth of bacteria or materials with similar performance (e.g. materials of low water absorbent properties) for the wall and floor tiles, WC pans, wash hand basins, etc., in particular, in public toilets of high / medium usage rate.

Lighting

4.15 Sky light and light reflection panels should be introduced to bring in natural lighting.



Use of sky light to bring in natural lighting

San Hing Back Street Public Toilet (Islands)



Glass panel to allow for natural lighting

Kowloon Tong Public Transport Interchange Public Toilet (Kowloon City)

4.16 Energy efficient fluorescent tubes with electronic ballasts should be adopted (e.g. the prevailing type is T5).

4.17 For toilet with relatively low usage rate, motion sensor may be provided for the control of artificial illumination for energy saving.



Motion sensor control installed inside toilet

Liu To Village Public Toilet (Kwai Tsing)

Sightlines

4.18 Care should be exercised in the design to ensure that there are no unobstructed sight lines via doorways, windows, sky lights, ventilation openings from outside into the toilet areas. Sightline problem caused by reflection of mirrors should also be avoided.

4.19 In case a screen wall is required to rectify the sightline problem, light colour scheme should be adopted for the panel and frame of the screen wall. Graphic design on the screen wall may be considered subject to the location of the public toilet.

4.20 Both ends of the service corridor shall be properly guarded to prevent the public from seeing through the corridor.



Lantau Link Viewing Platform Public Toilet (Kwai Tsing)



Tseung Kwan O Industrial Estate Public Toilet (Sai Kung)

Service Passage or Walk-in Services Ducts

4.21 Service passage or walk-in services ducts behind WC compartments should be provided if site conditions permit. Access for service passage or walk-in services ducts should be provided outside the toilets or through the male toilet.

4.22 If site conditions do not permit (e.g. due to limited space), consideration may be given to dispensing with the service corridor. In such cases, water cisterns and service and drainage pipes should be concealed behind removable panel fully compatible with the design of the toilet cubicle partitions.

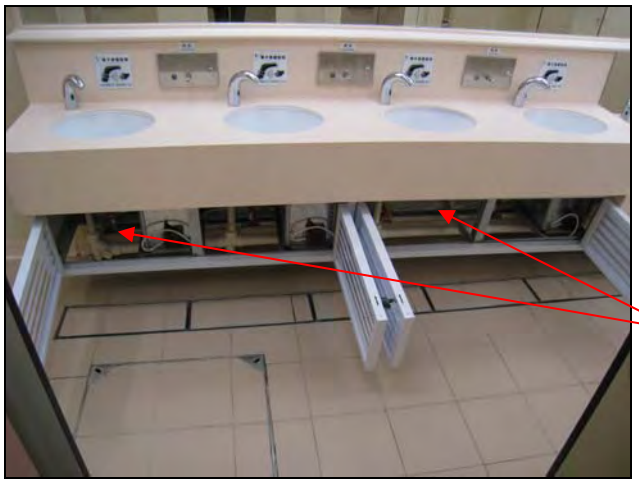
CHAPTER 5

DRAINAGE AND VENTILATION

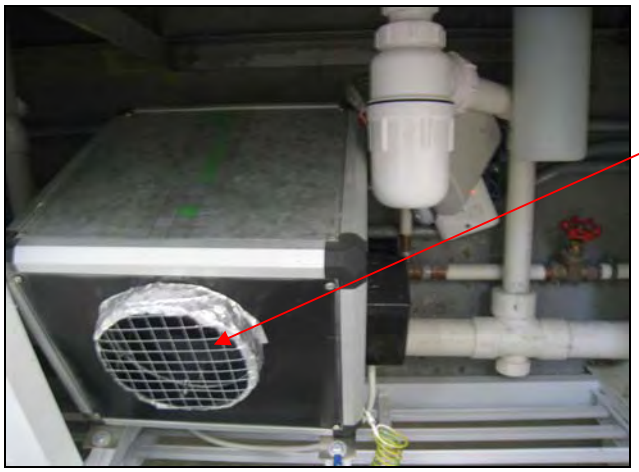
Prevention of Wet Floors

5.1 Blower Fan

5.1.1 Blower fans, preferably one for one to two wash hand basins, should be provided beneath the vanity benchtop to assist evaporation of moisture. Cover for the blower fans should be of louvre type or perforated to facilitate air circulation.



Pak Shing Street Public Toilet cum Bathhouse (Tai Po)



Lung Kong Road Public Toilet (Kowloon City)

5.2 Drainage

5.2.1 Adequate floor drains should be provided. In particular, surface channel with movable matching slab cover or dish channel should be provided at the following areas-

(i) Along the front of WC compartment.

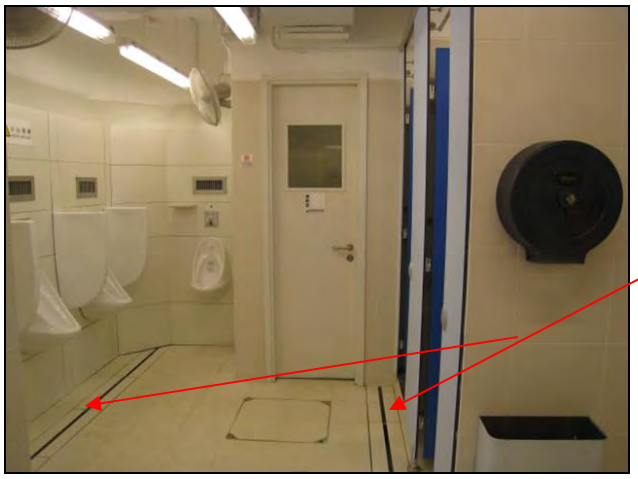
(ii) Under the wash-hand basins, extending the full width of the range of basins and located about 200mm away from the wall to which the basins are fixed.

(iii) Under the urinals, extending the full width of the range of urinals and located about 300mm away from the wall to which the urinals are fixed.

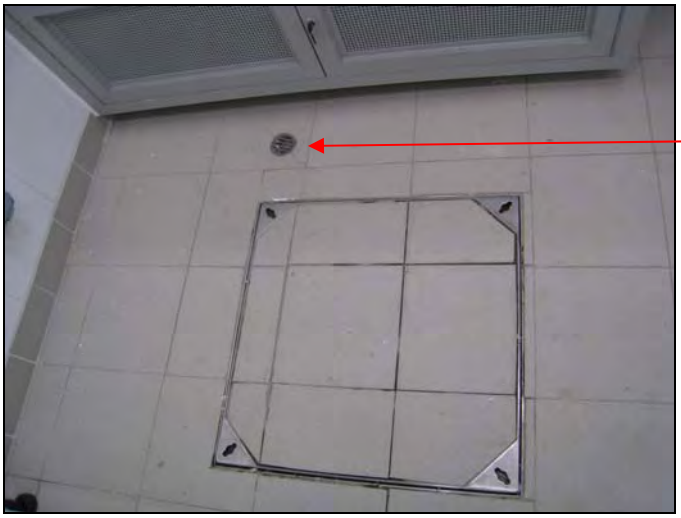
(iv) In the front of the entrance to the toilet (only surface channel with movable matching slab cover should be provided).

5.2.2 The interior floor should be provided with a noticeable fall gradient for quick direction of water to dish/surface channels.

5.2.3 All surface channels should be covered with movable slab cover of up-to-date design and with the same floor tiles selected as far as circumstances warrant. Hole in channel cover and slot of gratings should comply with the requirements in the prevailing "Design Manual – Barrier Free Access" issued by Buildings Department. Stainless steel grating cover should be avoided.



Mei Foo Sun Chuen Bus Terminus Public Toilet (Sham Shui Po)



Siu Lek Yuen Village Public Toilet (Sha Tin)

Ventilation and Odour Control

5.3 Ventilation

5.3.1 Large-size opening and fixed louvre system or raised / extended roofing design should be adopted to enhance natural ventilation as far as practicable.

5.3.2 Louvre-type windows with large fins of durable materials such as aluminum / tempered glass / fibre glass of modern design should be provided at high level openings. Old style louvre windows with small wired glass fins should be avoided.



Lei Yue Mun (Ling Nam Sun Tsuen) Public Toilet (Kwun Tong)



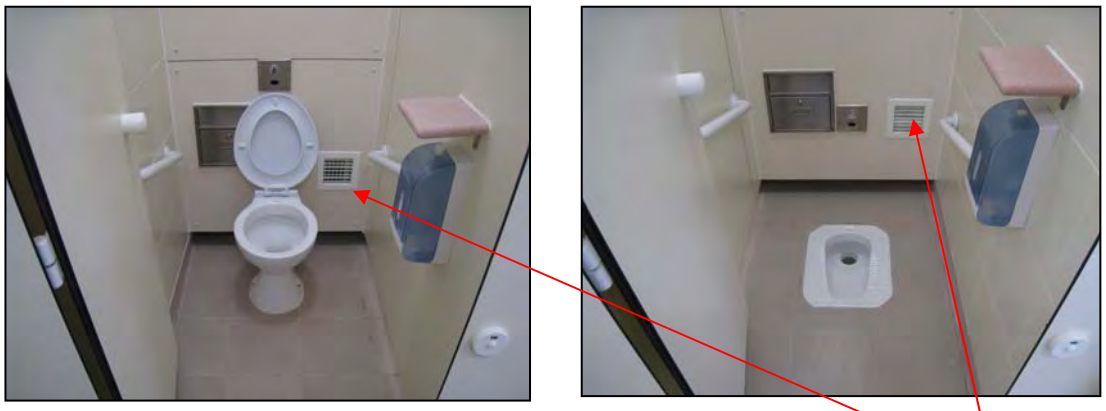
Man Fai Street Public Toilet (Central/Western)

5.3.3 Mechanical ventilation system should be suitably designed and installed to provide adequate air exchange on top of natural ventilation.

5.4 Odour Control

5.4.1 Odour source oriented air exhaust fans should be provided in WC compartments for even air change and immediate odour removal whenever circumstances warrant. Air exhaust fans should be positioned at low level near odour source at about 150mm above the finished floor level.

5.4.2 The point of external discharge should be suitably positioned at high level and away from public areas.



Kam Tin Bor Tei Public Toilet (Yuen Long)

5.4.3 An exhaust system should be provided above urinals to improve ventilation.



Kam Tin Bor Tei Public Toilet (Yuen Long)



Kei Yip Street Public Toilet (Kwun Tong)

5.5 Others

5.5.1 Oscillating / Wall-mount fans at a high level should be provided in the communal area.



Nam Cheong Street Public Toilet (Sham Shui Po)



Kam Tin Bor Tei Public Toilet (Yuen Long)

5.5.2 Automatic air-refresheners should be provided.



Yan King Road Bus Terminus Public Toilet (Sai Kung)

CHAPTER 6

SIGNAGE

Toilet Title on External Wall

6.1 A toilet title sign, bearing the FEHD's logo (on the left-hand side of the Chinese and English toilet titles), should be displayed at the external wall of public toilet. The sign should be easily replaced without damaging the wall surface.

6.2 For toilet premises with bathhouse facilities co-existing with toilet facilities, it is not necessary to put the word "Bathhouse" on the title sign.

6.3 The sign should be made of durable non-reflective material (such as aluminum with powder coating).

6.4 The toilet title, FEHD's logo and any thematic background of the toilet title sign should have durable colours which will not fade under exposure to sunlight.



Nam Cheong Street Public Toilet (Sham Shui Po)



Lok Ma Chau PTI Public Toilet (Yuen Long)



Tuen Mun Ferry Pier Public Toilet
(Tuen Mun)

Illuminated Sign Box / Wall-mounted Sign on External Wall

6.5 An illuminated sign, with the conventional international symbol of male, female or accessibility, should be provided at the respective entrances to male toilet, female toilet and accessible unisex toilet as appropriate. The sign should be eye-catching, aesthetically-designed and easily seen from various directions at all times.

6.6 A bilingual (Chinese and English) wall-mounted signage, comprising the words '男廁/MALE TOILET', '女廁/FEMALE TOILET' or '廁所/TOILET' and conventional international symbol of male, female or accessibility as appropriate, should be provided at eye-level at the respective toilet entrances.



Illuminated sign box

Tai Po Old Market Public Toilet (Tai Po)



Illuminated sign box

Tai Po Centre Public Toilet (Tai Po)

6.7 Braille and tactile sign should be provided at the respective entrances to the male toilet, female toilet and accessible unisex toilet.

6.8 The illuminated sign, wall-mounted sign and braille and tactile sign should comply with the requirements in the prevailing "Design Manual – Barrier Free Access" issued by Buildings Department. The international symbol of accessibility shall be the wheelchair figure in white on a blue background.



Expo Drive East Public Toilet (Wanchai)

6.9 For male and female toilets provided with baby changing counters, it is not necessary to provide an additional sign for the counter outside the toilets. However, the sign for baby changing counter should be displayed outside the accessible unisex toilet provided with such a facility.



Sign for baby changing counter outside the toilet for accessible unisex toilet



Yip Fat Street Public Toilet (Southern)

6.10 If there is a baby changing room in the toilet, wall mounted signage plate should be provided outside the baby changing room.

Composite Sign

6.11 A bilingual (Chinese and English) composite sign comprising the FEHD logo and the following words and related symbols should be provided in communal area of male and female toilets and inside accessible unisex toilet -

(i) 男廁 / 女廁 / 廁所 *(as appropriate):*
MALE TOILET / FEMALE TOILET / TOILET *(as appropriate):*
(Remarks : The above words and related symbols should be placed on the left hand side of the sign)

(ii) 小心地滑
CAUTION : WET FLOOR
(Remarks : The characters' size should be relatively large to draw the attention of toilet users)

(iii) 嚴禁吸烟
NO SMOKING

(iv) 不准棄置報紙於廁盆
請放入垃圾箱
NO NEWSPAPER IN WATER CLOSET PANS
PLEASE USE LITTER BINS

(v) 嚴禁取走公廁的水到別處使用
TAKING AWAY OF WATER FROM THE PUBLIC TOILET FOR USE ELSEWHERE IS PROHIBITED

(vi) 如有投訴或意見請電 XXXX XXXX 或熱線電話 2868 0000
FOR COMPLAINTS OR SUGGESTIONS, PLEASE TELEPHONE : XXXX XXXX OR HOTLINE : 2868 0000
(Remarks : The telephone number 'xxxx xxxx' shall vary in different districts and, therefore, should be confirmed with district management in advance)







Composite sign

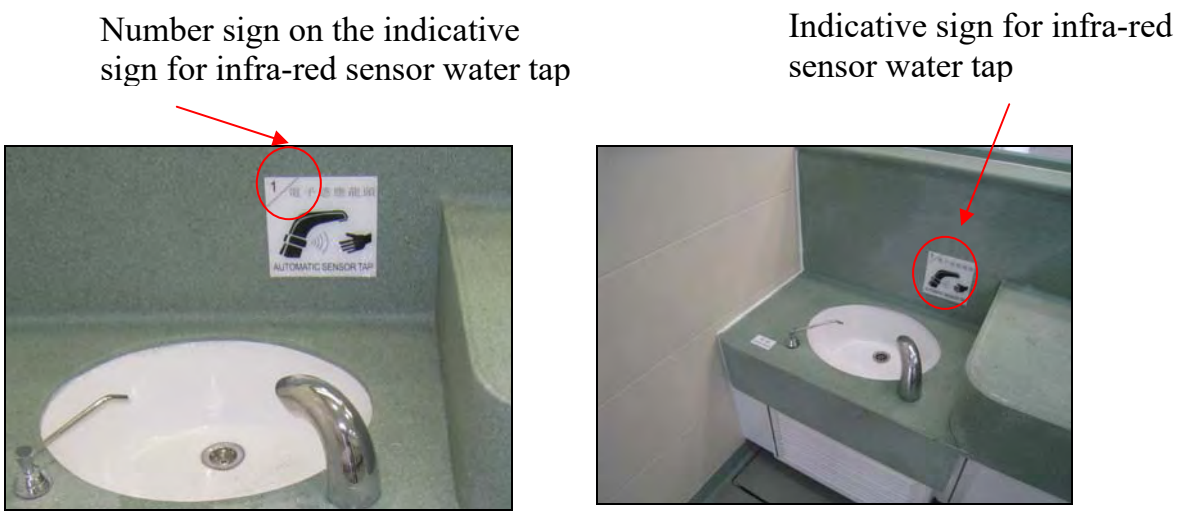
Tseng Tau Chung Tsuen Public Toilet (Tuen Mun)

[Note: Composite sign to be updated as according to para. 6.11]

Information Sign

6.12 A bilingual (Chinese and English) information sign should be provided for each of the following provisions for indicative purpose –

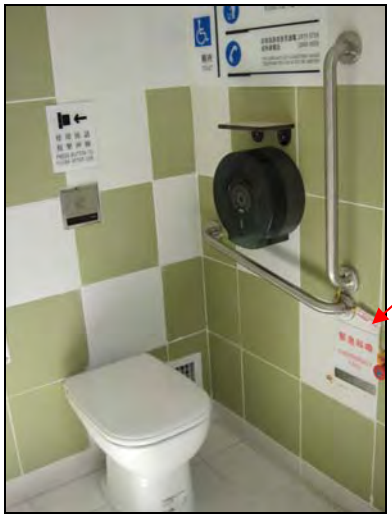
(i) Automatic infra-red sensor water tap ("電子感應龍頭/ AUTOMATIC SENSOR TAP") (The sign should also indicate the number of the wash hand basin to which the water tap is fixed for identification purpose. The number sign should not be conspicuous).
(ii) Soap dispenser ("梘液/ LIQUID SOAP")
(iii) Emergency call button ("緊急召援/ EMERGENCY CALL" in Chinese, English and Braille in compliance with the requirements of the prevailing "Design Manual – Barrier Free Access")



Kam Tin Bor Tei Public Toilet (Yuen Long)



Kam Tin Bor Tei Public Toilet (Yuen Long)



Expo Drive East Public Toilet (Wanchai)

6.13 A bilingual (Chinese and English) signage plate, comprising the words '使用後請沖廁/ PLEASE FLUSH AFTER USE' and the number of the toilet compartment, should be provided inside each of the toilet compartments that are not installed with sensor type flushing system. The number sign should not be conspicuous.



Nam Cheong Street Public Toilet (Sham Shui Po)

6.14 A bilingual (Chinese and English) signage plate, comprising the words "電子感應沖廁/AUTOMATIC SENSOR FLUSHING" and the number of the toilet compartment, should be provided inside each of the toilet compartments that are installed with sensor type flushing system.

6.15 A signage plate with a symbol for squatting or pedestal WC compartment should be provided at the front side of each WC compartment door for indicative purpose. The number sign should be arranged in sequence irrespective of the type of WC compartment.



Pedestal WC compartment

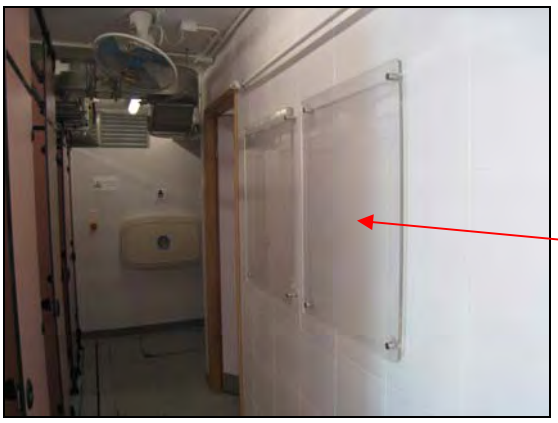


Squatting WC compartment

Siu Lek Yuen Village Public Toilet (Sha Tin)

6.16 The same number should be featured in the number sign on the signage plate for flushing and the signage plate for WC compartment.

6.17 Two acrylic poster holders of A-2 size for notice including the cleansing schedule and performance pledge should be provided in the accessible unisex toilet and at the communal area inside each male toilet and female toilet.



Acrylic poster holder of A-2 size

Tseng Tau Chung Tsuen Public Toilet (Tuen Mun)

6.18 A number plate should be provided for each urinal bowl. However, it should not be conspicuous and preferably be installed beneath the urinal bowls.

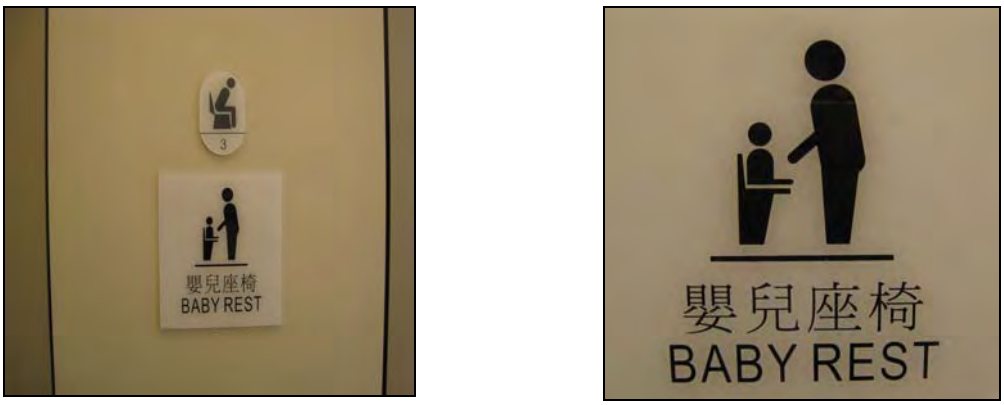
Number plates beneath the urinal bowls



Lung Kong Road Public Toilet (Kowloon City)

6.19 A number plate should be provided for each wash hand basin. It should not be conspicuous and be aesthetically designed.

6.20 Proper indicative sign should be displayed on/provided next to the baby rest, and affixed to the door of toilet compartment provided with a baby rest to draw the attention of toilet users. Detailed and clear instructions in bilingual (Chinese and English) on how to use the baby rest should be posted next to the baby rest.



Baby rest with clear indicative sign

Tai Po Centre Public Toilet (Tai Po)



Baby rest (floor standing type with fixed front guard) in pedestal cubicle

Tai Po Centre Public Toilet (Tai Po)

6.21 A bilingual (Chinese and English) signage plate, comprising the words "嬰兒衞生間/BABY CHANGING COUNTER' and the conventional international symbol for such counter, should be displayed on / next to the baby changing counter (for both fixed or folding type baby changing counter).





Hung Cheung Road Public Toilet (Tuen Mun)

6.22 Simple instructions in English, Chinese and Braille (with appropriate illustrations) on how to unfold the grab rail should be affixed to the wall next to the folding grab rail adjacent to the water closet in the accessible unisex toilet.

6.23 A bilingual (Chinese and English) signage plate with the name of the utility room (e.g. ATTENDANT ROOM/值勤室, SLOP SINK ROOM/潔淨用品房, STORE ROOM/儲物室 etc.) should be provided at the door of each of these rooms.



Hung Cheung Road Public Toilet (Tuen Mun)



Ma Tin Pok Public Toilet (Yuen Long)



Tui Min Hoi (Chui Tong) Public Toilet (Sai Kung)



Lung Kong Road Public Toilet (Kowloon City)

6.24 Where appropriate, a bilingual (Chinese and English) warning sign with the words '小心地滑 / CAUTION : WET FLOOR' should be provided at suitable locations.



Lam Tei Market Public Toilet (Tuen Mun)

Others

6.25 Where appropriate, a directional sign, with or without illumination, should be provided at suitable locations outside the toilet to guide users to the male toilet, female toilet and accessible unisex toilet. Agreement of Highways Department may need to be sought for signs provided at road side.



W*an Chai Market Public Toilet (Wanchai)*



Tai Hang Road Public Toilet (Wanchai)

6.26 All the signs/ illuminated sign boxes should be aesthetically designed. Use of stainless steel (reflective in nature), fragile materials and materials that are subject to corrosion should be avoided.

6.27 Chinese words/descriptions of all signage should be displayed on top of English ones.

Compliance with Barrier Free Access Requirements

6.28 Signs shall be erected to indicate clearly the exact locations of facilities available for use by persons with a disability in compliance with the requirements in the prevailing "Design Manual – Barrier Free Access" issued by Buildings Department, including provision of Braille and tactile information signs on the adjacent wall to indicate the presence of an opening for landings of staircase leading to an open space or the entrance/ exit of a building, provision of Braille and tactile information on directional arrow and floor number on handrail on every floor at designated location to facilitate persons with visual impairment.

APPENDIX

Points to Note for Construction / Reprovisioning / Refurbishment / Conversion Projects

1. The expenses for provision of portable toilets during works period should be absorbed by the funding of the concerned projects. For projects funded by Refurbishment Block Vote 3004GX, FEHD would indicate the requirement for portable toilets and provide justifications while initiating the projects to ArchSD. ArchSD should include the requirement in the funding application. For projects funded by Minor Building Works Block Vote 3101GX or other funding vote, FEHD should indicate the requirement for portable toilets in the Client Project Brief / Project Definition Statement concerned so that the related expenses can be included in the funding application.

2. For new construction, reprovisioning, refurbishment and conversion projects that are presented at pre-vetting or vetting meetings, works agent and the consultant should be responsible for ensuring that their designs should comply with prevailing requirements (statutory or non-statutory) promulgated by relevant government departments.

3. The following actions should be taken following site possession :

   (i) The works contractor should display a notice on works programme and contact person, in a conspicuous place on-site, upon site possession in respect of construction / reprovisioning / refurbishment / conversion project.

   (ii) The works contractor should email to the works department and FEHD a photo on the day of closure to demonstrate that requirement (i) above has been properly followed.

   (iii) Hoarding should be erected the soonest possible after site possession to prevent the public from entering into the works site.

   (iv) The works contractor should commence site works the soonest possible after site possession. If delay in works commencement is foreseeable, FEHD should be informed in advance. Where feasible, site possession should be arranged to tie in with the works commencement by the contractor.

   (v) The works contractor should adhere to the works programme stated on the notice as far as practicable and to avoid unnecessary delay in works completion.

(vi) The works contractor should keep the works department and FEHD informed if there is known delay in completion. The works completion date on the notice should also be updated accordingly.

(vii) The works contractor should keep the works department and FEHD informed if there is suspension of works. A notice on the works suspension should be displayed.



Notice on works programme and contact person on site

Design Guidelines for Larger Toilet Compartments for Priority Use by the Elderly and Universal Toilets in Public Toilets of FEHD

(April 2016)

Outline

In response to Policy Address 2016 for providing larger toilet compartments for priority use by the elderly (priority compartments) and to address LegCo members' concern over the provision of unisex toilets on top of the statutory requirements, FEHD will provide priority compartments and universal toilet in **newly-built/refurbished public toilets where practicable** and the design features/layouts are set out below.

Larger Toilet Compartment for Priority Use by the Elderly

(a) **Subject to site condition and space availability** and where **four or more toilet compartments** in male *or* female toilets are provided, the **toilet compartment nearest to the entrance of both toilets** will be designated for priority use by the elderly;

(b) The number of priority compartment to be provided should be as follows -

No. of toilet compartment in male/female toilet	Provision of priority toilet compartment for the elderly
4 - 6	1
7 - 18	2
19 - 36	3
37 – 60	4
Above 60	5

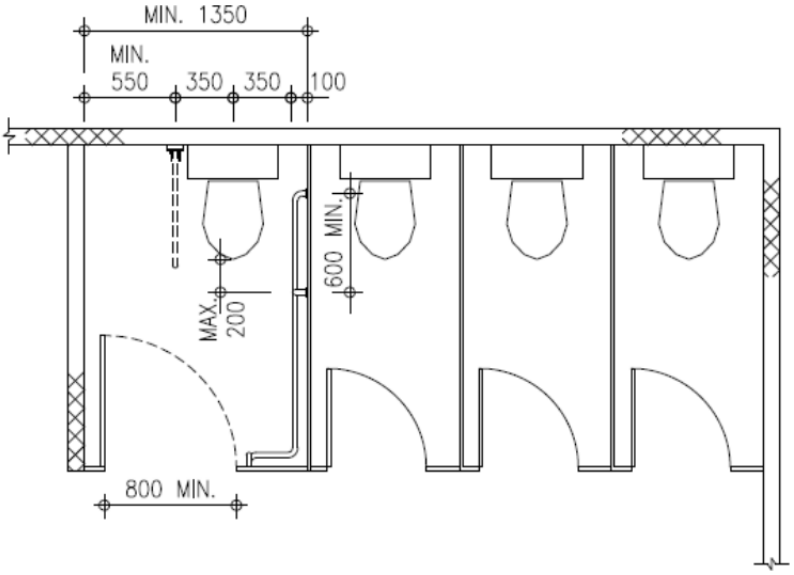
(c) The toilet compartment will be **wider than a conventional one** and measures **1350mm wide** between the finished wall surfaces subject to actual site condition. In case of site constraint, minor downward adjustment to the 550mm-wide clear space by the side of the water closet in a range of 50mm - 100mm may be allowed, provided there is still adequate space for the placement of walking aids and/or the movement of the carer to provide the assistance needed;

(d) **Pedestal** type **water closet** will be provided;

(e) **Indicative signage** will be affixed outside the door of the toilet compartment; and

(f) **Other fittings,** including hand-grip rails, small rack and coat hook provided in a conventional toilet compartment will be provided in the priority compartment.

Larger Toilet Compartment for Priority Use by the Elderly - Layout and Signage





LEGEND ALL DIMENSIONS ARE IN mm.



– DOOR HARDWARE (INCLUDING LOCKS AND HINGE) SHOULD ALLOW READILY REMOVAL/ OUT–SWINGING OF THE DOOR IN CASE OF EMERGENCY.

HORIZONTAL GRAB RAIL, DIA. 32–40 AT 725–750 H.

FOLDABLE GRAB RAIL, 725–750 H.



VERTICAL GRAB RAIL, DIA.32–40 & L⩾600

Universal Toilet

(a) **Subject to site condition and space availability** and where **four or more toilet compartments** in male *or* female toilets are provided, a separate universal toilet will be provided in the public toilet;

(b) The universal toilet should be accessible directly from a public area that does not necessitate traversing an area reserved for one sex only, and access to which should be from a corridor so that it can be used by either sex with assistance from members of opposite sex, if necessary;

(c) Only one universal toilet will be provided in the public toilet irrespective of the number of male/female toilet compartments. The universal toilet should normally be at ground floor level as far as the site condition and space availability permit. If not, it should be provided on the second floor or lower floor as far as practicable;

(d) The internal area of a universal toilet should measure **2300mm wide and 1950mm long** between the finished wall surfaces;

(e) **Pedestal** type **water closet** will be provided in the toilet;

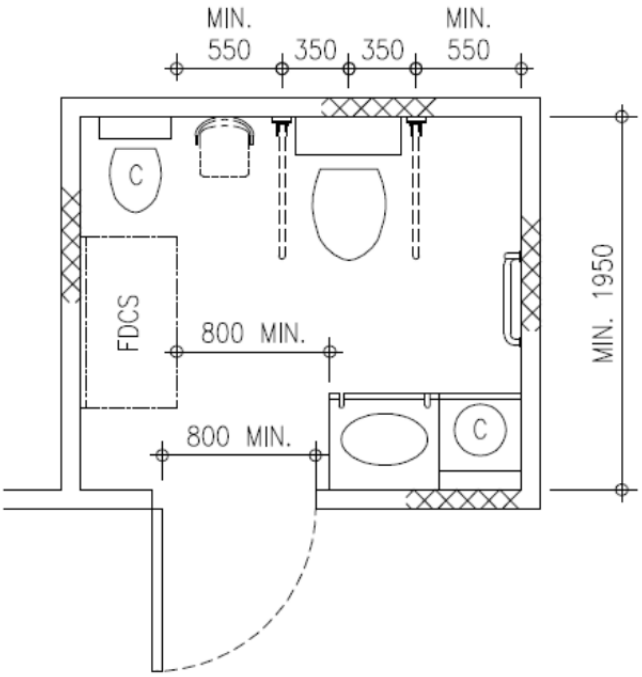
(f) **Indicative signage** will be affixed outside the door of toilet; and

(g) **Other fittings** including hand-grip rails, flap-type diaper changing station, baby safety seat, children water closet, children friendly wash basin[1] and emergency call-bell will also be provided in toilet.

[1] **Flap-type diaper changing station, baby safety seat, children water closet, children friendly wash basin** mentioned in ArchSD's guidelines are referred to as **foldable baby changing counter, baby rest, child-height water closet and child-height wash hand basin** respectively in FEHD's "Handbook on Standard Features for Public Toilets".

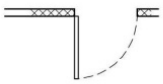
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Universal Toilet - Layout and Signage[2]





LEGEND ALL DIMENSIONS ARE IN mm.



– SWING DOOR SHOULD BE OPENABLE OUTWARD

VERTICAL GRAB RAIL, DIA.32–40 & L⩾600

FOLDABLE GRAB RAIL, 725–750 H.



FLAP–TYPE DIAPER CHANGING STATION MIN.900x500



WASH BASIN WITH NOTCHES AT BASIN COUNTER EDGE

HORIZONTAL GRAB RAIL, DIA. 32–40



FLAP–TYPE BABY SAFETY SEAT



CHILDREN WC



CHILDREN FRIENDLY WASH BASIN

[2] The design of the signage for Universal Toilet is preliminary and **subject to further amendment**.

Annex 1c

Enhanced design features/requirements/installations for new/refurbished public toilets (Version 2)

1. Automatic **sensor type soap dispenser** should be provided for each wash hand basin and mounted on vanity benchtop.
2. Use of **LED lighting** with replaceable light bulbs.
3. **Electric hand dryer** should be of powerful model capable of generating high velocity air-stream to dry hand **within 12 seconds**, with **noise reduction** and fitted with **drain tank. At least two hand dryers should be provided** at the communal area of the male and female toilet if site condition permits.
4. **Blower fan** of high drying speed (with timer control) fitted with **plate-shape air-boot** affixed to the air-outlets so that air stream will be blown downwards facing the floor at an angle less than 30^{o} should be provided under the wash hand basin to assist evaporation of moisture.
5. **Timer** should be provided for control of all **fans including blower fans and lighting** for energy saving purpose.
6. Provision of **wall mounted stall-type urinal** with the bottle trap and associated piping concealed behind the lower part of the urinal while the trap should be reachable for ease of cleansing and maintenance.
7. Provision of lockable **stainless steel jumbo roll toilet paper holder** in individual compartments. **No jumbo roll paper holder** shall be installed **in communal area**.
8. Use of **larger** (600mm x 600mm preferably), non-slippery (R10) **floor tiles** for toilets of medium or larger size. **Wall tiles** shall be of size 600mm x 300mm to tally with the use of larger floor tiles. Finishes and colour scheme should be carefully developed with a view to create a clean and pleasant atmosphere.

9. **Water-proof power sockets** with by-pass switch should be provided in the communal area of toilets (at least two numbers each in Male, Female and Accessible Unisex Toilets (lockable) depending on the floor area and layout) and attendant rooms (two numbers each) to facilitate operation of cleansing equipment and electrical appliances.

10. For new toilets where there is flexibility in laying out the services, **manhole covers** should be sited away from toilet entrances and conspicuous locations as far as possible to mitigate visual impact.

11. Both pedestal and squatting types water closets should be provided but pedestal types should be provided predominantly in view of the increasing demand arising from the aging population. Generally, while at least 1 pedestal water closet should be provided in each of the male and female toilets having 1 to 2 water closets, the **ratio of 3 pedestal type water closets to 1 squatting type closet** should be adopted in each of the male and female toilet having 3 or more water closets unless otherwise specified. The actual number of pedestal and squatting type water closets should depend on site condition, space availability, usage pattern, operational needs and the special requirements of the majority of target toilet users.

12. **Drinking water dispenser** will be installed as far as possible at the external part of the PT with cover when a new/reprovisioned PT is constructed or an existing PT is refurbished. Feasibility for installation of drinking water dispenser at each PT should be further assessed on an individual basis subject to site condition (whether there is adequate space for the installation at the external part of PT within its site boundary) and technical feasibility (availability of potable water supply and approval from Water Supplies Department on the installation application)

Food and Environmental Hygiene Department

August 2018

Annex 2

Details of the number of newly built/reprovisioned/ refurbished public toilets in the past five years from 2015-16 to 2019-20

Year	Number of newly built public toilets	Number of reprovisioned public toilets	Number of refurbished public toilets
2015-16	1	0	19
2016-17	2	2	7
2017-18	4	1	9
2018-19	7	7	11
2019-20 (as at 5.12.2019)	0	0	27
Total	**14**	**10**	**73**

Annex 5a

Public toilets not equipped with automatic sensor soap dispensers, water taps and flushing water systems

District	Number of Public Toilets not equipped with the following automatic facilities		
	Soap dispenser	**Water tap**	**Flushing system**
Central/Western	33	12	22
Wan Chai	15	1	14
Eastern	13	3	6
Southern	19	2	7
Yau Tsim Mong	13	0	9
Sham Shui Po	6	0	1
Kowloon City	13	1	8
Wong Tai Sin	5	1	1
Kwun Tong	9	0	3
Tsuen Wan	28	2	23
Tuen Mun	44	0	42
Yuen Long	178	8	156
North	132	4	99
Tai Po	70	6	61
Sai Kung	54	12	46
Sha Tin	26	9	23
Kwai Tsing	12	0	8
Islands	60	7	52
Total	**730**	**68**	**581**

Annex 5b

Aqua privies equipped with automatic sensor water taps

District	Number of Aqua Privies
Tuen Mun	1
Yuen Long	3
North	2
Sai Kung	2
Kwai Tsing	1
Islands	1
Total	**10**

Annex 6

Reported crime cases in public toilets in the past 5 years

District	Type of Crime	Number of crime cases reported in Financial Year					Total
		2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	
Central/ Western	Maliciously damaged	0	0	0	1	2	**3**
Wan Chai	Fittings stolen	0	0	0	1	0	**1**
Yau Tsim	Maliciously damaged	0	0	0	1	5	**6**
	Fittings stolen	0	0	0	0	5	**5**
Mong kok	Maliciously damaged	0	0	0	0	2	**2**
	Fittings stolen	0	0	0	0	3	**3**
Kwun Tong	Maliciously damaged	0	0	1	0	0	**1**
Kwai Tsing	Maliciously damaged	1	0	0	1	3	**5**
	Fittings stolen	1	1	0	1	5	**8**
Tai Po	Graffiti	0	1	0	0	0	**1**
	Unlawful taking of water	0	0	1	0	0	**1**
Shatin	Maliciously damaged	0	0	1	1	3	**5**
	Fittings stolen	0	0	0	0	3	**3**
North	Fittings stolen	1	0	0	0	3	**4**
Sai Kung	Fittings stolen	0	0	0	0	1	**1**
Tuen Mun	Maliciously damaged	0	1	2	0	14	**17**
	Fittings stolen	5	3	1	0	5	**14**
Yuen Long	Maliciously damaged	0	0	0	6	2	**8**
	Fittings stolen	1	0	1	0	13	**15**
Islands	Maliciously damaged	0	0	0	0	3	**3**
	Fittings stolen	1	0	0	0	2	**3**
Wong Tai Sin	Fittings stolen	0	0	0	0	3	**3**
Total Number of Cases		**10**	**6**	**7**	**12**	**77**	**112**

Annex 7

Inspection Guidelines for Public Toilets with Cleansing Services Provided by In-house Staff and by Contractors

Public Toilets with Cleansing Services Provided by	Inspection Guidelines
In-house Staff	*Please refer to Annex 7a.*
Contractors	*Please refer to Annex 7b.*

Annex 7a

Extracted from Annex I to Item 5 of
the Operational Manual of Cleansing Services

Cleansing Inspection Frequency for In-house Cleansing Services

Facility/Service	Foreman
Public toilets in populated villages/areas and public bathhouses	Once/shift
Aqua privies and public toilets in remote areas*	Weekly

* Examples of remote areas include locations without vehicular access or on remote outlying islands. SHI(Cl&PC) can exercise discretion to determine whether the facilities are located in "remote areas" based on the ground situation on a case-by-case basis.

Annex 7b

Extracted from Annex VII to
the Operational Manual for Management of Public Cleansing Contracts

Inspection Guidelines for SF(CM) in Management of Public Cleansing Services Contracts

Area of Services / Facilities to be Inspected	Frequency / Coverage
Flushing toilets with toilet attendant Public bathhouses	Inspect at least once for every work shift. Note 1
Flushing toilets without toilet attendant	Inspect at least once every other working day. Note 1

Note 1: For facilities in remote area, SHI(Cl&PC) can exercise discretion to determine the most suitable minimum inspection frequency.

Annex 8

Table showing the number of bids received for the 34 outsourced street cleansing contracts in force as at 1 Dec 2019

No. of bids received	No. of outsourced street cleansing services contracts involved
2	1
3	4
4	12
5	11
6	6
Total	**34**

水 務 署
Water Supplies Department

香港灣仔告士打道七號入境事務大樓 48 樓
48/F, Immigration Tower, 7 Gloucester Road, Wan Chai, Hong Kong

本署檔號 *Our ref.* : (3) in WSD/GRG 4-35/4/2/19 (TC 49/2019)
來函檔號 *Your ref.* : CB4/PAC/R73

電話 *Tel.* : 2829 4367
傳真 *Fax.* : 2827 8400

7 January 2020

Mr Anthony CHU
Clerk to Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr CHU

Public Accounts Committee

Consideration of Chapter 1 of the Director of Audit's Report No. 73

Planning, provision and management of public toliets by the Food and Environmental Hygiene Department

I refer to your letter reference CB4/PAC/R73 dated 24 December 2019 to the Director of Water Supplies requesting information regarding Case 3 in paragraph 3.22 of Chapter 1 of the Director of Audit's Report No. 73.

Please note that the Waterworks Ordinance (WWO) (Cap. 102) does not apply to the Government and hence the concerned project of the Food and Environmental Hygiene Department (FEHD) delivered by the Architectural Services Department (ArchSD) as the works agent for conversion of an aqua privy into a flushing toilet (Toilet H). Notwithstanding, it has been the practice that ArchSD will follow the requirements of the WWO in the delivery of its projects including seeking approval of the Water Supplies Department (WSD) for its plumbing works.

As requested, the chronology of the case is provided in the attached Appendix A. We would also like to provide your requested information in the attached Appendix B.

If you need further information, please contact the undersigned.

Yours faithfully

(Vitus NG)
for Director of Water Supplies

Encl.

c.c. Secretary for Development (fax no. 2801 5034)
Secretary for Food and Health (fax no. 2526 3753)
Director of Food and Environmental Hygiene (fax no. 2524 1977)
Director of Architectural Services (fax no. 2810 7341)
Commissioner for Tourism (fax no. 2801 5792)
Secretary for Financial Services and the Treasury (fax no. 2147 5239)
Director of Audit (fax no. 2583 9063)

Appendix A

Chronology

Item	(Mth .Yr)	Description
1	3.2012	Food and Environmental Hygiene Department (FEHD) submitted a water supply application to Water Supplies Department (WSD) for its project for conversion of an existing aqua privy into a flushing toilet (Toilet H).
2	8.2012	WSD approved the plumbing proposal submitted by Contractor C employed by Architectural Services Department (ArchSD)[1] which would require a new 25mm diameter (dia.) water main to provide supply of fresh water for general ablution, cleansing and flushing purposes in Toilet H. As the existing main providing supply of general ablution for the aqua privy was only 20mm dia., WSD requested ArchSD to design and lay a new 25mm dia. connection main of about 60 metres long outside the lot boundary of Toilet H to replace the existing 20mm dia. water main to meet the water demand.
3	8.2013	Upon reporting completion of the plumbing works in Toilet H by Contractor C, WSD conducted an inspection on the newly completed plumbing works and found that the plumbing works were generally in order. During the inspection, there was no water supply to the newly completed plumbing works in Toilet H and the new 25mm dia. connection water main for providing water supply to Toilet H was still outstanding. WSD thus requested FEHD to complete the new connection water main as soon as possible.

[1] ArchSD was the works agent of FEHD for the project.

Appendix A

Item	(Mth .Yr)	Description
4	10.2013	WSD approved the alignment for the new 25mm dia. connection water main proposed by Contractor C.
5	9.2014	Contractor C submitted a revised proposed alignment to WSD for the new 25mm dia. connection water main.
6	10.2014	WSD approved the revised proposed alignment for the new 25mm dia. connection water main.
7	8.2015 – 11.2015	Contractor C submitted a revised plumbing proposal to WSD involving revision of the layout of the urinals, water pans etc. in the Male Toilet of Toilet H and the proposal was approved by WSD in November 2015.
8	7.2016	WSD reminded Contractor C to complete the plumbing works in the revised plumbing proposal in Item 7 above and the new 25mm dia. connection water main.
9	9.2016	In response to the reminder of WSD in Item 8 above, FEHD informed WSD that they decided to cancel the application for the water supply for Toilet H upon advice by ArchSD. WSD had no objection to the cancellation of the water supply application.
10	1.2017	Contractor C submitted a new application for water supply to Toilet H for flushing purpose and retaining the existing supply for general ablution (but not for cleansing purpose as in the previous application). The Contractor C also submitted a plumbing proposal proposing to use the existing 20mm dia. connection water main (previously providing water supply to the aqua privy) for providing water supply to Toilet H for general ablution and flushing purposes.

Item	(Mth .Yr)	Description
11	2.2017	As a follow-up of the cancellation of water supply application for Toilet H in Item 9 above, WSD carried out an inspection of Toilet H regarding the plumbing works in relation to the cancelled water supply application which might have to be dismantled. During the inspection, WSD observed that there was an extension from the existing 20mm dia. connection water main to provide water supply to the newly completed plumbing works under the water supply application in Items 1 and 2 above. As no permission had been given by WSD for such extension which was not in line with the requirement of the Waterworks Ordinance (Cap. 102), WSD requested FEHD/ArchSD to rectify the situation. Nevertheless, WSD noted the connection would not cause wastage of water nor risk of contamination to the water supply system. Besides, WSD noted that Contractor C had submitted a new application for water supply to Toilet H for flushing purpose in Item 10 above which proposed to use the existing 20mm dia. connection water main.
12	9.2017	After Contractor C addressed two rounds of comments by WSD on the new application for water supply to Toilet H in Item 10 above, WSD approved the new application which used the existing 20mm dia. connection water main to provide water to Toilet H for flushing purpose.
13	2.2018	After Contractor C submitted all related documents, completed minor modification at the connection point and installed the water meters, WSD inspected and authorised the water supply to Toilet H for flushing purpose.

Response to Item (a)

During the inspection in February 2017, Water Supplies Department (WSD) observed that there was an extension from the existing 20mm diameter (dia.) connection water main (previously for providing water supply to the aqua privy for general ablution purpose) to provide water supply to the newly completed plumbing works in Toilet H. As the plumbing proposal submitted by Contractor C of Architectural Services Department (ArchSD) and approved by WSD for the water supply application for Toilet H proposed to lay a new 25mm dia. connection water main from the government water main to provide water supply to Toilet H and no permission had been given by WSD for the extension the existing 20mm dia. connection water main, it did not conform to the requirement of Waterworks Ordinance (WWO) s14 (1) that "no person shall alter an inside service without permission from Water Authority".

Response to Item (b)

ArchSD had not informed WSD of the temporary arrangement of extension of the existing 20mm diameter (dia.) connection water main to provide water supply to the newly completed plumbing works in Toilet H. While there was no statutory obligation for ArchSD to inform WSD of the temporary arrangement, ArchSD or its Contractor C should seek permission from WSD for the alteration in the temporary arrangement in accordance with the practice.

Response to Item (c)

Contractor C of ArchSD submitted a new water supply application for Toilet H in January 2017 for flushing purpose and retaining the existing supply for general ablution (but not for cleansing purpose as included in the previous water supply application). Contractor C also submitted a plumbing proposal proposing to use the existing 20mm dia. connection water main for providing water supply to Toilet H which should be sufficient for providing water supply for general ablution and flushing. The plumbing proposal after being revised to address the comments of WSD was in conformance with the requirements of WSD and the WWO. Therefore, WSD approved the new water supply application and the plumbing proposal without exercising any discretion.

食物環境衞生署
Food and Environmental Hygiene Department

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Your Ref. : CB4/PAC/R73
Our Ref. : FEHD Cl&PC/32-60/10/11C

By fax 2543 9197 and e-mail
(ahychu@legco.gov.hk, kmho@legco.gov.hk, pkwlai@legco.gov.hk)

24 January 2020

Mr. Anthony Chu,
Clerk to Public Accounts Committee,
Legislative Council Complex,
Legislative Council Road,
Central, Hong Kong

Dear Mr. Chu,

Public Accounts Committee

Consideration of Chapter 1 of the Director of Audit's Report No. 73

Planning, provision and management of public toilets by the Food and Environmental Hygiene Department

I refer to your letter of 10 January 2020. Our reply for items (a) to (n) is provided in the ensuing paragraphs.

Item (a)

2. In relation to the prevention of pneumonia of novel coronavirus infection, the Food and Environmental Hygiene Department (FEHD) has enhanced cleansing of public toilets including floor, water closets, urinals, wash hand basins, toilet seats, door handles and handrails by using 1:99 diluted household bleach every two hours for toilets with attendant services and at least twice daily for toilets without attendant services.

Item (b)

3. Open and competitive tendering procedures are adopted for Government procurement of street cleansing services. Tender invitations issued by FEHD are published in the Government of the Hong Kong Special Administrative Region Gazette and uploaded to FEHD Webpage.

4. FEHD adopts a two-envelope approach, which is a requirement stipulated in the Government Stores and Procurement Regulations and a government-wide practice, in evaluating the tenders. Under this approach, FEHD first conducts a technical assessment of each tenderer's proposal and calculates the technical score. The assessment criteria for technical score include the quality of the proposed execution plans submitted by the tenderer, the proposed wage level and daily maximum working hours of the cleansing workers employed for executing the contract as well as the contractors' experience/performance track record for relevant government contracts.

5. After completion of the technical assessment, the Tender Assessment Panel will open the price proposals of tenders to determine the weighted price score of each conforming tender. For the marking scheme adopted in FEHD's tender exercise for street cleansing contract, a weighting of 50% for technical score and 50% for price score is adopted since April 2019. The tender with the highest combined score will normally be accepted by the Government.

6. FEHD has generally adopted an "outcome-based" approach in outsourcing cleansing services. Clear and precise performance-based service requirements including the scope of the services required, level of cleanliness expected, response time for rectification of unsatisfactory performance, etc. are incorporated in the tender document. Minimum requirements relating to manpower, work shift, and cleansing frequency may be stipulated in the tender document based on operational needs. The tenderers are required to apply their expertise and experience in devising the staff deployment plan and the mode of operation to provide cleansing services up to the performance standard as required by the Department. On the other hand, the performance of FEHD in-house cleansing workmen is assessed on an individual basis in accordance with staff management mechanism for the civil service. We could not readily compare the cost-effectiveness of the two modes of operation.

Item (c)

7. As at May 2019, FEHD has selected 94 public toilets with relatively high utilisation rates, particularly those at tourist hotspots as target toilets for service enhancement.

8. In addition to the regular inspection and monitoring system for public toilets as set out in item (e) below, we have implemented the following enhancement measures for the target toilets to improve hygiene conditions and to better monitor the performance of contractors to provide quality service at public toilets:

(1) Foremen/Senior Foremen and Health Inspectors are assigned to the target public toilets to conduct enhanced inspections. The designated Foreman/Senior Forman would inspect each target public toilet twice daily and to follow up irregularities identified with the contractor. The designated HI would conduct supervisory check on a weekly basis. Officers at district management level would conduct monthly inspections;
(2) four performance indicators, i.e. (a) floor always dry; (b) floor, wall and facilities free from stains and dirt; (c) no strong foul smell; and (d) no prolonged malfunctioning of toilet facilities, were devised and contractors must maintain these standards at all times; and
(3) deep cleansing services are enhanced and carried out by dedicated cleansing team (DCT) on a regular basis.

9. The enhanced measures has brought about noticeable improvement to the hygiene condition of the target toilets. FEHD would extend the DCT services to all street cleansing services contracts upon next contract renewal. The four performance indicators are similarly applied to public toilets other than the target toilets.

Item (d)(i)

10. Based on experience, FEHD has made broad categorisation of the level of cleanliness of a public toilet to Grade A, Grade B and Grade C with photographs illustrating level of cleanliness as extracted from street cleansing contracts in **Annex I.**

11. We are not aware of any readily available guidelines that may be put to use in the local context. These categories are formulated to facilitate monitoring of the cleanliness condition in public toilets. If the cleanliness level is found to have deteriorated, i.e. Grade B or Grade C, as a contract obligation, contractors are required to carry out remedial actions to rectify the irregularity within the prescribed time to bring cleanliness to a satisfactory level, i.e. Grade A as laid down in street cleansing contracts.

Item (d)(ii)

12. The number of default notices issued to a street cleansing contractor will be taken into account for assessment of technical score in future tender evaluations, if the contractor comes forward to make a bid.

Item (d)(iii)

13. To ensure prudent use of public money and timely response to restore normal service of public toilets, we have assigned cleansing contractors to handle minor repair works which are simple and easy to be fixed. Staff of the contactors can provide a quick response and rectify the defects swiftly upon notification.

Item (e)(i) & (ii)

14. FEHD's departmental guidelines require its frontline supervisory staff (i.e. foreman grade staff) to carry out inspections of toilets at predetermined frequencies as follows:

Cleansing Inspection Frequency for Foreman in Supervising In-house Cleansing Services

Facility/Service	Frequency
Public toilets in populated villages/areas and public bathhouses	Once/shift
Aqua privies and public toilets in remote areas*	Weekly

* Examples of remote areas include locations without vehicular access or on remote outlying islands. Senior Health Inspector (SHI) of respective District Environmental Hygiene Offices (DEHO) can exercise discretion to determine whether the facilities are located in "remote areas" based on the ground situation on a case-by-case basis.

Inspection Guidelines for Senior Foreman in Management of Public Cleansing Services Contracts

Facility/Services	Frequency
Flushing toilets with toilet attendant Public bathhouses	Inspect at least once for every work shift. **
Flushing toilets without toilet attendant	Inspect at least once every other working day.**

** For facilities in remore area, SHI can exercise discretion to determine the most suitable minimum inspection frequency.

15. During inspection, the principles of risk management would be integrated into the checking of contract compliance. Priority of inspection would be given to major facilities such as public toilets. Inspection of public toilets mainly covers the cleanliness, maintenance and operation of facilities and attendance-related matters of toilet attendants.

16. Supervisory staff, from District Environmental Hygiene Superintendents to HIs, perform surprise supervisory checks in the form of physical inspections to monitor the performance of the cleansing supervisors within their district. In practice, DEHOs would divide their district into several cleansing sectors on a geographical basis. Each HI is required to inspect one to two cleansing sectors in a week and to cover all areas under respective responsibility within 6 weeks. Each SHI is required to inspect 2 cleansing sectors at a time, and to cover all the areas in the district within 3 months. Senior district management will inspect the toilets on a regular basis.

17. Quality Assurance Section (QAS), a section set up with the primary objective of monitoring and improving service quality, would conduct regulatory inspections for different services delivered by FEHD, including that on cleansing service (comprising of street cleansing and public toilet services).

18. QAS conducts inspections to public toilets in all districts during its Thematic Quality Assurance Inspections every two years. The inspection report would be compiled and forwarded to the district concerned for reference and follow-up actions, if necessary. Re-inspections would be carried out a few months later and all irregularities detected in the last inspection would be checked again to see if there were any recurrence. Similarly, re-inspection reports would be issued to individual DEHOs for information and further follow-up actions, if necessary.

Item (e)(iii)

19. Public toilets with high utilisation rates or at tourist spots will have relatively higher demand for cleansing and maintenance services, as well as greater public concerns and expectations. In general, toilet attendant services are provided for these public toilets. The inspection frequency for these public toilets is set at a higher level for monitoring service performance according to the risk management principle.

Item (e)(iv)

20. Based on the latest utilisation rates measured with the infrared sensor, we have adjusted the inspection frequencies for six of the nine toilets identified in paragraph 4.37(a)(ii) and (iii) of the Audit report.

21. Specifically, toilet attendant service has been provided to one public toilet since May 2019, and would be provided to five other public toilets. Starting from July or August 2020, inspection frequency of these six public toilets would be increased accordingly.

22. For the remaining three public toilets, two are of low utilisation rate and adjustment of inspection frequency is not required. One public toilet is a male toilet of a small size provided with four urinals only. Provision of toilet attendant service to this toilet is not cost effective. In the light of the high utilisation of this toilet, we will make arrangements to increase the inspection frequency.

Item (e)(v) and (g)(ii)

23. Different districts have their unique circumstances. The discretion for respective DEHOs to determine the most suitable minimum inspection frequency for facilities in remote areas would be exercised by respective districts based on their professional knowledge and experience having regard to the ground situation on a case-by-case basis.

24. For Yuen Long DEHO, 103 out of the 127 contracted-out public toilets without toilet attendant services were converted from aqua privies. These public toilets are usually located at remote areas with low utilisation rates, and the conditions and facilities of these public toilets have been much improved after the conversion. This notwithstanding, to ensure a reasonable standard of service and in the light of Audit's recommendation, we are taking stock of the situation on the ground with a view to providing some form of guidelines to responsible officers in DEHOs in exercising the discretion to determine the inspection frequency for public toilet facilities in remote areas.

Item (e)(vi) & (vii)

25. The arrangement to input the inspection results into mobile devices on site and upload the related records into computer system Contract Management System (CMS) for all public toilets with cleansing services provided by contractors has all along been carried out in all DEHOs since the launch of CMS in 2002.

26. The overall performance of contractors including provision of public toilet services is assessed through random checking with the principles of risk management integrated into the checking of contract compliance. FEHD staff will conduct routine and surprise inspections to public toilets to monitor contractors' performance. If any contractor is found to be in breach of contract terms, FEHD will take appropriate follow-up actions, including the issuance of verbal warnings, written warnings and default notices with deduction of monthly payment of service charge. The inspection findings including the actions taken would be recorded in the CMS and would be reflected in monthly assessment reports of the contracts, which are submitted to and reviewed by district management.

27. The CMS has been revamped with further enhancements as elaborated in item (g)(iii) below and implemented in all DEHOs since November 2019.

Item (f)(i)

28. FEHD has specified in its guideline on the frequency and number of inspections to be conducted by foreman grade staff of the DEHOs. Please refer to the response to item (e)(i) & (ii) above.

Item (f)(ii)

29. FEHD is considering using mobile devices to record all inspection details on the cleansing services provided by in-house staff. It is estimated that the new system will be ready for trial run in the latter half of 2020 after the user requirements are confirmed.

Item (g)(i)

30. The public toilet in question is Hatton Road Public Toilet located at the Peak area. The roads leading to Hatton Road Public Toilet are narrow and inaccessible by conventional transport.

Item (g)(iii)

31. Before implementation of revamped CMS, inspecting officers are required to record inspection details of contractor's performance including the

provision of public toilet services after each inspection into CMS via mobile devices. The operation remains the same in the revamped CMS. No manual inspection forms are used before or after the CMS is revamped.

32. The types of information input into the revamped CMS for public toilets with or without toilet attendant services are the same and listed below:

- Date of inspection
- Time of inspection
- Name of public toilet
- Post of inspecting officer
- Contractual irregularity detected (if any)
- Minor repair request to contractor
- Inspection result

33. On top of Monthly Reports generated by the old CMS, the revamped CMS provides enhanced functions to summarise inspection details of public toilets including numbers of inspection and irregularities detected on a district basis for review by district management and senior management.

34. In the case where an officer has forgotten to upload the inspection results to the system, alert messages would be sent to remind inspecting officers to comply with the requirements to input inspection details. SHI or HI of DEHOs, Operations Sections and QAS would also conduct checkings on the status of compliance in inputting inspection details into the revamped CMS by inspecting officers based on the monthly reports generated by revamped CMS.

Item (g)(iv)

35. To address the shortfall of routine inspections arising from staff vacancies and redeployment of staff resources to other tasks, grade management of FEHD would make best endeavours to fill up any vacancies as soon as practicable. In the interim, having considered the operational need, districts would prioritise their work to ensure sufficient manpower resources are deployed for inspection of public toilets.

Item (h)

36. With reference to paragraph 4.10(a)(i) of the Audit Report, cleansing contractors are required to carry out and complete toilet minor repair services

within 24 hours of being notified by the inspecting officer according to the street cleansing contracts. FEHD is monitoring the contractors' performance in this respect through the revamped CMS.

Item (i)

37. In general, FEHD would immediately refer any suspected vandalism or crime cases detected in public toilets to the Police for investigation and enforcement actions. FEHD was not notified by the Police of any prosecution against vandalism of facilities or committing crime in public toilets or aqua privies in the past five years.

Item (j)(i) and (ii)

38. To address rising concerns and complaints against public toilets with a high usage rate, in particular those at tourist spots, FEHD selected some 83 public toilets in September 2018 as target public toilets for service enhancement including enhanced inspection. The enhanced inspection has effectively improved the condition of target public toilets and the enhanced measures were extended to 94 toilets in May 2019. FEHD would review and consider including more public toilets with high utilisation rate for enhanced monitoring, subject to availability of resources.

Item (j)(iii)

39. Before the implementation of the revamped CMS in November 2019, FEHD did not keep the record on the number of defects referred to the cleansing contractors. The number of defects for public toilets and aqua privies referred to Electrical and Mechanical Services Department (EMSD) and ArchSD in 2019 were 5 818 and 14,609 respectively.

Item (j)(iv) and (v)

40. ArchSD, in collaboration with FEHD, is conducting an analysis on repair requests relating to public toilets and aqua privies reported in the Audit Report.

In the light of the ArchSD's findings which will be available in Q2 of 2020, we will consider interim measures to tackle the issues leading to the increasing number of defects in public toilets requiring repair and maintenance. In the longer term, we will refer to the use of mobile device and mobile applications in handling repair works to generate information and statistics to seek improvements to the design features, installations and other provisions in public toilets.

Item (k)

41. The images of the interface showing the design and functions of mobile application to record and transmit repair and maintenance requests between FEHD, ArchSD and EMSD are provided in **Annex II**.

Item (l)

42. The reason of discrepancy on the repair and maintenance requests recorded by FEHD and ArchSD is due to inconsistent recording methods adopted by the two departments in some cases. For instance, for some defects FEHD reported as a single defect item while ArchSD classified it as two maintenance request items, leading to the discrepancy in the record.

43. To enhance the efficiency of repair works in public toilets, including timeliness and accuracy, FEHD, in collaboration with ArchSD and EMSD, started to develop mobile applications since the second quarter of 2019 to link with ArchSD's computer maintenance system to share relevant data. With introduction of the mobile application, the data source of repair and maintenance requests amongst relevant departments would be synchronised to avoid mismatch in maintenance records and discrepancies. Pilot run of the mobile application in three districts to record and transmit repair and maintenance requests with ArchSD and EMSD has commenced since November 2019 and January 2020 respectively. Our target is to extend the use of the mobile application to the remaining districts in March 2020 tentatively.

Item (m)

44. According to the DEHOs, majority of the defects stated in paragraph 4.22 of the Audit Report were recurred cases which had been rectified but found

recurred between the first and the second visits conducted by Audit Commission.

45. Nevertheless, the introduction of the mobile applications to record and transmit repair and maintenance requests would facilitate the reporting of defective items identified by inspecting officers during inspection of public toilets, tracking of progress of repair and maintenance works and collation of management data for further analysis. Backend automation functions are also provided to ensure repair and maintenance requests are directed to relevant parties, viz contractors and maintenance agents, for timely follow-up actions.

Item (n)(i)

46. FEHD arranged customer satisfaction surveys in 2001, 2004 and 2008. The results revealed that 70.9% to 85.1% of respondents were satisfied with the public toilet services provided by FEHD and only 3.3% to 4% of were dissatisfied. These results were fairly stable and consistent over the years. In addition, customer satisfaction surveys can only give a general impression of the situation of FEHD public toilets without reference to individual toilets for specific improvements. As part of the trial of Smart Toilet System, FEHD is arranging to use visitor feedback system to gather specific comments on the toilet under monitoring. Visitor feedback system will gather instantaneous feedback over a much longer period of time on the toilet being monitored. This will enable the Department to come up with a more timely response to the problems identified.

47. In addition, the FEHD has been collecting views on public toilet services through various channels such as public complaints, comments from District Council members, suggestion from toilet attendants, etc. FEHD considers these useful feedback for seeking service improvements.

Item (n)(ii)

48. FEHD considers that user feedback provides an important basis for the planning and provision of public toilets to better meet the needs of the public. We are positive towards the idea of gathering such feedback through surveys and aim to come up with a specific plan in 2020 with regard to cost-effectiveness and the result of the trial on Smart Toilet System, etc.

Item (n)(iii)

49. Visitor feedback system was introduced in Man Yiu Street Public Toilet for trial run in November 2019. It aims to collect the rating in terms of the level of satisfaction on the overall cleanliness and maintenance of facilities from the toilet users. FEHD is planning to extend the trial to other public toilets with an enhanced version of the feedback system.

Yours sincerely,



(POON Ping-yeung)
for Director of Food and Environmental Hygiene

c.c. Secretary for Food and Health (fax no. 2526 3753)
Director of Architectural Services (fax no. 2877 0594)
Commissioner for Tourism (fax no. 2801 5792)
Director of Water Supplies (fax no. 2827 8400)
Secretary for Financial Services and the Treasury (fax no. 2147 5239)
Director of Audit (fax no. 2583 9063)

Annex I

Broad Categorisation of the Level of Cleanliness of Public Toilets







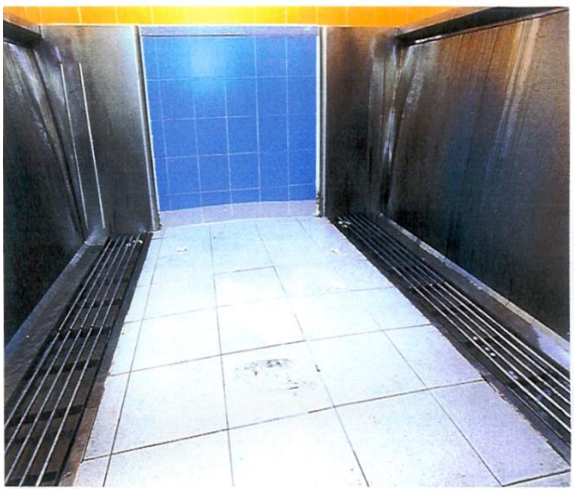


Photographs Illustrating Level of Cleanliness for Public Toilets – Grade A



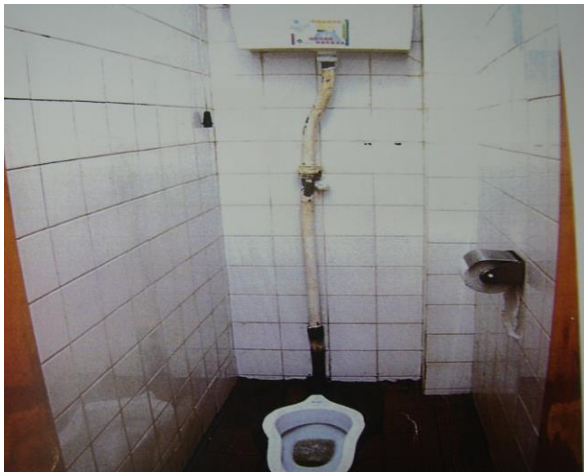






Photographs Illustrating Level of Cleanliness for Public Toilets – Grade B









Photographs Illustrating Level of Cleanliness for Public Toilets – Grade C

Annex II

User Interface of the Mobile Application to Record and Transmit Repair and Maintenance Requests

(A) Frontline users can click the button "新增定單" in (Figure 1) to create and submit new repair requests to Architectural Services Department. Details and relevant photos are input in the page as shown in (Figure 2).

Mobile application prevents the occurrence of wrong referrals through the following design and functions–

Items available for selection on the pull down menus (Figure 3) from the prescribed data structure (Figure 4) were agreed with ArchSD in order to avoid recurrence of discrepancy on the repair and maintenance requests.

Checkbox is provided to frontline users to confirm whether the request is under the responsibilities of street cleansing services contractors. Date and time shall be provided if affirmative and illustrated in (Figure 5)

Frontline users can certify the completion of repair works by entering date, time and relevant photos of the completed repair works in the page as shown in (Figure 6).

(B) When selecting a public toilet which is maintained under a cleansing service contract, the frontline staff shall make use of clicking the button "合約" in Figure 2 to view the individual maintenance items under the responsibilities of the cleansing services contractors and to ensure the referral of the new repair request should be appropriate (Figure 7).


小型工程定單記錄系統
POST:
USER NAME:
相機
相簿
新增定單
暫存定單
待證明完工定單(建築署)31
待核實定單(建築署)5
Click it and then go to Figure 2

Figure 1



This button will be appeared as the Public Toilet under management of street cleansing contractor is inputted.
Click it and then go to Figure 7.

Please go to Figure 3 to 4 for details.

If “Yes” is selected, please go to Figure 5

Figure 2



Figure 3 (Pull Down Menu of Repair Works of Level I under ArchSD)

建築署小型工程維修項目		
Level 1	**Level 2**	**Level 3**
I. 水喉工程	淤塞	(a) 廁盆淤塞
I. 水喉工程	淤塞	(b) 淋浴間淤塞
I. 水喉工程	淤塞	(c) 洗手盆淤塞
I. 水喉工程	淤塞	(d) 洗滌盆淤塞
I. 水喉工程	淤塞	(e) 地台去水渠淤塞
I. 水喉工程	淤塞	(f) 尿盆淤塞
I. 水喉工程	喉管爆裂或滲漏	(a) 食水喉爆裂
I. 水喉工程	喉管爆裂或滲漏	(b) 食水喉漏水
I. 水喉工程	喉管爆裂或滲漏	(c) 沖廁喉爆裂
I. 水喉工程	喉管爆裂或滲漏	(d) 沖廁喉漏水
I. 水喉工程	喉管爆裂或滲漏	(e) 污水喉爆裂
I. 水喉工程	喉管爆裂或滲漏	(f) 污水喉漏水
I. 水喉工程	潔具損壞	(a) 沖廁水箱損壞
I. 水喉工程	潔具損壞	(b) 洗手盆水龍頭損壞
I. 水喉工程	潔具損壞	(c) 洗手盆電子水龍頭損壞
I. 水喉工程	潔具損壞	(d) 廁板損壞
I. 水喉工程	潔具損壞	(e) 廁盆損壞
I. 水喉工程	潔具損壞	(f) 洗手盆損壞
I. 水喉工程	潔具損壞	(g) 洗滌盆損壞
I. 水喉工程	潔具損壞	(h) 皂液器破爛
I. 水喉工程	沒有沖廁水供應	
I. 水喉工程	沒有食水供應	
II. 小五金工程	門鎖、門鼓或門鉸	(a) 大門門鎖損壞
II. 小五金工程	門鎖、門鼓或門鉸	(b) 鐵門門鎖損壞
II. 小五金工程	門鎖、門鼓或門鉸	(b) 門鼓損壞
II. 小五金工程	門鎖、門鼓或門鉸	(c) 門鉸損壞
II. 小五金工程	窗簾路軌拉繩	窗簾路軌拉繩損壞
II. 小五金工程	指示牌	(a) 指示牌破爛
II. 小五金工程	指示牌	(b) 指示牌鬆脫
II. 小五金工程	衣櫃、貯物櫃、櫃檯或廁格	(a) 衣櫃的門鎖損壞
II. 小五金工程	衣櫃、貯物櫃、櫃檯或廁格	(b) 衣櫃的門鉸損壞
II. 小五金工程	衣櫃、貯物櫃、櫃檯或廁格	(c) 貯物櫃的門鎖損壞
II. 小五金工程	衣櫃、貯物櫃、櫃檯或廁格	(d) 貯物櫃的門鉸損壞
II. 小五金工程	衣櫃、貯物櫃、櫃檯或廁格	(e) 櫃檯的門鎖損壞
II. 小五金工程	衣櫃、貯物櫃、櫃檯或廁格	(f) 櫃檯的門鉸損壞
II. 小五金工程	衣櫃、貯物櫃、櫃檯或廁格	(g) 修理損壞廁格門鉸
III. 木工工程	大門損壞	
III. 木工工程	門框損壞	
III. 木工工程	衣櫃損壞	
III. 木工工程	貯物櫃損壞	
III. 木工工程	櫃檯損壞	
III. 木工工程	假天花板破損	

IV. 泥水批盪工程	地磚破損	
IV. 泥水批盪工程	牆身磚破損	
IV. 泥水批盪工程	批盪破損	
IV. 泥水批盪工程	牆身石屎爆裂	
IV. 泥水批盪工程	柱石屎爆裂	
IV. 泥水批盪工程	天花石屎爆裂	
IV. 泥水批盪工程	石屎路面破損	
V. 污水排放工程	沙井淤塞	
V. 污水排放工程	明渠淤塞	
V. 污水排放工程	去水隔井淤塞	
VI. 鐵器工程	鋁窗	(a) 鋁窗損壞
VI. 鐵器工程	鋁窗	(b) 鋁窗窗鉸損壞
VI. 鐵器工程	鋁窗	(c) 鋁窗窗鎖損壞
VI. 鐵器工程	鋁窗	(d) 鋁窗窗花損壞
VI. 鐵器工程	鋼窗	(a) 鋼窗損壞
VI. 鐵器工程	鋼窗	(b) 鋼窗窗鉸損壞
VI. 鐵器工程	鋼窗	(c) 鋼窗窗鎖損壞
VI. 鐵器工程	鋼窗	(d) 鋼窗窗花損壞
VI. 鐵器工程	玻璃門腳鉸損壞	
VII. 玻璃工程	窗玻璃片破裂	
VII. 玻璃工程	百葉玻璃片破裂	
VIII. 百葉簾工程	百葉簾損壞	
IX. 油漆工程	牆身油漆剝落	
IX. 油漆工程	天花油漆剝落	
X. 雜項工程 [其他]	(請註明)]	

Figure 4 (Prescribed data structure agreed with ArchSD)



Additional fields for recording the previous request of minor repair work to the street cleansing contractor will be shown.

Figure 5



To certify the completion of repair works by frontline staff.

Figure 6

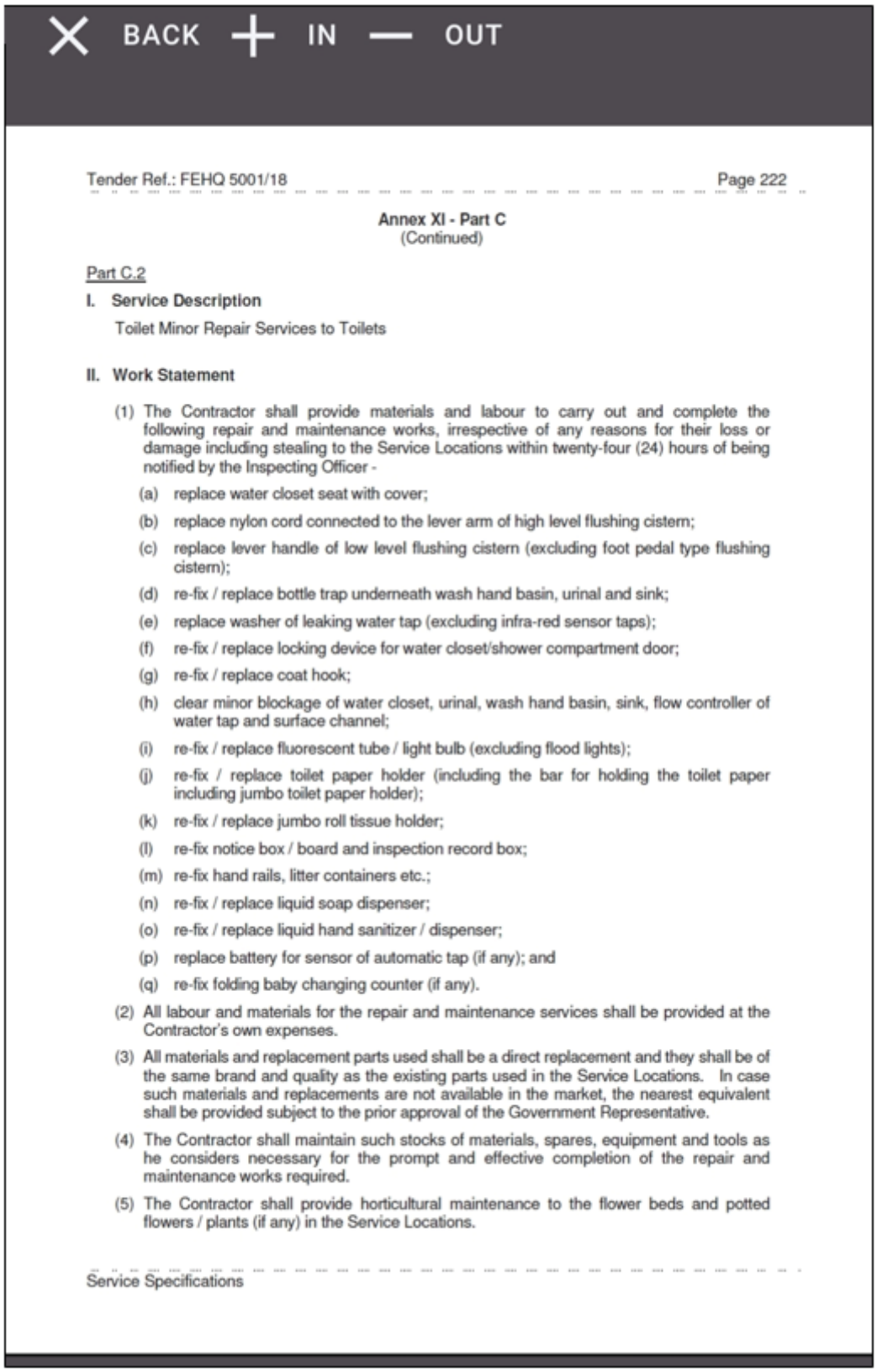

BACK
IN
OUT
Tender Ref.: FEHQ 5001/18
Page 222
Annex XI - Part C
(Continued)
Part C.2
I. Service Description
Toilet Minor Repair Services to Toilets
II. Work Statement
(1) The Contractor shall provide materials and labour to carry out and complete the following repair and maintenance works, irrespective of any reasons for their loss or damage including stealing to the Service Locations within twenty-four (24) hours of being notified by the Inspecting Officer -
(a) replace water closet seat with cover;
(b) replace nylon cord connected to the lever arm of high level flushing cistern;
(c) replace lever handle of low level flushing cistern (excluding foot pedal type flushing cistern);
(d) re-fix / replace bottle trap underneath wash hand basin, urinal and sink;
(e) replace washer of leaking water tap (excluding infra-red sensor taps);
(f) re-fix / replace locking device for water closet/shower compartment door;
(g) re-fix / replace coat hook;
(h) clear minor blockage of water closet, urinal, wash hand basin, sink, flow controller of water tap and surface channel;
(i) re-fix / replace fluorescent tube / light bulb (excluding flood lights);
(j) re-fix / replace toilet paper holder (including the bar for holding the toilet paper including jumbo toilet paper holder);
(k) re-fix / replace jumbo roll tissue holder;
(l) re-fix notice box / board and inspection record box;
(m) re-fix hand rails, litter containers etc.;
(n) re-fix / replace liquid soap dispenser;
(o) re-fix / replace liquid hand sanitizer / dispenser;
(p) replace battery for sensor of automatic tap (if any); and
(q) re-fix folding baby changing counter (if any).
(2) All labour and materials for the repair and maintenance services shall be provided at the Contractor's own expenses.
(3) All materials and replacement parts used shall be a direct replacement and they shall be of the same brand and quality as the existing parts used in the Service Locations. In case such materials and replacements are not available in the market, the nearest equivalent shall be provided subject to the prior approval of the Government Representative.
(4) The Contractor shall maintain such stocks of materials, spares, equipment and tools as he considers necessary for the prompt and effective completion of the repair and maintenance works required.
(5) The Contractor shall provide horticultural maintenance to the flower beds and potted flowers / plants (if any) in the Service Locations.
Service Specifications

Figure 7

ARCHITECTURAL SERVICES DEPARTMENT 建築署

QUEENSWAY GOVERNMENT OFFICES, 66 QUEENSWAY, HONG KONG. 香港金鐘道六十六號金鐘道政府合署

來函檔號 Your Ref. : CB4/PAC/R73
本函檔號 Our Ref. : 10/1-125/38
電話號碼 Tel. No. : 2867 3882
傳真號碼 Fax No. : 2877 0594

By fax 2543 9197 and e-mail
(ahychu@legco.gov.hk, kmho@legco.gov.hk & pkwlai@legco.gov.hk)

3 February 2020

Mr. Anthony CHU
Clerk to the Public Accounts Committee
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr. CHU,

Public Accounts Committee
Consideration of Chapter 1 of the Director of Audit's Report No. 73
Planning, provision and management of public toilets by
the Food and Environmental Hygiene Department

Thank you for your letter dated 10 January 2020 requesting response/information to facilitate the Public Accounts Committee's consideration of the above Chapter. Please find our reply below:

Part 3 – Management of public works projects

(a) With reference to Case 2 in paragraph 3.9 of the Audit Report, please advise when Consultant Y recommended the Architectural Services Department ("ArchSD") replaced the defective bricks to rectify the existing unsatisfactory condition, how long did ArchSD take to make the decision of terminating the contract with Contractor B, and when was ArchSD informed that the Audit Commission would study the case;

Consultant Y recommended ArchSD to replace the defective bricks to rectify the existing unsatisfactory condition on 17 January 2019. Based on the consultant's recommendation, Contractor B submitted a quotation for the replacing works to ArchSD for consideration on 12 February 2019. Considering that the quotation was too high, ArchSD and Consultant Y had several discussions with Contractor

B. Contractor B finally agreed on 12 March 2019 to terminate the contract with payment for the works that had already been carried out. ArchSD subsequently decided to terminate the contract with Contractor B on 8 April 2019. On 3 May 2019, Audit Commission informed ArchSD about the audit review on provision and management of public toilets.

Part 4 – Management of Public Toilets

(b) regarding paragraph 4.10(a)(i) of the Audit Report, please advise the performance pledge of completing the repair works of public toilets and the actual achievement rates in the past three years;

Please refer to FEHD's reply to item (h) in PAC's letter dated 10 January 2020 concerning the performance pledge of completing the minor repairs of public toilets by FEHD's cleansing contractor.

(c) According to paragraph 4.13(a) of the Audit Report, one of the reasons for the increase in repair and maintenance works from 2015 to 2018 might be the stepped-up monitoring of public toilets since 2018 for service enhancement and thus the detection of defects and referrals had significantly increased. Please advise:

(i) apart from conducting joint investigation, whether the Administration has come up with other measures, for example using enhanced design features/ installations, to tackle the issues leading to the increasing number of defects in public toilets requiring repair and maintenance; and

To enhance the results of the maintenance and repairs of public toilets and aqua privies, in the coming new maintenance term contracts, ArchSD will require the contractors to set up a dedicated team to manage and monitor the repair and maintenance works to public toilets and aqua privies, with a view to strengthening the monitoring and quality of works. The new maintenance term contracts with such requirement will commence in two batches in April 2020 and April 2021. Also, we have introduced the Enhanced Public Toilet Refurbishment Programme since 2019. Under this Programme, Public toilets will be refurbished/facelifted at a shorter interval to alleviate the ageing problem of public toilets.

(ii) the results and findings of ArchSD's analysis of repair requests and the joint investigations on the existing ageing public toilets and the repair and maintenance records of public toilets between the Food and Environmental Hygiene Department ("FEHD"), ArchSD and any other departments (paragraphs 4.33(a) and 4.33(b) of the Audit Report);

Note by Clerk, PAC:** **See Appendix 16 of this Report for the reply from Director of Food and Environmental Hygiene to PAC's letter dated 10 January 2020.

ArchSD, in collaboration with FEHD, is conducting an analysis on repair requests to public toilets and aqua privies reported in the Audit Report and anticipate to complete the analysis by the second quarter of 2020.

(d) referring to paragraph 4.17 of the Audit Report about the discrepancy on the repair and maintenance requests recorded by FEHD and ArchSD, please advise the reasons, the measures that have been taken to avoid recurrence of the problem and whether such problem can be resolved by using the mobile application to record and transmit repair and maintenance requests; and

The differences between the record of number of repair request and number of repair works were due to different counting approaches being adopted by FEHD and ArchSD respectively to suit different modes of operation. For example, when FEHD submits a repair request to ArchSD, ArchSD may split it into different work items according to the work trades (such as plumbing and joinery works) to facilitate separate monitoring/administration, that resulting in differences in the number of repair requests and number of repair works. With the development of FEHD's new mobile application which provides automatic interfacing with ArchSD's works record computer system, the repair and maintenance records of both Departments will be synchronised.

(e) with reference to paragraph 4.43 of the Audit Report, please advise:

(i) whether FEHD and ArchSD have completed the review on all public toilets with toilet attendants but with no attendant rooms to study the feasibility of providing attendant rooms. If yes, the results, if not, when the review will be completed;

(ii) Details of the measures implemented for and the progress of improving the working conditions in public toilets for toilet attendants, and whether any difficulties have been encountered in the process;

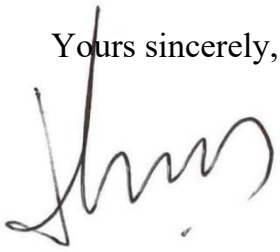
(iii) details of the measures implemented for and the progress of improving the situation that two attendants might need to use the same toilet attendant room in the 53 toilets (paragraph 4.40(b)(i) of the Audit Report; and

(iv) The progress and timetable of installing power socket, fan or exhaust fan inside the attendant rooms of the 178 toilets mentioned in paragraph 4.40(b)(ii) of the Audit Report.

So far, ArchSD has received requests from FEHD to improve/provide attendant rooms for 175 public toilets. After studying, 50 nos. had been found technically not feasible. For the remaining 125 nos., 40 nos. have been included in the Enhanced Public Toilet Refurbishment Programme and are being studied for feasibility. 85 nos. had been found technically feasible to improve/provide attendant rooms. Of these, the works for 20 nos. have been completed, 20 nos. are in progress, and the scope of works for 45 nos. are being established. These are anticipated to be completed by September 2020.

ArchSD will continue to work closely with FEHD, and will provide necessary technical support and assistance to FEHD to improve existing attendant rooms in public toilets as far as practicable.

Yours sincerely,



(Allen LEUNG)
for Director of Architectural Services

c.c. Secretary for Food and Health (fax no. 2526 3753)
Director of Food and Environmental Hygiene (fax no. 2524 1977)
Commissioner for Tourism (fax no. 2801 5792)
Director of Water Supplies (fax no. 2827 8400)
Secretary for Financial Services and the Treasury (fax no. 2147 5239)
Director of Audit (fax no. 2583 9063)

食物環境衞生署
Food and Environmental Hygiene Department

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電話 Tel : 2867 5795 傳真 Fax : 2530 1368

Your Ref.. : CB4/PAC/R73
Our Ref. : FEHD Cl&PC/32-60/10/11C

By fax 2543 9197 and e-mail
(ahychu@legco.gov.hk, kmho@legco.gov.hk, pkwlai@legco.gov.hk)

4 February 2020

Mr. Anthony Chu,
Clerk to Public Accounts Committee,
Legislative Council Complex,
Legislative Council Road,
Central, Hong Kong

Dear Mr. Chu,

Public Accounts Committee

Consideration of Chapter 1 of the Director of Audit's Report No. 73

Planning, provision and management of public toilets by the Food and Environmental Hygiene Department

I refer to your letter of 10 January 2020. Our reply for items (o) to (v) is provided in the ensuing paragraphs.

Item (o)(i)

2. In general, there are two work shifts of toilet attendants, i.e. day shift and evening shift. The toilet attendants are on duty for about 9 hours in day shift and 6 hours for the evening shift. The actual work shift pattern and working hours of toilet attendant of each public toilet are contingent upon service needs and may vary. The specific arrangements are stipulated in the service contracts of individual public toilets. As a contract requirement, cleansing workmen including toilet attendants are not allowed to work more than 10 hours per day.

Item (o)(ii)

3. FEHD observes that deep cleansing service is able to effectively enhance the hygiene condition of public toilets and has started to deploy dedicated deep cleansing teams from 2019 to 186 public toilets of high utilisation. FEHD would extend the DCT services to all street cleansing services contracts (covering all public toilets) upon next contract renewal to be completed by November 2020.

Item (p)(i), (ii) & (iv)

4. FEHD and ArchSD have completed a review on the facilities in all public toilets with toilet attendants, and have taken follow-up actions as below:

(a) If circumstances permit, FEHD will install oscillating fans; mechanical ventilation such as extraction fan, fresh air inlet or propulsion fan; power sockets, lockers, as well as rest and changing facilities in the existing attendant rooms to improve the working environment of toilet attendants. The major difficulties encountered in improving facilities in attendant rooms are site constraint and the inherent layout which may not support the provision of certain facilities such as installation of ventilation equipment. FEHD will continue to work with ArchSD to iron out the technical problems as far as practicable.

(b) ArchSD has provided the progress of improvement works to attendant rooms of public toilets to the Public Accounts Committee in their reply letter dated 3 February 2020 separately. FEHD will submit requests to ArchSD for feasibility of improvement works to the remaining toilets as soon as possible.

(c) Owing to site constraints in the existing public toilets without attendant rooms but provided with attendant services, FEHD and ArchSD will review the situation when these toilets are refurbished with a view to providing attendant rooms as far as practicable.

Item (p)(iii)

5. As at 10 January 2020, out of the 53 public toilets as stated in paragraph 4.40(b)(i) of the Audit Report, three are already provided with two

Note by Clerk, PAC:** ***See Appendix 17 of this Report for the reply dated 3 February 2020 from Director of Architectural Services.

attendant rooms (each at the male and female toilets), and 46 have attendant rooms located at the common area of the toilets that can be shared used by male and female toilet attendants. The attendant rooms of the remaining 4 public toilets are currently situated at either the male or female toilets. FEHD will as far as technically feasible make available attendant rooms for both male and female toilet attendants when the public toilets in question are refurbished.

Item (q)

6. In 2019, FEHD received 2 367 complaints on public toilets.

7. FEHD has in place a departmental circular on "Handling of complaints" setting out the procedures and guidelines on how complaints generally should be processed. Complaints received are input into the Complaints Management Information System (CMIS) which provides a central record of complaint information to help monitor progress with a view to ensuring that all complaints are dealt with properly and efficiently. Supervisors have the responsibility to ensure that complaint cases are handled appropriately from start to finish, and are properly and in a timely manner recorded in the CMIS in accordance with the laid down procedures. CMIS has built-in reminder and alert functions to assist case officers and their supervisors to identify cases with delays in reply to complainants (e.g. alerts for overdue interim reply and substantive reply and a monthly management information report on complaints showing the lapse time of overdue complaints). Supervisors should oversee the progress of cases undertaken by the case officers and make good use of the monthly management information report for monitoring overdue cases. They should look into the reasons for long overdue cases or long period of inaction during investigation of the cases and provide guidance/assistance to the case officers as necessary with a view to concluding the cases as soon as possible. In addition, long overdue cases and repeated complaints are included as standing agenda items for discussion at FEHD internal meetings at both the headquarters and district levels. FEHD keeps the complaint handling mechanism under review to ensure that complaints are dealt with promptly.

Item (r)

8. FEHD has commenced the feasibility study to enhance the CMIS having regard to the recommendations which Audit Commission had made in

paragraph 4.53 of the Audit Report. These recommendations include making best endeavour to deal with complaints received on public toilets promptly and update CMIS records timely; and enhancing CMIS (e.g. adding a field for inputting the name of a public toilet) and strengthening the regular analysis of complaints received on public toilets (e.g. by individual toilet and by the nature of complaints) with a view to providing useful management information for monitoring and enhancing public toilet services. Currently, FEHD is in the process of developing a prototype of the enhanced features for CMIS and aims to put it into trial run in March 2020. Subject to the outcome of the trial run, we expect to implement the enhanced features in the third quarter of 2020 tentatively.

Item (s)

9. FEHD has organised educational and publicity programmes to promote the importance of toilet hygiene as well as the proper use of toilet facilities, and appeal to the public for their support and co-operation in enhancing the cleanliness and hygiene of public toilets through various channels. Major initiatives implemented in recent years include-

(1) Provision of background music and message through built-in broadcasting system in 30 public toilets to broadcast health messages and remind the publicity of the importance of toilet hygiene and the proper use of toilet facilities;

(2) Setting up health education promotional booths to broadcast similar recorded messages by Keep Clean Ambassador Ah Tak in 36 public toilets with a high utilization rate;

(3) Making use of social media of Keep Clean Ambassador Ah Tak as well as other publicity materials to step up public education;

(4) Displaying in public toilets posters and stickers featuring Ah Tak to remind the public of the toilet rules for using public toilets; and

(5) Setting up a feature corner on good toilet behaviour at FEHD's Health Education Exhibition and Resource Centre in Tsim Sha Tsui, targeting mainly student visitors who account for a significant percentage of total patronage.

10. FEHD will continue to promote the importance of toilet hygiene and the proper use of toilet facilities, and appeal to the public to be mindful and considerate when using public toilets through promotional and educational activities. Details of expenditure incurred in these respects in 2017-18 to 2019-20 are provided in **Annex I**.

Item (t)

11. With reference to the record in Table 11 of Audit Report, majority of the repair requests relate to plumbing and drainage systems, such as defective flushing cisterns, sensor water taps and clearance of seriously choked drainage system. The defects usually arise from high utilization rate and might also be due to improper use of toilet facilities. ArchSD will work closely with FEHD to provide necessary technical advice and carry out necessary repairs to resume the facilities for public use as soon as practicable.

Item (u)

12. Currently, 36 public toilets are equipped with promotional booth and another 30 public toilets installed with background music and message broadcasting system. The breakdown on these public toilets is provided in **Annex II**. In 2019-2020, $396,240 was incurred for the provision of these booths and broadcasting systems.

Item (v)(i)

13. The types of information about public toilets available in the FEHD website are:

(a) name of the public toilet;
(b) address;
(c) opening hours;
(d) enquiry telephone number;
(e) its geographical location as shown on a map; and
(f) a list of public toilets temporarily closed for renovation.

14. The hit rates in 2018-2019 financial year are 33 006 for desktop version users and 21 743 for mobile version users. Please refer to **Annex III** for the snapshot of the relevant webpage.

Item (v)(ii)

15. FEHD has been gathering public views on its facilities and services via various means including an electronic form at https://www.fehd.gov.hk/english/enquiry/enquiry.html, e-mail at enquiry@fehd.gov.hk and 1823 hotline. In 2018-2019, we received some suggestions on the name and address of several public toilets.

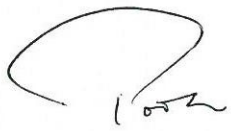
Item (v)(iii)

16. FEHD has already enhanced the website by providing a list of public toilets temporarily closed for renovation. The Department would regularly update the webpage to ensure the information is up-to-date.

Item (v)(iv)

17. FEHD has provided a mobile version of its website for smart phone users to browse the information of FEHD public toilets. We understand that a mobile application for locating public toilets and other toilet facilities is already provided by the non-government sector for public use.

Yours sincerely,



(POON Ping-yeung)
for Director of Food and Environmental Hygiene

c.c. Secretary for Food and Health (fax no. 2526 3753)
Director of Architectural Services (fax no. 2877 0594)
Commissioner for Tourism (fax no. 2801 5792)
Director of Water Supplies (fax no. 2827 8400)
Secretary for Financial Services and the Treasury (fax no. 2147 5239)
Director of Audit (fax no. 2583 9063)

Annex I

Expenditure on education and publicity on toilet hygiene and proper use of toilet facilities

2017 – 2018	2018 – 2019	2019 – 2020 (As at January 2020)
● Background music and message broadcasting system ($60,000) ● Keep Clean Ambassador Ah Tak Facebook page* ($390,000)	● Background music and message broadcasting system ($288,200) ● Keep Clean Ambassador Ah Tak Facebook page and Instagram* ($890,000)	● Background music and message broadcasting system ($250,090) ● Keep Clean Ambassador Ah Tak Facebook page and Instagram* ($1,200,000) ● Promotional booth for keep toilet clean with Ambassador Ah Tak's health message ($146,150) ● Keep Clean Ambassador Ah Tak stickers ($42,000) ● Keep Clean Ambassador Ah Tak posters (HK$25,000)
Total: $450,000	Total: $1,178,200	Total: $1,663,240

Remarks: * denotes the total expenditure on education and publicity including public toilets

Annex II

List of Public Toilets equipped with Promotional Booths and Background Music and Message Broadcasting Systems

District	Number of public toilets with promotional booths	Number of public toilets with background music and message broadcasting systems
Central/Western	1	4
Wan Chai	2	1
Eastern	1	0
Southern	7	0
Yau Tsim Mong	6	3
Sham Shui Po	4	3
Wong Tai Sin	1	0
Kwun Tong	2	1
Kowloon City	0	4
Kwai Tsing	2	1
Tsuen Wan	4	7
Tuen Mun	4	0
Yuen Long	0	0
North	0	0
Tai Po	2	1
Sha Tin	0	2
Sai Kung	0	1
Island	0	2
Total	36	30

Snapshots of FEHD webpage showing information about public toilet

What's New

Press Releases

Public Services
- Cleansing Services
- Pest Control
- Public Markets
- Hawker Management
- Cemeteries and Crematoria
- Licensing
- Food Safety
- Public Facilities

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Tender Notices

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Public Toilets

Wan Chai

Apart from public toilets, there are also other toilet facilities provided for public use in public venues (e.g. public parks, cultural and sports centres) and commercial buildings (e.g. shopping arcades).



	Public Toilets	Address
1	Amoy Street Public Toilet	G/F., The Aveune Phase 2, 200 Queen's Road East, Wan Chai
2	Bowen Road Public Toilet	Bowen Road near Wan Chai Gap Road
3	Canal Road Public Toilet	Junction of Canal Road and Lockhart Road (next to Wan Chai Fire Station)
4	Cross Lane Public Toilet	Junction of Cross Lane and Bullock Lane
5	Expo Drive East Public Toilet	Expo Drive East (next to Golden Bauhinia Square)
6	Hing Fat Street Public Toilet	Hing Fat Street near the Entrance of Victoria Park
7	Kat On Street Public Toilet	Junction of Kat On Street and Kennedy Street
8	Lin Fa Kung- Public Toilet	Lily Street, Lin Fa Kung, Tai Hang
9	Moreton Terrace Public Toilet	Tung Lo Wan Drive (At side of Bus Terminus)

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Press Releases

Public Services

- Cleansing Services
- Pest Control
- Public Markets
- Hawker Management
- Cemeteries and Crematoria
- Licensing
- Food Safety
- Public Facilities

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Public Forms

Public Education

Electronic Services

Tender Notices

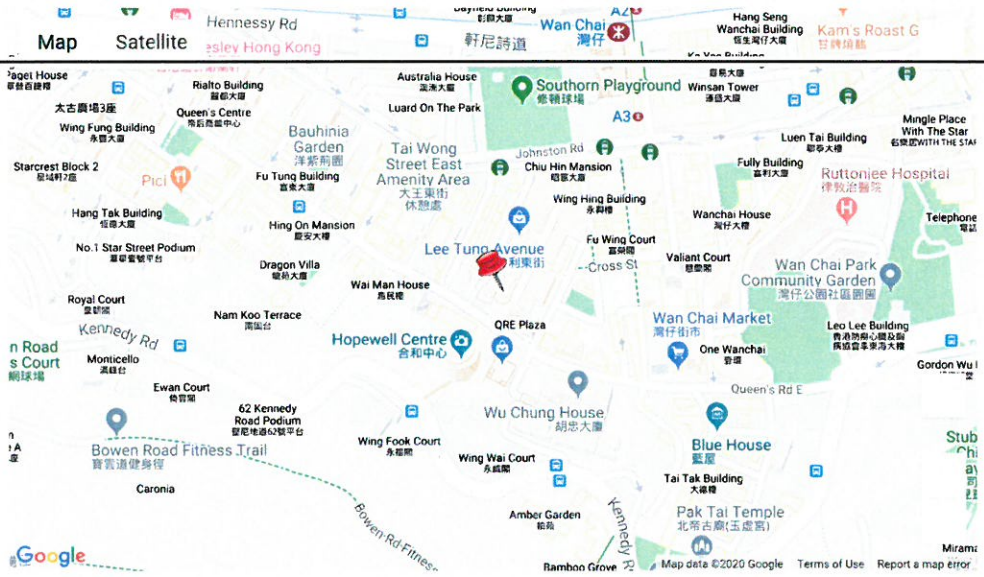
Public Toilets

Share:

Public Toilets Detail

Amoy Street Public Toilet

Address	G/F., The Aveune Phase 2, 200 Queen's Road East, Wan Chai
Opening Hours (if applicable)	24 hours
Enquiry Tel no. of Wan Chai	2507 3364



What's New

Press Releases

Public Services
- Cleansing Services
- Pest Control
- Public Markets
- Hawker Management
- Cemeteries and Crematoria
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- Food Safety
- Public Facilities

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Public Education

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Tender

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Temporary Closure of Public Toilet for Renovation

Central and Western

No.	Name of Public Toilet	Address	Suspension Period
1	In Ku Lane Public Toilet	No 8 In Ku Lane, Sheung Wan	27 September 2019 - 22 January 2020
2	Kotewall Road Public Toilet	Opposite to No. 17 Kotewall Road, Mid-	16 September 2019 - 3 March 2020
3	Wing Wo Street Public Toilet	Opposite to 23-27 Wing Wo Street, Central	16 September 2019 - 13 March 2020

Eastern

No.	Name of Public Toilet	Address	Suspension Period
1	Nam On Street Public Toilet	No. 81 Nam On Street	23 October 2019 - 22 April 2020

Islands

No.	Name of Public Toilet	Address	Suspension Period
1	Ngong Ping Road Interchange Public Toilet	Ngong Ping Road Interchange, Ngong Ping, Lantau	2 October 2019 - 23 January 2020
2	Tat Tung Road Public Toilet	Tat Tung Road, Tung Chung	9 September 2019 - 24 January 2020

A brief account of Chapter 2 of Report No. 73
"Provision of consultancy, research and development and training services by the Hong Kong Productivity Council"
by the Director of Audit
at the Public Hearing of the Public Accounts Committee
of the Legislative Council on Friday, 13 December 2019

Mr. Chairman,

Thank you for inviting me here to give a brief account of Chapter 2 of Report No. 73 of the Director of Audit, entitled "Provision of consultancy, research and development and training services by the Hong Kong Productivity Council".

This Audit Report comprises four PARTs.

PART 1 of the Report, namely "Introduction", describes the background of the audit.

The Hong Kong Productivity Council (HKPC) was established in 1967 under the HKPC Ordinance (Cap. 1116) with an aim to improve the productivity, operational efficiency and competitiveness of local industries. The Council is the governing body of HKPC and is supported by four Committees. In 2017-18, HKPC had a total income of $711 million, which included government subventions of $223.3 million. In the same year, HKPC had a total expenditure of $663.7 million.

PART 2 of the Report examines the provision of consultancy and manufacturing support services by HKPC.

HKPC's consultancy projects include advisory projects to provide professional help and advice to clients, and development projects to develop products or systems for clients. The Audit Commission (Audit) noted that the target on the key performance indicator (KPI) "Number of consultancy projects accepted" was not met throughout the four-year period 2014-15 to 2017-18. The target for 2018-19 was met after HKPC's decision in July 2018 to classify manufacturing support projects with service fees over $5,000 as consultancy projects. However, the target for 2018-19 was not revised according to the new definition, and HKPC did not inform the Council or the Innovation and Technology Commission (ITC) of the change in the definition.

In the period from 2014-15 to 2018-19, HKPC completed 788 productivity related consultancy projects elsewhere than in Hong Kong. Among them, 308 (i.e. 39%) projects did not recover all costs incurred, contrary to the requirement stipulated in the HKPC Ordinance. In addition, HKPC offered different concession rates to small and medium enterprise clients of its 484 consultancy projects in 2018-19, but there was no documentary evidence showing the justifications for the different rates offered.

Of the 4,299 consultancy projects completed in the period from 2014-15 to 2018-19, 1,243 (i.e. 29%) projects were completed late, and full cost was not recovered in 1,078 (i.e. 25%) projects. Regarding manufacturing support projects, we found that some workshop services were not billed and the amounts were provided as sponsorships for Innovation and Technology Fund (ITF) funded projects to fulfil the minimum sponsorship requirement.

HKPC established the Inno Space in October 2017 to provide manufacturing support services to users not engaged in manufacturing support projects, such as providing equipment and machinery for developing prototypes. We found that in 2018-19, income of Inno Space fell short of the target by 40%, and on average the ten items of equipment reviewed were booked on only 26 days.

PART 3 of the Report examines the Research and Development (R&D) projects of HKPC.

"Number of on-going R&D projects" is one of the KPIs used by HKPC in the management of R&D projects. Audit considers that using the number of on-going projects as a KPI might give an unintended incentive for project teams to delay projects. In addition, in the period from 2014-15 to 2018-19, of the 106 reports concerning ITF funded R&D projects due for submission, 37 were submitted late.

If a product or technology developed is considered appropriate for wider commercial use, HKPC will apply for a patent for it and transfer it to the industry by way of commercialisation. As at 31 August 2019, HKPC had 123 patents, but only 4 had generated licence or royalty income, and the total income was $1.5 million.

PART 4 of the Report examines the provision of training programmes by HKPC.

HKPC provides public training programmes for enrolment by the public, and corporate training programmes for companies and organisations. The actual income from public training programmes for the period from 2014-15 to 2018-19 was only 47% to 65% of

the targets, and of the 20 programmes examined, the actual enrolment of 12 were less than the estimated enrolment.

All the training venues of HKPC are in the HKPC Building located in Kowloon Tong. Apart from training programmes organised by HKPC, the venues are also available for use by outside organisations including the Government, private companies and other non-governmental organisations. The overall utilisation rates of these training venues in 2017-18 and 2018-19 were low (i.e. 17% and 16% respectively).

In the light of the audit findings, Audit has made recommendations to HKPC accordingly.

In addition, we have also recommended ITC to consider taking appropriate follow-up actions on the sponsorship issue mentioned, that is, fees for some workshop services were not billed and the amounts were provided as sponsorships for ITF funded projects.

Our views and recommendations were agreed by HKPC and ITC. I would like to take this opportunity to acknowledge with gratitude the full cooperation, assistance and positive response of their staff during the course of the audit review.

Thank you, Mr. Chairman.

Legislative Council Public Accounts Committee
(Public Hearing)
13 December 2019 (Friday)

The Director of Audit's Report No. 73

Chapter 2: Provision of consultancy, research and development and training services by the Hong Kong Productivity Council

Opening Remarks by
the Secretary for Innovation and Technology

Chairman,

First of all, I would like to thank the Director of Audit for compiling two comprehensive reports on the governance and operations of the Hong Kong Productivity Council (HKPC). The recommendations put forward in the reports will help the HKPC improve its corporate governance, financial and human resources management, consultancy and training services, as well as commercialisation of the results of research and development projects, enabling the HKPC to provide better support to the industry more effectively in the future. The Government and the HKPC agree with all the recommendations in the two reports.

2. The HKPC is a statutory organisation established in 1967. Its public mission is to help enterprises increase productivity, use resources more effectively, and enhance the value of their products and services through the provision of integrated support services, so as to strengthen the industry's international competitiveness and ability to achieve sustainable development. Over the past 50 some years, the production mode of Hong Kong's manufacturing industry and economic structure have undergone significant changes. The HKPC has been keeping abreast with the times to provide the necessary

support for the development and transformation of the industry in line with Government policies, and assisting enterprises including small and medium enterprises in coping with the changes and challenges of the market.

3. In order to add more impetus to Hong Kong's economy and facilitate its more diversified development, the Government is committed to developing innovation and technology and promoting "re-industrialisation" in recent years. The HKPC has played a crucial role in the process. Since 2016, the HKPC has launched different initiatives to enhance the local industry's understanding of "Industry 4.0" (i4.0), and assist the industry in gradually upgrading its production operations to i4.0 through the "Industry 4.0 Upgrade and Recognition Programme".

4. The Government provides annual subvention to the HKPC to support it to fulfil its mission to support the industry. Currently, the recurrent subvention provided by the Government accounts for around one-third of the annual expenditure of the HKPC, and the remaining expenditure has to be financed through provision of services to the industry, etc. Although the Audit Commission has pointed out in the report that the HKPC was unable to recover the full costs in some projects, on an overall basis, the HKPC has been able to maintain a healthy financial position which has enabled it to provide continuous support as needed by the industry and at the same time fulfilling its public mission.

5. We appreciate that the public is much concerned about how the HKPC, as a subvented organisation, utilises public money and whether it has fulfilled its mission effectively. The Government and the HKPC attach great importance to the two audit reports. The HKPC has already implemented the majority of the recommendations in the reports, and is actively following up on the remaining ones. We will continue to closely monitor the operation of the HKPC to ensure the prudent use of public money and the fulfilment of public mission.

6. We and colleagues of the HKPC will be happy to answer Members' questions in a moment. Thank you, Chairman.

Innovation and Technology Bureau
Innovation and Technology Commission
December 2019

TRANSLATION

Introductory Remarks by Mr Mohamed D. Butt
Executive Director of Hong Kong Productivity Council
at Public Accounts Committee of the Legislative Council on 13 Dec 2019

Chairman and all committee members:

- First of all, on behalf of the Hong Kong Productivity Council (HKPC), I would like to thank the Audit Commission for its audit and recommendations to HKPC.

- HKPC is a public organisation that serves the business and industry sectors. We uphold the public mission, with use of technology to support various sectors and industries, especially SMEs and startups, as well as the public sector and HKSAR Government departments, by providing cross-disciplinary and diversified technological solutions, implementing various types of applied R&D and innovative technology projects.

- Innovative R&D brings tremendous development opportunities to the industry, but at the same time, lots of challenges.

- HKPC has been playing a pivotal role in promoting Hong Kong's R&D efforts. With years of experience and specialised know-how, we endeavor to drive advanced technologies in the market, undertake some relatively high-risk applied R&D projects, and launch pilot programmes to support industry development needs.

- From idea incubation, applied R&D, producing prototyping, product testing, training to commercialisation, HKPC's dedicated experts make use of R&D projects to overcome pain points, plus creating tailor-made solutions, to act as a collaborative R&D centre for SMEs to enhance operational efficiency for our clients.

TRANSLATION

- HKPC has been contributing to the sustainable development for all industries by proactively introducing advanced technology or globally recognised standards to maintain the competitiveness of local enterprises that bridge through international markets.

- In recent years, we have introduced the "Industry 4.0" concept and relevant technology to Hong Kong. The whole concept and technology were also localised. We have established the first accredited “Industry 4.0” expert team in the city, assisting local enterprises to implement "Industry 4.0" related projects, helping them to upgrade, enhance productivity and increase competitiveness in local and overseas markets.

In terms of Project Management:

- It is HKPC’s goal to achieve an excellent project management standard. We have already introduced a new mechanism to strengthen the steering efforts, especially on budgeting and time management, with aim to have all projects achieving cost recovery and on-time delivery. Should there be any technical difficulties or chances to exceed budget estimation, project officers are required to report to the management as early as possible, and try the best efforts for resolution.

- When implementing innovative technology projects, we adopt the same principle to serve the industry. If some projects might not be able to achieve cost recovery, however with objectives to bring benefits to the wider business sector, facilitate technological or industry development, HKPC will hence allocate resources to complete such projects.

TRANSLATION

- The performance of the consultancy and R&D projects have been improved since the implementation of new management measures in July 2018. Take consultancy projects as an example, the average delay reduced to less than 10% now, as compared to about 30% over the past five years. HKPC management team will continue to motivate the team for progressive improvements.

- HKPC is serious about our R&D project management and commercialisation. In the R&D projects, we endeavor to assist all business sectors, especially SMEs, to facilitate the development of specialised technological know-how.

In terms of training:

- Training is of utmost importance to the talent development of Hong Kong, particularly in the areas related to innovation and technology, as well as management. In view of this, HKPC has already developed a more systematic market-research approach. We hope to organise more training courses that can fit the needs of the market in the future, contributing to the nurturing of talents.

- Thus far, we have seen an increase of more than 40% in the training business income for 2019-20 after the hard work of the HKPC team.

- The Audit Commission performed an extensive audit to HKPC. According to the 64 recommendations observed from the audit report, HKPC has already implemented more than 75%, with the rest to be implemented in the coming six months.

TRANSLATION

- HKPC welcomes the comments from the wider community to our work, and I would like to express my gratitude to the Innovation and Technology Commission, as well as the Innovation and Technology Bureau for supporting the work of HKPC.

- The findings in the audit report motivate us to progress further. There are indeed lots of room for improvement at HKPC. We thank all sectors for their concern and watching. We will continue to perfect our way of doing, so as to match up with the expectations.

- We welcome the chairman and fellow legislators for their upcoming valuable comments. Thank you very much.

- Ends -

Ref: ED-2019026

3 January 2020

Mr Anthony Chu
Clerk, Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr Chu,

Public Accounts Committee
Consideration of Chapter 2 of the Director of Audit's Report No. 73
Provision of consultancy, research and development and training services by the Hong Kong Productivity Council (HKPC)

As requested under your letter with reference (CB4/PAC/R73) dated 20 December 2019, the relevant information and attachments are as follow:

(a) Supplementary information regarding HKPC's consultancy study:

In 2000, in view of the rapid technological and economic advancement in Hong Kong, the Innovation and Technology Commission (ITC, then Industry Department) suggested HKPC to commission a consulting agency and conduct strategic study on its positioning. In 2001, upon the approval from the Council, HKPC appointed an external consulting agency to review its role, management and operations. After the completion of the consultancy report in 2002, HKPC has not engaged any other external consulting agency for another comprehensive study about its role, management or operation.

In 2011, a Strategic Planning Meeting was held among the Council Members, public officers and HKPC management to evaluate the industry conditions, service needs, as well as formulating the then future strategic direction for HKPC. Furthermore, there was another Strategic Planning Meeting in 2016 to formulate the future strategic direction and positioning, to enable HKPC to fulfill demands from the wider industry sectors in Hong Kong.

In recent years, HKPC has been supporting the HKSAR Government for Innovation and Technology Bureau's strong advocacy on "reindustrialisation", as well as innovation and technology development in Hong Kong. Hence HKPC did not conduct any other similar research in this regard. HKPC and ITC will discuss together the need to review the operations mode, future development direction and status for government subvention.

(b) Supplementary information on 2017-18 HKPC expenditure:

Breakdown of depreciation and amortisation:

		HKD 港元 '000
生產力大樓	HKPC Building	5,344
租賃樓宇改善工程	Leasehold improvements	11,918
傢具及設備	Furniture and equipment	19,047
無形資產	Intangible assets	4,445
合計	Total	40,754

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香港生產力促進局
HKPC Building, 78 Tat Chee Avenue, Kowloon, Hong Kong
香港九龍達之路78號生產力大樓

(c) Supplementary information for Key Performance Indicators (KPI):

As the market needs have changed in recent years, HKPC has promoted Industry 4.0 (i4.0) and assisted corporates ranging from large enterprises to SMEs for the transformation and upgrade of their businesses. On the other hand, the required consultancy projects from the industry have become more complex which involve advanced technology development, therefore, there is a need to consider both project scale and nature simultaneously. It cannot fully reflect the performance of HKPC if only referring to the target on "Number of consultancy projects accepted". In view of that, the target would be adjusted every year according to evolving market needs and then be reviewed and approved by the Council and ITC.

From 2014-15 to 2018-19, the scale of consultancy projects accepted by HKPC has become larger. For instance, the proportion of projects with value more than HK $ 1 million has been increasing (from 48% in 2014-15 to 73% in 2018-19). As a result, the target number of "Number of Consultancy Projects Accepted" was lowered accordingly. The overall revenue of consultancy projects has also increased.

(d) Supplementary information on "Number of Consultancy Projects Accepted" in KPI:

(i) "Number of Consultancy Projects Accepted" refers to the number of fee-charging external consultancy projects accepted in the Enterprise Resource Planning (ERP) system within the year.

Before July 2018, the "Number of Consultancy Projects Accepted" included "Consultancy: advisory service" (CA), "Government Funding (with HKPC as implementation agent)" (CB), "Government Funding Scheme Secretariat service" (CC), "Consultancy: development/ implementation/turnkey engineering service" (CD), "Award with consultancy element" (CE) and "In-company Training programme" (CF). From July 2018, in addition to the above classifications, a new category of "Professional manufacturing support service with consultancy elements" (CG) was included.

(ii) "Number of Manufacturing Support Projects Accepted" was not a reporting KPI; the income from manufacturing support projects was included as a KPI. From July 2018, the "Professional manufacturing support service with consultancy elements" (CG) and a service fee of more than HK $ 5,000 were included in the KPI of "Number of Consultancy Projects Accepted".

(iii) As the industry steps into the road for transformation, there has been greater demand for more complexed and integrated support services from HKPC, resulting in more cross-function projects to fulfill the requirements. Projects often include elements such as consultancy, professional testing or prototyping etc. Some of the manufacturing support services will also include consultancy elements as per client's request. The KPI at that time hence could no longer reflect the actual work done by HKPC. Therefore, HKPC decided in the management meeting held in July 2018 that the "Number of Consultancy Projects Accepted" should also include manufacturing support service projects with consultancy elements if its service fee exceeds HK$ 5,000. This exercise was done to reflect the real market scenario and HKPC work done in a more accurate and comprehensive manner.

(iv) "Professional manufacturing support service with consultancy elements" (CG) refers to the provision of general manufacturing support services (e.g. watch and clock technology, jewelry technology, advanced surface technology, advanced electronic processing technology, plastic machinery performance testing, reliability testing, electromagnetic compatibility testing, environmental analysis and innovative product testing, conformal cooling technology, and industry summit conference services etc.); and that service also includes consultancy services (e.g. advisory service for product improvement, functionality evaluation and recommendations for enhancement).

Regardless of the project service fees, manufacturing support projects without consultancy element would not be included in the KPI on "Number of Consultancy Projects Accepted".

In 2018-19, 141 professional manufacturing support service with consultancy elements (including 86 projects value over HK$5,000 and 55 projects value below HK$5,000) were all included in reporting the KPI on "Number of consultancy projects accepted". However, according to the decision of HKPC's management meeting in July 2018, only manufacturing support consultancy projects with service fee of more than HK$5,000 should be included in the KPI of "Number of Consultancy Projects Accepted". Therefore, HKPC will exclude such 55 projects with service fees below HK$5,000.

The table below showed the classification of the 86 professional manufacturing support service projects with consultancy elements and service fee of over HK$5,000:

Classification	**Number of Project (in %)**
Testing service	65 (76%)
Professional service	13 (15%)
Design and advanced machining service	8 (9%)

(v) For the sample of job quotation / agreement, please refer to attachment: Chap2_d(v)

(vi) The purpose of the adjustment to the definition of consultancy projects was to reflect the actual work done by HKPC in a more accurate and comprehensive manner. It will have no impact on the manufacturing support services provided by HKPC staff members in fulfilling the industry demands. The original scope of "Number of Consultancy Projects Accepted" was based on the definition of consultancy projects. When the definition was adjusted, it was not considered to amend the corresponding target.

(vii) Internally at HKPC, there is currently no relevant detailed procedure in place, leading to the omission in providing the update or seeking approval from the Council. Learning from this experience, HKPC will develop relevant procedures with clear details, to overarch the items to be reported for approvals from the Council, and to prevent the recurrence of similar incidents in the future.

(viii) When HKPC submitted the Annual Programme and Estimates of 2019-20 to the Council in November 2018, and reported to the Council in July 2019 on the KPI for the "Number of consultancy projects accepted" of 2018-19, the Council and ITC were not notified of the change to the definition of the consultancy project. HKPC acknowledged such omission and will learn from this experience to strictly abide by the provisions under the Memorandum of Administrative Arrangement No. 7.2 to prevent the recurrence of similar incident.

The current target of "Number of Consultancy Projects Accepted" of 2019-20 is based on the revised definition of consultancy projects, which will be subject to subsequent review and discussions among ITC and the Council in March 2020 before deciding whether any amendment deems necessary.

(ix) & (x) In the past 5 years, the number of KPI was adjusted from 30 in 2014-15 to 22 in 2015-16; and further fine-tuned to 23 in 2016-17 until 2018-19.

Regarding the HKPC KPIs and the results in the past 5 years, please refer to the tables below:

Table ix.i: KPIs in 2014-15 (Number: 30)

KPIs in 2014-15	2014-15 Target	2014-15 Actual
(1) Key Performance Measure: Service Delivery		
(a) Number of consultancy projects accepted	1,250	970
(b) Number of fee-charging training courses	300	180
(c) Number of people attended fee-charging training courses	5,800	3,041
(d) Number of exhibitions/fee-charging study missions/conferences	50	57
(e) Number of people attended exhibitions/fee-charging study missions/conferences	2,900	3,969
(2) Key Performance Measure: Operating Efficiency		
(a) Percentage of employee hours charged to billable projects	68.0%	62.0%
(3) Key Performance Measure: Financial Result (HK$M)		
(a) Overall income/expenditure ratio	67.4%	71.1%
(b) Income from consultancy projects	290.675	265.44
(c) Income from training courses	19.81	12.898
(d) Income from exhibitions/study missions/conferences	5.506	9.386
(e) Income from manufacturing support projects	33.103	26.027
(f) Overall income per employee	0.58	0.637
(g) Income from each consultancy project in progress	0.15	0.129
(4) Key Performance Measure: Effectiveness		
(a) (i) Number of theme-based industry consultation organized: Hong Kong Industry Network Cluster (HK-INC)	6	6
(ii) Number of theme-based industry consultation organised: non HK-INC	31	36
(b) Number of people attended events/networking activities for associations/non-fee charging seminars	200	310
	18,160	23,531
(c) Number of new services and products introduced	29	30
(d) Number of and approved funding for commercial R&D projects (HK$M)	8	10
	2	2.1
(e) Number of patent/licence/royalty	8	19
(f) Number and approved funding of new government-funded projects (HK$M)	35	28
	64.7	49
(g) Number and contract value of products/ technologies commercialised (HK$M)	13	15
	12	14.0
(h) (i) Number of new R&D projects	29	31
(ii) Number of R&D projects in progress	43	67
(i) Percentage of customers reporting productivity increase	95%	100%
(j) Customer satisfaction index	8.7	8.9
(k) Training participants satisfaction index	7.7	8.1

Table ix.ii: KPIs in 2015-16 (Number: 22)

KPIs in 2015-16	2015-16 Target	2015-16 Actual
(1) Key Performance Measure: Service Delivery		
(a) Number of consultancy projects accepted	1,070	917
(b) Number of fee-charging training courses	285	196
(c) Number of people attended fee-charging training courses	5,370	4,248
(d) Number of people attended exhibitions/fee-charging study missions/conferences	2,180	2,221
(2) Key Performance Measure: Operating Efficiency		
(a) Percentage of business employee hours charged to billable projects	87.0%	92.8%
(3) Key Performance Measure: Financial Result (SM)		
(a) Overall income/expenditure ratio	68.4%	70.7%
(b) Income from consultancy projects	300	307.716
(c) Income from training courses	19	8.91
(d) Income from exhibitions/study missions/conferences	3.9	4.844
(e) Income from manufacturing support projects	34	23.602
(f) Overall income per employee	0.62	0.676
(g) Income per consultancy project in progress	0.15	0.152
(4) Key Performance Measure: Effectiveness		
(a) Number of theme-based industry consultation organised: Hong Kong Industry Network Cluster (HK-INC) and non HK-INC	40	51
(b) Number of people attended events/networking activities for associations/non-fee charging seminars	18,430	20,620
(c) Number of new services and products introduced	24	30
(d) Number of patent/licence/royalty	8	13
(e) Number of products/ technologies commercialised	14	21
(f) (i) Number of new R&D projects	29	38
(ii) Number of R&D projects in progress	52	99
(g) Percentage of customers reporting productivity increase	95%	100%
(h) Customer satisfaction index	8.8	8.92
(i) Training participants satisfaction index	8	8.4

Table ix.iii: KPIs from 2016-17 to 2018-19 (Number: 23)

KPIs from 2016-17 to 2018-19	2016-17 Target	**2016-17 Actual**	2017-18 Target	**2017-18 Actual**	2018-19 Target	**2018-19 Actual**
Part I Core KPIs						
(1) Key Performance Measure: Operating Efficiency						
(a) Percentage of business employee hours charged to billable projects	87.50%	**96.4%**	90%	**96.6%**	92%	**95.2%**
(2) Key Performance Measure: Financial Result (HK$M)						
(a) Overall income/expenditure ratio	69%	**74.1%**	69.60%	**76.4%**	67.60%	**77.5%**
(b) Overall income per employee	0.65	**0.76**	0.68	**0.82**	0.74	**0.81**
(c) Total external income	429.4	**447.3**	449.8	**471.7**	433.9	**464.5**
(3) Key Performance Measure: Effectiveness						
(a) Number of theme-based industry consultation organised: Hong Kong Industry Network Cluster (HK-INC) and non HK-INC	40	**42**	40	**50**	40	**65**
(b) Number of people attended events/networking activities for associations/non-fee charging seminars	22,000	**22,093**	22,000	**24,187**	22,000	**28,396**
(c) Number of new services and products introduced	24	**28**	26	**35**	27	**27**
(d) Number of patent/licence/royalty	8	**18**	10	**14**	10	**22**
(e) Number of products/ technologies commercialised	14	**19**	18	**24**	18	**18**
(f) Number of new R&D projects	30	**46**	35	**45**	35	**43**
(g) Percentage of customers giving a score of 7.5 or above out of 10 in terms of productivity gain	75%	**87%**	80%	**87%**	82%	**90%**
(h) Customer satisfaction index	8.8	**9**	8.8	**9.0**	8.8	**9.1**
(i) Training participants satisfaction index	8	**8.4**	8.2	**8.4**	8.2	**8.6**
Part II Other KPIs						
(1) Key Performance Measure : Service Delivery						
(a) Number of consultancy projects accepted	1020	**948**	968	**699**	935	**889***
(b) Number of fee-charging training courses launched	226	**203**	200	**267**	200	**233**
(c) Number of people attended fee-charging training courses	3390	**4198**	3000	**6196**	3000	**6079**
(d) Number of people attended exhibitions/fee-charging study missions/conferences organised	4000	**4293**	4000	**4425**	4000	**4039**
(2) Key Performance Measure: Financial Result ($M)						
(a) Income from consultancy projects	312.6	**342.4**	346.6	**362.6**	322.8	**340.9**
(b) Income from training courses	17.6	**9.4**	14	**8**	12.6	**7.6**
(c) Income from exhibitions/study missions/conferences	3.9	**9.4**	7.2	**8.1**	5.5	**6.2**
(d) Income from manufacturing support projects	36.6	**25.2**	33.7	**26.7**	26.1	**30.0**
(e) Income per consultancy project in progress	0.15	**0.14**	0.155	**0.166**	0.15	**0.16**
(3) Key Performance Measure: Effectiveness						
(a) Number of on-going R&D projects	49	**99**	65	**127**	65	**132**

*After the PAC meeting on 13 December 2019, in the process of preparing the project details on the "Consultancy – Professional Manufacturing Support Service" type, all 141 projects under this type were checked to ensure the accuracy. However, 55 projects were found not to meet the criteria for counting under the KPI of "number of consultancy projects accepted" as decided at the monthly management meeting in July 2018 to include manufacturing support projects "if service amount exceeds $5,000". It was believed that the erroneous counting was due to insufficient cascading to frontline staff, and the failure in updating such information timely in Standard Practice – which was a primary guideline for frontline staff to categorise project types. Based on such finding, a rectification will be immediately carried out to revoke the number of "Consultancy – Professional Manufacturing Support Service" projects from 141 to 86, deducting the 55 wrongfully included projects. Hence, the total of the "Number of consultancy projects accepted" will be adjusted from 944 to 889. The above situation was reported immediately to ITC and the Council Chairman upon discovery. As effort to avoid similar situations from happening again, the Standard Practice will be updated during the upcoming KPI revamp, in consultation with ITC and the Council. The exercise to define new KPIs and targets is expected to complete by March 2020, and submit to ITC and Council for approval.

(xi) With a series of promotional efforts, HKPC is hoping to enhance the awareness of our capabilities and expertise in technological and professional regimes, and gradually increase the industry engagement of our services. Below are some initiatives carried out by HKPC to achieve such purpose:

1) Industry Liaison and Consultation – actively engage different industry associations, e.g. through attending their activities or joining function committees, to identify the pain-points and the needs of the industry, then further introduce HKPC's services available to assist the industry through various R&D services, professional testing, knowledge on government funding etc.;

2) Media Publicity – regularly distribute the latest updates about HKPC's homegrown inventions and technological outcomes, as well as relevant services through news release, social media postings or HKPC newsletters.

3) Technology Events – organise technology related activities to increase market awareness about the latest technology development, market trends and HKPC's technology applications. HKPC's experts will speak and share in various large scale R&D events, or act as the technical leaders in some specific technology regime, e.g. HKPC TechDive R&D Seminar held on 19 December 2019.

4) Open Day – organise open day for the public to explore more about our expertise in R&D and professional equipment; and how we can support the development of the Hong Kong industry.

5) HKPC SME One Fund Fair – upholding its public mission to serve the industry, HKPC organised SME One Fund Fair in September 2019 to promote over 40 government funding schemes covering various industries. Starting from January 2020, HKPC will introduce the "SME ReachOut" team to contact SMEs proactively, with an aim to provide guidance and advisory on the funding schemes available and applicable in the market provided by the HKSAR Government.

As the government subvention accounts for only about one-third of its annual expenditure, HKPC must also support the industry while ensuring that it can be self-financed. For example, after considering HKPC's financial condition, HKPC announced four immediate measures in September 2019 to provide concessions until 31 March 2020 to support Hong Kong SMEs and startups in facing the unprecedented challenges from the global business environment, help them improve business performance, enhance productivity and competitiveness. HKPC will then review factors such as our financial condition and economic environment, and decide whether to continue with such relevant measures.

(xii) For facilitating the transition and handover between the current and former Executive Directors, HKPC will arrange face-to-face meetings for the two with an aim to exchange the information on the overall strategies or management directions. However, this exchange did not include whether any update of KPI definitions requiring reporting to the Council. HKPC will uplift the handover procedure in future, to list out items required transition in future.

(e) Supplementary information on the classification of Manufacturing Support Consultancy Projects under HK$ 5,000:

(i) The 141 projects under this type were checked to ensure the accuracy. Among which, 55 projects with service fees less than HK$5,000 were found not to meet the criteria for counting under the KPI of "number of consultancy projects accepted" as decided at the monthly management meeting in July 2018 to include manufacturing support projects "if service amount exceeds HK$5,000". It was believed that the erroneous counting was due to insufficient cascading to frontline staff, and the failure in updating such information timely in Standard Practice – which was a primary guideline for frontline staff to categorise project types.

(ii) In 2018-19, 54 out of the 69 consultancy projects with service fees below HK$5,000 were patent or trademark application consultancy services. The remaining 15 were small scale consultancy projects mainly for Enterprise Resource Planning (ERP) system advisory support and in-company training.

(iii) The relevant post-meeting note means that the number of "Professional manufacturing support service with consultancy elements " (CG) will be disclosed in future reports under the KPI of "Number of Consultancy Projects Accepted" for review by management. The reports are distributed through e-mail to the Directors and General Managers of divisions, and are reported during monthly management meetings.

(iv) There is no minutes for the daily Morning Prayer meetings. The resolution made at the Morning Prayer meeting held on 25 July 2018 to adjust the definition of KPI was formally recorded in the post-meeting note of the Action List for the monthly management meeting held on 19 July 2018.

(v) The relevant resolution was recorded in the Action List of the monthly management meeting held on 19 July 2018, and distributed to meeting attendees (including the Directors and General Managers of divisions) on 13 August 2018 as an official record and the basis for daily implementation. There was hence no need to confirm such resolution in the next meeting.

(vi) The Council is HKPC's governing body providing strategic leadership in the fulfilment of the organisation's functions. The daily implementation and operational details discussed during the HKPC's management meetings are not required to inform the Council under the current arrangement. There are regular meetings for the HKPC management to report the results of various work to the Council in a timely manner every year.

(vii) The Internal Audit & Risk Management Officer (ARO) of HKPC conducts sample review of the Standard Practice for every 2 years. For details of the Standard Practice F3 about project management, please see attachment Chap 2_e (vii).

(f) Supplementary information on projects outside Hong Kong:

(i) HKPC's consultancy projects generally contain technical components or R&D elements, and, as a result, the project may encounter unforeseen technical difficulties (e.g. difficulties under exploration stage of new technology; lengthy process in finding relevant high-end components or equipment; or new testing requiring approval by the relevant local governing bodies etc.), or implementation difficulties (e.g. staff turnover). For project undertaking assignments outside Hong Kong, HKPC agrees with the recommendation from the Audit Commission, and has required all employees at special meetings held respectively on 29 November and 2 December 2019 to comply with "The Hong Kong Productivity Council Ordinance" to recover in full cost for overseas consultancy projects. In any exception case of not being able to recover the full cost, detailed documentation of the justifications is necessary. In addition, to ensure that full cost recovery of

consultancy services outside Hong Kong, HKPC will strengthen its monitoring mechanism. Starting from December 2019, relevant project officers and management will receive regular project cost monitoring reports for controlling project costs carefully. Officer-in-charge of projects has to report and explain to the management regularly on the technical or implementation difficulties encountered. The management, after gaining an in-depth understanding to the project, will consult the expertise from other HKPC divisions to help overcome the difficulties and ensure the project cost would not overrun.

(ii) The 47 projects mentioned in paragraph 2.12(b) by HKPC referred to an overarching 5-year service programme, running from 2015 to 2020, under a fixed-value agreement between the HKSAR Government and HKPC signed in mid-2015.

Under such agreement, HKPC submitted in 2014 the quotation to the HKSAR Government based on a full-cost recovery charging rate under prevailing pricing policy. The standard cost rates at that time had taken into account the factor of government subvention. The inflationary factor built in at the quotation was 4.8% per annum.

The programme was finally confirmed in mid-2015 and started implementation in 2016. The project cost by then had already increased more than the budgeted inflation factor due to the time gap (for about 10%). In February 2016, the Council approved a pricing structure based on full-cost recovery and zero subvention from the Government. This new standard charging rate therefore generally increased around 20% from the existing rate.

For example, for a Technology Promotion project under the programme with manpower cost originally quoted at HK$38,000 to the Government would eventually increase to HK$50,000 in 2016, showing deficit in budget under new standard charging rate.

In the future, HKPC will strengthen the project management, and also study the appropriate adjustment to the “Contingency Budget” when calculating costs to meet unforeseen additional costs, such as technical difficulties or inflation.

Because fixed-value agreements have been entered into such projects, with respect to the spirit of the contract, no additional costs have been recovered.

(iii) According to the previous reporting mechanism, when a project was complete with deficit, or the actual variance was higher than 5% or HK$10,000 (whichever is higher), the project manager should provide a post project review report to explain the deficit reason or variance.

HKPC has further enhanced the monitoring mechanism. Starting from December 2019, relevant project officers and management will receive regular project cost monitoring reports to control project costs carefully. Officer-in-charge of the project has to report and explain to the management regularly on the technical or implementation difficulties encountered. The management, after having an in-depth understanding to the project, will consult the expertise among other HKPC divisions to help overcome difficulties and make sure the project cost would not overrun.

(g) Supplement information on pricing concession guidelines:

The existing pricing policy and system of concession were set up and implemented since February 2016. According to the Standard Practice for Pricing Policy, documentation of justification is necessary for applying any of concession. In addition, all concessions could only be given with prior approval by at least General Manager level. For project value over HK$500,000, the granting of concession could only be approved by Directors or Executive Director. The implementation reports were regularly provided to the Finance Committee under the Council in the first adoption year. Internally, the management team closely monitored the reports from February 2016 to March 2018. After the implementation of the pricing and concession system had become stable for more than 2 years, General Managers of divisions are currently responsible for monitoring the daily implementation.

(h) Please refer to attachment Chap 2_h for HKPC guidelines on fee concessions from September 2019.

(i) Supplementary information on concession policy:

(i) The relevant charging mechanism was approved at the management meeting on 14 June 2016, with participants including then Executive Director, Directors, General Managers of the divisions and other relevant staff members. Please see attachment Chap 2_i (i) for details. Respective meeting minutes was sent to the relevant staff members or follow-up actions through email after the meeting.

(ii) HKPC Standard Practice generally lists out policy principles, objectives and rules that are to be carried out on a long-term basis. In the Standard Practice for pricing, the framework and principle of full cost recovery and the system of concession, which were endorsed by the Council, are clearly stated. On the other hand, regarding some short-term measures put in place by the management team, such as the short-term pricing strategies, are generally not included, but directives are released to the relevant staff via emails.

(iii) The deficits in 2017-18 and 2018-19 were mainly due to the completion of several large consultancy projects for the government or public organisations within the two years. As efforts to fulfilling the public mission, these projects did not recover the full cost. These projects were carried out in 2016 or before (which was before the meeting mentioned in paragraph 2.15 (a)) and were not affected by the decision of the meeting at that time. In addition, according to our knowledge, another reason for the loss in these projects was due to human resources issues, such as higher manpower investment during transitions arisen from talent turnover. Because related projects were engaged through fixed-value agreements, no additional fees were charged for higher associated manpower costs as to abide with the contractual agreements.

(j) Supplementary information on project completion:

(i) According to the information, the rate of project delays at HKPC was higher before July 2018, due to the inefficiency of the monitoring system and its follow up actions.

(ii) The following is an excerpt from the relevant clause about project delays in the standard agreement:

/…
Clause 4(d)

The Council shall not be responsible or liable in any way for any delay or default in delivery of services or goods, or failure to perform any of its obligations under this Agreement if such delay,

default or failure was caused by (i) any delay or fault by the Client or its contractors or suppliers, or (ii) any other unforeseeable events or circumstances beyond the Council's control, including but not limited to war, riots, fire, flood, typhoon, lightning, severe weather, earthquake, explosion, strikes, shortage of energy supplies, acts of state or governmental action or operational disruptions.
…/

(iii) The delayed completion of consultancy project may have impacted on the full cost recovery of the project. However, due to different technical complexity of the implementation of each project, whether the delayed projects could recover the full cost would depend on the actual individual project implementation which may vary in different circumstances.

(iv) The current mechanism is that the Executive Director and the management of HKPC conduct regular meetings to review projects which needs to be extended. Only projects with sufficient justifications can be extended to ensure consultancy projects are completed at the designated timeframe.

(k) About strengthening the control over the services provided under manufacturing support projects:

(i) Upon the discovery of Staff A's case in September 2018, HKPC requested the Internal Audit and Risk Management Officer (ARO) to carry out an audit to the provision of manufacturing support service by Division A, where Staff A belonged to, in the fourth quarter of 2018. Through sampling, ARO audited 839 manufacturing support services, accounted for 85% of the total number from the relevant units of Division A between July 2016 to October 2018. There was no similar case being found.

ARO also carried out another audit to Division B for the manufacturing support services provided, with a sampling of 101 cases, accounted for 53% from the relevant units of the division under their manufacturing support service provision. No similar case was found as well.

(ii) At the time of Staff A's case, the quotation for manufacturing support services was not issued via SAP centralised computing system. The quotations by then were issued via the software Microsoft Excel, and input to SAP upon the service completion, leading to a time gap in monitoring the completion of services in SAP, and a timely alert for outstanding payments.

Upon the discovery of Staff A's case in September 2018, HKPC completed an evaluation and improvement plan on the related process in December 2018 – all quotations shall be issued via SAP, with the deployment of a sequential number, facilitating the monitoring and follow-up actions of those quotations by the General Managers of divisions every month, ensuring all manufacturing support services will receive timely payment with proper records.

(iii) In accordance to the recommendations from the Audit Commission, HKPC has further extended the scope of review and identified 315 cases of manufacturing support service through sampling, from the division where Staff A belonged to. The figure accounted for about 10% of the relevant division's total manufacturing support services. The whole process is estimated to be completed by end of the fourth quarter of 2019-20. ARO will then review with Audit Commission to ensure the action can fulfill Audit Commission's recommendations.

(iv) For the audit results and improvement suggestions of ARO, please refer to attachment Chap 2_k (iv).

(v) Please refer to attachment Chap 2_k (v) for relevant details.

(vi) Please refer to the attachment Chap 2_k (vi) for relevant details.

(l) In order to increase the membership and income of Inno Space, HKPC has launched in 2019 a new scheme, STEM Network, with an aim to connect secondary schools, universities, start-ups and the Hong Kong Science and Technology Park together, and assist the development of STEM education in schools by offering basic to advanced courses ranging from HK$5,000 to HK$15,000. These courses include student workshops, train-the-trainer programmes, technology updates and the use of Inno Space facilities.

(m) Through STEM Network, practical training has been added to the brand new STEM training courses, aiming to boost the utilisation of Inno Prototype. The overall utilisation rate of Inno Prototype from April to November 2019 has increased by 40% as compared to the same period of 2018-19.

(n) Please refer to the attachment Chap 2_n for related details.

(o) The independent external auditor had made the following recommendations to HKPC during their audits in the past 5 years:

- In June 2014, the independent external auditor confirmed proper implementation in 2013-14, as per the recommendations made in 2012-13, including recognising expenses on accrual basis, special payable account for government assistance, proper approval for accounting vouchers and settlement of long-aged intercompany payable. In the same report, they also reviewed the new accounting system SAP and made recommendations including carrying out periodic user access review, built-in configuration controls and protection settings.
- In June 2015, the independent external auditor had confirmed the implementation of the recommended controls as listed above.
- No further comments were made by the independent external auditor from 2015-16 to 2018-19.

For more details about the recommendations from the independent external auditor to the HKPC management, and the respective response, please refer to the attachment Chap 2_o.

Please feel free to contact me if you have any question about the information provided.

Yours sincerely,

Mohamed D. Butt
Executive Director
Hong Kong Productivity Council

c.c. Secretary for Innovation and Technology
Commissioner for Innovation and Technology
Secretary for Financial Services and the Treasury
Director of Audit (Attention: Mr. Anthony Lo, Senior Auditor)

***Note by Clerk, PAC:** Attachment Chap 2_o not attached.*

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Tel : 2788 6396 Fax : 2788 5405
Email: emc@hkpc.org

HOKLAS 082 TEST

Quotation for EMC Testing

To: U From: L

Attn.: C Tel.:

Tel.: Fax: Date: 11 February 2019

Quotation No.: 20000396

EMC Job No.: 14347

We are pleased to provide you with the quotation for the following testing service (the "Service"):

Equipment to be tested: **Consultancy and support service for EMC management plan and EMC test plan documentation**

Item	Qty.	Test description	Price (HKD)
1	1	Consultancy and support service for EMC management plan	28,050
2	2	EMC test plans documentation and support service	
		Total :	**28,050**

Payment Method:

1) Due on Delivery

Please transfer the payment to the following bank accounts (HKD) & send the "payment advice" to us for record after the settlement.

*Bank charges to be borne by client

BANK NAME : STANDARD CHARTERED BANK (HONG KONG) LIMITED
BANK ADDRESS : 4-4A DES VOEUX ROAD CENTRAL, HONG KONG
ACCOUNT NAME : HONG KONG PRODUCTIVITY COUNCIL
ACCOUNT ADDRESS : HKPC BUILDING, 78 TAT CHEE AVENUE, KOWLOON, HONG KONG
BANK CODE : 003
BRANCH CODE : 447
ACCOUNT NO : 447-1-071900-3
BANK BRANCH : HONG KONG OFFICE
SWIFT CODE : SCBLHKHHXXX

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HOKLAS 082
TEST

Quotation for EMC Testing

Terms and Conditions for Prototyping and Testing Service (collectively, the "Service")

1. Hong Kong Productivity Council ("**HKPC**") reserves the right to decline any application for the Service and the right to alter any deliverable or report (collectively, the "**Result**") which HKPC may consider desirable or necessary by written notice to Client specifying the desired alterations. If application for the Service is accepted by HKPC and the price quotation is accepted by Client (irrespective of the form of acceptance), the Service will be carried out to the best ability of HKPC in the strict accordance with the terms contained herein except otherwise agreed in writing by the parties. In the event of any inconsistency, between this condition and any other conditions, this condition shall prevail to the extent of such inconsistency.

2. HKPC makes no guarantee as to the repeated application of the Results under changing circumstances.

3. HKPC shall exercise all reasonable care in handling Client's sample submitted at its own cost, but does not guarantee that the original condition of the samples submitted will remain unchanged after performance of the Service and disclaims any liabilities for loss accrued thereon or damage made thereto. Samples not destroyed during testing will be destroyed at the expiration of one month after completion of the Service unless return is requested by Client in writing before completion of the Service. HKPC shall not be responsible for any maintenance repairs or servicing of the deliverable or equipment submitted.

4. The Result shall be treated private and confidential and is issued to Client for its internal use only and subject to the condition that it will not be reproduced (except in full and in its entirety without combination) and will not be used for any purpose in connection with any advertising or other promotional purpose in any medium or manner without the prior written permission of HKPC. Except where required by the relevant regulatory authorities or applicable law, any use or disclosure of the Result other than as permitted herein is strictly prohibited. This prohibits, for example, any disclosure to third parties or use in any legal proceedings without HKPC's prior written consent. Where consent to use the Result is obtained from HKPC, only the latest available version of the Result shall be used for communications purposes and any brochure or publication referencing the Result must cite the source, include the relevant date of the Result and the data generated by HKPC. HKPC may comment upon Client's interpretation of the Result. None of the Result may be presented in a misleading manner and any representation or communication by Client that HKPC has endorsed any claim in Client's publicity and communications materials is NOT permitted under any circumstances. The right to use or disclose the Result as permitted hereby is conditional upon Client agreeing to indemnify and hold harmless HKPC and its officers, employees or agents against all claims, damages, losses or expenses including legal fees arising from or relating to such use or disclosure.

5. Client's use of the Result provided on an "as is" and "as available" basis is at Client's risk. HKPC and its officers, employees or agents do not warrant that the Result conforms with the relevant order or otherwise meet with Client's expectation, nor is it free from defects in design, materials and workmanship. HKPC expressly disclaims all warranties of any kind (whether express or implied including, without limitation, the implied warranties of merchantability or revenue potential, fitness for any particular purpose, product performance, non-infringement, interworking with or support rendered for any third party service or equipment), and assumes no legal liability or responsibility for the use and/or application of the Result. HKPC makes no representation or warranty as to the accuracy, completeness, reliability or currency of the content of the Result and makes no warranty of whatsoever nature with regards to the material used for the deliverable. All express or implied warranties, representations or statements relating to the subject matter hereof which are not contained herein are excluded by HKPC.

6. The Result may consist of estimates only and is subject to statistical errors or acceptable tolerance inherent in making projections from sample data and HKPC shall not be liable for any errors or tolerance limit arising from the Result, or for any loss or damage made to any physical property (including consequential damage). In the event that any Result is proved to be inaccurate due to the act, default, error or neglect of HKPC, the liability of HKPC shall be limited to refunding to Client the fee (free of interest) paid to HKPC for such Result. In no circumstances shall HKPC be liable to compensate or indemnify Client or any third party whomsoever for or in respect of any loss or damage sustained by such party as a result of any inaccuracy of the Result. The remedies set forth herein shall be Client's exclusive remedies in legal proceedings of any kind against HKPC hereunder or with respect to any Result to be provided by HKPC.

HKPC EMC Centre
LG1, HKPC Building,
78 Tat Chee Avenue,
Kowloon, Hong Kong
Tel : 2788 6396 Fax : 2788 5405
Email: emc@hkpc.org

HKLAS 082
TEST

Quotation for EMC Testing

7. The Result may be collected upon production of a valid delivery note or any other supporting document validly issued by and acceptable to HKPC. Enquiries relating to the Result must be raised within 14 days from the date of issuance of the Result, failing which, deemed acceptance of the Result by Client applies.

8. Payment shall be settled forthwith upon collection of the Result. The fees payable by Client to HKPC shall be net of any taxes, levies, charges, impositions or expenses of whatsoever nature. Each party shall be responsible for its own payment of all taxes to be levied by the relevant government authorities (including Hong Kong and elsewhere) in connection with the Service.

9. These terms and conditions do not transfer ownership of any intellectual property right of HKPC's data. Intellectual property right subsisting in the Result remains the property of HKPC.

10. Where on-site attendance outside of HKPC's premises is required for performance of the Service, Client must comply with the legislative requirements regulating work safety in ensuring the working environment is in safe condition as well as providing HKPC's representatives with all necessary safety measures. Client must maintain sufficient insurance to cover HKPC's representatives against all liabilities with a reputable insurer whilst the Service is being performed.

11. HKPC shall not be held liable to Client for any loss of business or profit or other consequential loss and damages suffered as a result of any default on the part of HKPC, and HKPC's liability in respect of any direct loss sustained by Client is expressly limited and shall in no case exceed the fees actually paid by Client to HKPC.

12. Client shall indemnify and hold HKPC harmless from all claims and liabilities directly or indirectly resulting from any claims for infringement or alleged infringement of patents, designs, copyrights or other rights brought by a third party in relation or attributable to any information or materials supplied by Client to HKPC, except for any claim and liability resulting from any negligence or default by HKPC.

13. Client must observe and abide by the confidentiality requirement of the terms contained herein including, without limitation, pricing, delivery milestone, details and performance of the Service.

14. Without prejudice to any other remedy HKPC may have against Client, HKPC shall have the right to terminate these terms and conditions immediately if Client:-
    (i) is wound up or is petitioned to be wound up, commits an act of bankruptcy or compound or arrange with its creditors or have a receiving order made against it or being a limited company enters into compulsory or voluntary liquidation (except for the purposes of amalgamation or restructure only);
    (ii) refuses or prevents the furnishing of the Service hereunder by HKPC;
    (iii)violates any of the terms and conditions contained herein; or
    (iv) a force majeure event or any event beyond the reasonable control of HKPC occurs and subsists for 30 days,
    thereupon, Client shall be liable (a) to reimburse HKPC all expenses actually incurred for and on behalf of Client in respect hereof up to the date of termination; and (b) to pay HKPC any part(s) of the fees due and payable hereunder; and (c) to pay the fees for any Service rendered but not yet paid for which shall be calculated by reference to the same charging rate and basis as that for the fees.

15. In no event shall the delivery or issuance of the Result by HKPC operate to construe HKPC as a party or agent or in any other way or in any relationship contractual or otherwise between Client and any other party whatsoever.

16. These terms and conditions shall be governed by and construed in accordance with the laws of The Hong Kong Special Administrative Region and each party hereby agrees to submit to the exclusive jurisdiction of the courts of The Hong Kong Special Administrative Region with respect to any claim or matter arising out of or in connection herewith.

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LG1, HKPC Building,
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Tel : 2788 6396 Fax : 2788 5405
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Quotation for EMC Testing

Additional Conditions: The EMC Centre is accredited by HOKLAS for specific tests as listed in the HOKLAS Directory of Accredited laboratories.

1. Validity: This quotation is valid for 1 month from the date of issue.
2. Quotations: Quotations are given out on a sample by sample basis. The client must obtain a second quotation if he wishes to have more than one sample tested.
3. Reminder: The client is reminded that he is responsible for providing all necessary ancillary equipment to operate and monitor the EUT during testing.
4. Test Plan: A test plan must be completed and signed by the client prior to submitting the sample. The EMC Centre will assist the client in case of difficulties. However, the client must still sign the test plan.
5. Test reports: If full compliance testing is carried out a test report may be issued. All raw data from the testing will be copied to the client even if a test report is not requested.
6. Testing: Once the sample is submitted it will be tested according to the EMC Centre schedule. If the client wishes to be present during testing he will have to make prior agreements with the EMC Centre.
7. Samples: It is the sole responsibility of the client to collect any items submitted after 10 days from the issue of test report. Items not collected within 2 months there after shall be disposed by HKPC as it deems fit.

Prepared by

Business Registration No. : ___ ___ _____

Date: 20 FEB 2019

Confirmed and accepted by client
Please stamp and return by fax or email

Standard Practice No.:	F3
Subject:	Project Management
Prepared by:	Finance and Procurement Division
Date issued: (dd/mm/yyyy)	1/4/2019
Supersedes that issued on:	8/3/2019

Policy

1. The Council strives to exhibit quality project management meeting the expectation of corporate governance and management efficiency.

Objective

2. The Standard Practice depicts the principle and guidelines on project management so as to ensure the project initiation, planning, execution, controlling and completion processes are properly carried out.

3. Timely and accurate project management in a transparent and documented manner help alert project managers and the management to the Council's business operations and financial performance.

Principle

4. As the Council engages in projects of very diverse nature, the system and process stipulated herewith on project management serves to provide broad guidance only. Staff, particularly project managers, should exercise their professionalism and due judgment reasonably in managing details connected with overall project management even if those details are not explicitly stated in the Standard Practice.

5. Project managers (who must be grade 4 or above) are responsible for the overall relevance, accuracy and timeliness of the project activities related information contained in the Council's enterprise resources planning (ERP) system.

Regulations

6. Details required for project management are set out in the "Guidance Notes on Project

Management".

(a) project should be properly approved by management in accordance with internal approval matrix (paragraph 7 below); and

(b) Project details and milestones should be recorded in the ERP system in accordance with the agreed proposal with the client and the signed agreement with client.

Project Approval Authorities

7. Project approval authorities are in accordance with project value as listed in the table below.

Table of Project Approval Authorities

Project Value*	Approved By
Above HK$1,500,000	Executive Director
Up to HK$1,500,000	Branch Director
Up to HK$500,000	General Manager

* Project value refers to the estimated income or estimated cost, whichever is the higher.

Commencement Date

8. The Standard Practice will commence on the date of its promulgation.

Related Guidance Notes, Appendices and Forms

Guidance Notes on Project Management
Appendix A: Project Definition
Appendix B: Table of Credit Note Approval Authorities.
Appendix C: Table of Timesheet Approval Authorities.
Certificate of Project Completion (CPC) Template

Chap 2_e(vii)

Issued by: Executive Director Issued to: All Staff Member

Guidance Notes on Project Management

Classification of Project Type

1. HKPC has a duty to report on the kinds of activity it engaged and so project is classified according to its nature. Project has to be set up according to its Type, or Business Area, in ERP system.

2. Definitions and details reference on Business Areas are listed in Appendix A ("Project Definition") of this Guidance Notes.

Project Approval Authority

3. For each project, there are only one Project Manager (PM) and maximum two Deputy Project Managers (DPM). PM has responsibility on the project management and maintenance of project information in ERP. PM and DPM must be **grade 4** or above. If a project involves more than one unit, there should have one PM and not more than 2 DPMs in each unit.

4. Before releasing the project proposal to client, PM is required to upload and input the following to ERP:
   (a) Enter the preliminary project financial information into the quotation summary with management approval (as per Project Approval Authority)
   (b) attach a draft project proposal

   FPD will validate the above information in ERP.

5. If the client accepts the proposal, PM is required to upload and input the following to ERP:
   (a) Signed Agreement and other relevant documents
   (b) Project details (Work Breakdown Structure and Easy Cost Planning)
   (c) Billing Schedule (Billing Plan and Billing Request)
   (d) Staff Cost and Other Cost projected to end of project (Period Split)
   (e) Manpower planning (Capacity Planning and Personnel Assignment)

   Then PM should submit the project to management for acceptance and FPD validation in

ERP.

6. For Low Value project with value up to HK$100,000 and project duration not exceeding 3 months, the project could be approved and accepted in one step with simplified project information:
   (a) Project details (Work Breakdown Structure and Easy Cost Planning)
   (b) Billing Schedule (Default at the beginning of the project)
   (c) Manpower planning (Personnel Assignment only)

   Then PM should upload signed agreement and submit the project to GM for acceptance and FPD validation in ERP.

7. If the project is cancelled (due to error or create by mistake), PM should seek GM approval to update the project status in ERP.

   If the project is rejected by client, PM should obtain approval from management per Table of Project Approval Authorities with justifications and seek GM to update the project status in ERP.

Billing plan and payment terms

8. Once billing plan is confirmed on project acceptance, PM cannot change the billing schedule in ERP without GM approval. Should the billing schedule be revised, either in billing amount or postpone in billing date, PM should provide supporting document in ERP to justify the revision with approval from GM. FPD will then validate the billing schedule in ERP accordingly.

9. Exception to paragraph 8 above is allowed for amendment in billing plan:
   (a) GA and CB type project, for internal monthly income recognition
   (b) Billing for Patent / Trademark application
   (c) CG, SA, SB, SC, and TA type project.

10. Invoice will be sent to client by FPD as per billing plan. Credit note can only be issued upon request from PM with justification and approval from management per Appendix B.

11. Payment terms and payment schedule must be included in the project plan in ERP. Deposit payment is required as per SP F1 (Deposit/Payment).

Project costs

12. For staff cost, PM applies standard staff cost rate as per Standard Practice (SP) F7 (Pricing) on estimated working hours for the staff.

13. Staff needs to fill out timesheet and submit to GM for approval. Timesheet submission and GM approval should be done at least once a week during the month and before weekly cut-off day. Timesheet submission and GM approval should be done no later than the last day of the calendar month.

14. For Out of pocket project expenses such as travelling cost, this should be complied with SP A5 (Official Expenses).

15. As part of project opening validation, PM should declare on whereby assets purchased for a project will remain with HKPC and become HKPC's own fixed asset during or at the end of the project.

Amendment of project plan, budget, and project end date extension

16. PM and project members should execute the project as per project plan. If there is any foreseeable deviation, the project plan in ERP should be amended.

17. Project fee should be amended in ERP if the project scope is increased due to additional jobs.

18. If the actual outlay booked is more than the project budget, no further purchase requisition or purchase order can be processed. PM should provide justification and revise the project budget in ERP accordingly. In case the revision of the project budget will exceed 20% in each category at WBS Level (or as per the respective Government Funding Guideline, which may allow for a higher percentage) of the original budget, or result in higher total Project Cost, PM should obtain management approval per Table of Project Approval Authorities (except for cross unit budget transfer under the same line item).

19. If the estimated end date of the project is required to be extended, PM should obtain management approval per Table of Project Approval Authorities with justification and client's consent to the extension of the project end date. Relevant supportive document should be attached to ERP.

20. Percentage Of Completion (POC%) indicates the portion of work completed. It is calculated automatically in ERP based on actual total cost incurred against estimated total cost of the project. The information is used for the calculation of deferred income.

Project completion

21. CDD coordinates with PM to issue a Project Satisfaction Poll and record the feedback in ERP as per Standard Practice G9 PSP.

22. As soon as the deliverables are performed, all other outstanding items such as outstanding purchase order and staff claim should be cleared and the project should be completed in ERP within 3 months (except for government department clients, which is within 6 months; for government funding scheme projects, within 12 months respectively.)

23. PM should analyze and report income and cost variances during project execution. Post project review report should be prepared and uploaded to ERP if, the income or total cost variance is more than 5% or above HKD10,000 against budget, whichever is higher; or actual recovery is below 100%.

24. Upon project completion, PM should declare on whereby assets# purchased for a project will be delivered to client or remained at HKPC.

    #Assets include fixed assets (defined under SP A06/01) and low-value moveable items (defined under SP A06/05).

    PM should transfer assets declared in paragraph 15, or fixed assets come into existence incidental to project execution, to HKPC's own fixed asset pool upon project completion.

25. PM should attach a "Certificate of Project Completion" (CPC) confirmed and signed by client in ERP upon project completion. CPC should be obtained before the final billing as per the Agreement (except final billing will be issued before final project deliverables per Agreement). The CPC is not required in the following circumstances:

    (a) Project value not exceeding HK$50,000
    (b) Government Funded Project (e.g. GA, CB type and BUD project)
    (c) Projects from Hong Kong Government Departments
    (d) Project under PAG Scheme
    (e) Multi-client project (SA and TC)
    (f) Internal projects (IA, IB and IC)

(g) In-Class Training (e.g. TA type)
(h) Projects from WFOEs

26. When all outstanding items are cleared, PM submits the project for completion to management for approval per Table of Project Approval Authorities. Then FPD validates the project completion process.

Project termination

27. Project termination is defined as any on-going project being terminated by either the client or HKPC before its completion.

28. PM submits justification for termination request and management approves as per Table of Project Approval Authorities.

Value-added Content Consideration

29. HKPC provides value-added services to its clients through direct consulting services instead of by trading equipment and/or subcontracting its services to third parties. To maintain a reasonable level of staff contribution in each project, the staff cost assigned to a project should be no less than 30% of the total project cost.

30. Government Funded projects (GA, CB), Study Mission (TC) and Patent projects are exempted due to their inherent high third-party costs.

31. If the above requirement is not met, approval is required as per table of project approval authorities. The following factors may be considered before granting approval-

(i) to secure business from a new client;
(ii) the project concerned is considered a stepping stone to more consultancy projects;
(iii) the overall risks and opportunities trade-off to HKPC; and
(iv) any other valid justification.

Project Risk Assessment and Contingency Expense

32. As a prudent risk management measure, divisions should, if circumstances warrant, include contingency expenses within their project cost estimation to protect HKPC from any

unnecessary exposure to financial loss. In so doing, divisions should take into account the following factors-

(i) the special nature of the product, for example, whether the project involves unpredictable level of novelty; whether HKPC has little or no prior exposure in such projects, etc.;

(ii) the scale of the project, for example, whether the overall project sum is of an inordinate scale and therefore certain margin of errors should be allowed;

(iii) the complexity of the project, for example, whether the project is highly complex whereby the satisfactory delivery of the project is beyond the control of HKPC (such as involving many different business partners and stakeholders);

(iv) the duration of the project, for example, whether the project lasts over an extended period of time; and/or

(v) other miscellaneous factors such as staff cost increment, fluctuation in inflation rate, currency exchange rate; or any other regional or global financial situation that poses unpredictable financial risks.

33. Should the risk factors determining the contingency expense do not eventuate at the end of the project, the contingency portion would be retained by HKPC for future development need.

34. PM should explicitly provide a statement at the inception of a project that he/she has assessed any expected risk, either financial or non-financial in nature, in engaging the project, and that measure, if applicable, has been built into the project to deal with the expected risk.

35. The level of contingency expenses should under no circumstances exceed 15% of the overall project cost.

Report to the Business Development Committee (BDC) of Council on projects funded by the Innovation and Technology Fund (ITF)

36. For completed ITF projects, except those with project funding below $1M each, a final performance review with detailed assessment of the impact created by individual projects should be conducted within one year after project completion for submission to the BDC of

Council. This applies to ITF projects with HKPC as applicant/ co-applicant/ implementing organization. The review should cover target achievements, industry response and new service opportunities for HKPC.

Enquiry: Manager, Management Accounting (ext. 5875)

Issued to: All Staff Member

Reviewed by: **Chief Financial Officer**;

Issue Date : 1 April 2019

Appendix A

Project Definition

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
CA	Consultancy - Advisory Service	Project relied on the domain knowledge of consultant(s) to provide professional help and advice to the client	- Project master plan preparation - Consultancy team formation - Onsite visit / Client interview - Information collection / Fact finding - Situation analysis / Problem diagnosis - Improvement areas identification - Advice / Solution recommendation - Consultancy report submission / Presentation to client	Subject expert / Consultancy team	Charged by fixed amount as per agreement
CB	Consultancy - Government Funding (Implementation Agent/Service Provider)	Project sponsored by government funding scheme in which HKPC is responsible for implementing the scheme or providing the service	- Project master plan preparation as per the schedule commitment in funding proposal - Financial accounting arrangement - Project team and committee formation (usually with representatives from external parties) - Equipment / Product / Service procurement - Vendor / Subcontractor management - Project task execution and delivery	- Project manager / Coordinator - Project team - Committee member	Charged by fixed amount as per agreement

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
			- Project committee meeting / Progress review meeting / report - Deliverables submission / propagation - Final report compilation - Project closing and audit -		
CC	Consultancy - Secretariat Service	Project relied on a service team to handle secretarial, clerical, administrative affairs for the client (usually a trade association or Government funding scheme); sometimes provide event management service as well	- Secretariat / Service team formation - Hotline / Enquiry support - Correspondence handling - Meeting (such as ExCo meeting and AGM) scheduling, facilitation, and support - Documentation and filing - Membership registration and support - Bookkeeping and basic accounting support (such as petty cash and cheque payment) - Regular event (such as annual dinner) planning and execution - Additional event (such as seminar) management and support	- Secretariat / Service team	Charged by basic annual / monthly service fee, plus extra charge on optional service
CD	Consultancy - Development /	Project relied on a technical team to design	- Overall planning and scheduling - Technical team formation	- Project manager - Technical team	Charged by fixed amount as per

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
	Implementation/ Turnkey Engineering Service	and/or develop a product / component / system and/or install / implement the deliverables for the client	- Requirement collection and analysis - Technical design / prototyping / machining / small batch production - System and feature customization - Vendor / Subcontractor engagement - Development and testing / fine tuning - Deliverables Implementation / Installation - Post-implementation review		agreement
CE	Consultancy – Award	Project relied on a service team to organize an award / competition	- Award programme design and planning - Judging and nomination criteria - Judges / Assessors invitation - Sponsors / Supporting organization engagement - Promotion and Entry recruitment - Assessment / Judging process - Trophy preparation and award booklet - Award ceremony and publicity - Post-programme evaluation	- Programme manager / Coordinator - Award secretariat - Assessment team	Charged by organizing fee (paid by award organizer) / sponsorship fee
CF	Training – In-Company Programme	Training programme for a particular company aiming to delivering	- Training requirement confirmation - Training venue / equipment booking and setup	- Programme / Course coordinator	Charged by fixed amount as per agreement

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
		knowledge / skill to employees	- Trainer engagement / Training team formation - Training programme / course design and material compilation - Training programme / course execution - Post-training evaluation	- Trainer / Training team - Logistics support staff	
CG	Consultancy – Professional Manufacturing Supporting Service	Project providing multiple testing / machining / professional supporting services with consultancy advisory to a client	- Service scope and schedule confirmation - Service team formation / booking - Design, engineering and precision fabrication - Laboratory / Equipment booking and setup - Service provision and delivery - Post-service evaluation - Deliveries include analysis report / consultancy advice	- Service team - Laboratory assistant	Charged by service fee or fixed amount as per agreement
IA	Internal Corporate Research and Development Project	Project initiated by a division regarding product / service development and project work, and approved by	- Project scoping and planning - Project team formation - Project task execution and progress monitoring - Deliverables submission / propagation	- Team members within the same division	Internal income from Corporate to the division who executed the project

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
	(i.e., CRD project)	top Management with funding under the Corporate budget	- Project closing and evaluation		
IB	Internal Project - Divisional Development, Maintenance and Support	Project initiated by a division regarding internal development, maintenance / support and project work undertaken by the same division	- Project scoping and planning - Project team formation - Project task execution and progress monitoring - Deliverables submission / propagation - Project closing and evaluation	- Team members within the same division	No project fee. Logging of internal labor hours only
IC	In-house Project - Inter Divisional Consultancy and Maintenance Service	Project initiated within HKPC and implemented by more than one divisions	- Project scoping and planning - Project team formation - Project task execution and progress monitoring - Deliverables submission / propagation - Project closing and evaluation	- Team members from the division who executed the project	Internal income transferred to the division who executed the project
GA	Government Funding - Applicant	Project sponsored by government funding scheme in which HKPC is either the applicant or co-applicant	- Project master plan preparation - Financial account arrangement - Project team and committee formation (including external parties, if needed) - Equipment / Product / Service	- Project manager / Coordinator - Project team - Committee member	Charged by actual manpower consumption as per project milestone

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
			procurement - Vendor / Subcontractor management - Project task execution and delivery - Project committee meeting / Progress review meeting / report - Deliverables submission / propagation - Final report compilation - Project closing and audit -		
MA	Miscellaneous	Project not belong to any of the above nature			
SA	Professional Manufacturing Supporting Service (without Consultancy Element)	Project providing testing / machining / professional supporting services to a client or multiple clients	- Service scope and schedule confirmation - Service team formation / booking - Laboratory / Equipment booking and setup - Service provision and delivery - Post-service evaluation	- Service team - Laboratory assistant	Entire Amount Booked As Income
SB	Exhibition	Programme designed with physical display booth for exhibitors (such as vendors /	- Programme theme, design and planning - Venue booking and decoration design - Floor plan and display booth design - VIP invitation and sponsor engagement	- Programme manager / Coordinator - On-stage official	Charged by exhibitor fee / sponsorship fee / entrance fee

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
		solution providers) to promote / demonstrate their products / services / messages to public / targeted participants	- Visitor promotion and exhibitor recruitment - Display booth setup and contractor coordination - Opening ceremony and media coverage - Move-in, registration and onsite logistics - Concurrent events - Post-programme evaluation	- Onsite logistics support staff	
SC	Publication	Project aiming to producing publications, in print or electronic format, as a major deliverable	- Conceptual design and planning - Editorial team formation - Writer and/or Interviewee identification and invitation - Interview, write-up proofreading and editing - Photo-shooting and processing - Production house engagement, coordination and management - Page layout and artwork design - Production and printing - Sales and circulation	- Editor in chief - Editor and/or Reporter - Designer - Production team - Marketing & circulation team	Charged by production fee / charges per copy
TA	Training – In-Class	Training programme for public aiming to	- Training venue / equipment booking and setup	- Programme / Course	Charged by tuition fee per head

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
	Programme	delivering knowledge / skill to participants	- Trainer engagement / Training team formation - Training programme / course design and material compilation - Training programme / course promotion and recruitment - Training programme / course execution - Post-training evaluation	coordinator - Trainer / Training team - Logistics support staff -	
TB	Conference	Programme presented by one or more subject experts to share their knowledge / skill / messages to public / targeted participants	- Programme theme, design and planning - Venue booking and decoration design - VIP invitation - Speaker and/or Sponsor engagement - Rundown design and confirmation - Promotion and attendee recruitment - Opening ceremony and media coverage - Registration and onsite logistics - Post-programme evaluation -	- Programme manager / Coordinator - On-stage official - MC - Speaker - Onsite logistics support staff -	Charged by sponsorship fee / conference fee
TC	Study Mission/ Overseas Training	Programme designed for participants to go outside of Hong Kong to have onsite exposure and experience to	- Programme design and itinerary planning - Site visit negotiation and arrangement - Travelling & Accommodation arrangement	- Programme manager / Coordinator - Guide - Supporting staff	Charged by trip fee per head

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
		diverse technological / business practices	- Promotion and delegate recruitment - Trip guidance, coordination and support - Post-programme evaluation		

Note: Income recognition is covered by Hong Kong Financial Reporting Standard 15 and Accounting Standard 20.

Appendix B

Table of Credit Note Approval Authorities

Credit Note Value	Approved By
Above HK$100,000	Branch Director & CFO
Up to HK$100,000	General Manager & CFO

Appendix C

Table of Timesheet Approval Authorities

Staff	Approved by
General Manager	Branch Director
Principal Consultant and Below	General Manager

CERTIFICATE OF PROJECT COMPLETION

Purpose: To ensure that the requirements and expectations of the Deliverables are met, approved and accepted. This form shall be used at the end of completion for the whole Project when all Deliverables are submitted, delivered or handed over to the Client.

Project Title	
Project Code	
Client	
Deliverables	

TO BE COMPLETED BY CLIENT

Date of Completion	

We certify and confirm that all the above Deliverables have been (i) duly delivered by HKPC in compliance with project requirements; and (ii) accepted by us to our satisfaction.

Accepted & Signed Off By	
Client's Authorized Representative	Signature
	Name :
	Title :
	Date :

PREPARED BY

HKPC Officer-in-charge	Signature
	Name :
	Title :
	Date :

AF569 (06/2016)

Chap 2_h

From: Vivian LIN < @hkpc.org>
Sent: Thursday, 26 September 2019 6:41 PM
To: EVERYONE < @hkpc.org>
Subject: More about HKPC Concessions for SMEs and Startups



Dear colleagues,

As per Executive Director's 16 September announcement, HKPC will offer four immediate concessions to help industries overcome the rough economic situation, which include a 30% price concession to SMEs and startups on the list price of labour portion for consultancy services (excluding those under government funding schemes, or assignments deliver outside Hong Kong) and testing services; as well as venue charge rate till end-March 2020.

Please take note of the following rules when carrying out the concession offers:

- For all the new consultancy services, testing services and venue rental during this period, please enquire your client on whether it is an SME[(1)], or a startup company[(2)];
- If the client confirms that it is an SME or startup company, please prepare your quotations based on the C30 labour rates;
- Please note that you must offer the concessions to your client if it qualifies as an SME or a startup company;
- Please state in the Agreement or service confirmation form that the service fee is based on a concession labour rate for SME or starup company.

Note:
(1) SME shall be identified as an enterprise which is validly registered in Hong Kong under the Business Registration Ordinance (Chapter 310) and fulfills the Government's definition of the SME, as follows, (i) a manufacturing business which employs fewer than 100 persons in Hong Kong; or (ii) a non-manufacturing business which employs fewer than 50 persons in Hong Kong; and not belonging to a publicly listed company or itself is not a public listed company, local or outside Hong Kong.
(2) Startup company is a company registered in Hong Kong with less than two years of incorporation and not being a listed company or belonging to a publicly listed company, local or outside Hong Kong. The size of a startup company should be within the definition of an SME.

For the consultancy service with price concession, please insert the following statement under the consultancy fee in the Schedule I of the Consultancy Agreement when signed by the client:

"By signing this Agreement, the Client declares that it is a small and medium-sized enterprise ("SME")* or startup company. If such declaration is found to be untrue and incorrect, the Client acknowledges and agrees that the Council reserves the right to (a) withdraw any fee concession granted to the Client and (b) charge back the full price at the ordinary and standard rate.**

Note:
SME shall be identified as an enterprise which is validly registered in Hong Kong under the Business Registration Ordinance (Chapter 310) and fulfills the Government's definition of the SME, as follows, (i) a manufacturing business which employs fewer than 100 persons in Hong Kong; or (ii) a non-manufacturing business which employs fewer than 50 persons in Hong Kong; and not belonging to a publicly listed company or itself is not a public listed company, local or outside Hong Kong.
***** Startup company is a company registered in Hong Kong with less than two years of incorporation and not being a listed company or belonging to a publicly listed company, local or outside Hong Kong. The size of a startup company should be within the definition of an SME."***

For the testing service and venue rental with price concession, please insert the following declaration in the service request or confirmation form when signed by the client:

"I declare that all information provided in this Form is, to the best of my knowledge, true, accurate and complete. If the declaration claiming as an SME* or a startup company is found to be false or inaccurate, HKPC reserves the right to withdraw any price concession granted to your company and charge back the full price at the ordinary and standard rate.**

Note:
SME shall be identified as an enterprise which is validly registered in Hong Kong under the Business Registration Ordinance (Chapter 310) and fulfills the Government's definition of the SME, as follows, (i) a manufacturing business which employs fewer than 100 persons in Hong Kong; or (ii) a non-manufacturing business which employs fewer than 50 persons in Hong Kong; and not belonging to a publicly listed company or itself is not a public listed company, local or outside Hong Kong.
***** Startup company is a company registered in Hong Kong with less than two years of incorporation and not being a listed company or belonging to a publicly listed company, local or outside Hong Kong. The size of a startup company should be within the definition of an SME."***

Thank you very much for your attention. If there is any question, please speak with your finance business partner or myself.

Best regards,
Vivian

Bi-weekly Directorate Meeting held on 14/6/2016

	Discussion Items	
2.	New Pricing Policy Implementation Update (as of 16/5/2016) (BWDM 16/2016)	
	a. The meeting noted the status of new pricing policy implementation as of 16/5/2016.	
	b. ED drew attention to the 112 projects quoted with 20% concession leading to a VA ratio of 48%, meaning we were subsidizing 52% of the project cost. Whereas the extent of subsidy was only 36% for the 171 projects quoted at list price. With total project expense of the 348 reported projects reaching 44% of project value, which lagged behind the corporate target of 38%, she said that divisions should try their best to charge projects at the list price and control the offer of concessions which should be limited to 20% at most. Concessions beyond 20% should not be granted unless after thorough consideration and supported by good justifications.	GMs
	c. DCS said that with the new pricing policy, divisions should take a fresh look at the financial viability of their services and critically review the criteria for concessions before applying them e.g. the criterion of "development" nature projects. An example in question was trademark service being given a 20% concession on an across-the-board basis.	GMs

Chap 2_k(iv)

In the audits, the common issues in the operation and the improvement noted by the Internal Audit and Risk Management Office ("ARO") from sampling tests included:

Issues	Improvement
a. Service application form not used standard terms and conditions of HKPC e.g. without liability disclaimer clause	the standard service form has been used with standard terms and condition protecting interest of HKPC;
b. Some manufacturing support service ("MSS") application forms not signed by clients	service application forms without signing of the service requesters not noted in follow up of the relevant Divisions;
c. Standard charge rate for MSS not timely updated and seeking approval	annual review and approval of standard service charge of MSS had been properly arranged in the relevant Divisions
d. Exemption for payment term of "Cash on Delivery" to be complied	payment for MSS had been updated as "consideration due on delivery" in Standard Practice
e. Scope of special price for MSS not clearly specified	special price for laboratory testing service had been subsequently approved by management
f. Access control to workshop and testings to be strengthened	regular review and updating of the entry access rights of workshop had been practiced in the relevant Divisions
g. Some MSS projects without labour hours charge	labour hours had been properly charged to MSS projects of the relevant Divisions
h. Machine usage not properly recorded and reported	record machine usage for MSS has been established in the relevant Divisions
i. Calibration of equipment not timely performed	record for controlling timely calibration of equipment has been arranged
j. Chemical in workshop more than allowable quantity / effective usage period of chemical expired	a system has been established to control the proper quantity and quality of the chemical in laboratory
k. Control over spare and empty gas cylinders to be strengthened	
l. Control over clients' mould custodian such as receipt acknowledgement, record keeping, timely return etc. to be strengthened	clients' mould has been properly handled by the relevant Division, e.g. setup of receipt acknowledgement, log etc.

Chap 2_k(v)

List of ICAC Assignment Reports on HKPC's operations from 2012 to 2019

Year	Subject	Extracted from ICAC Assignment Report Scope
2019	Administration of Patent Application Grant	The study examines HKPC's practices and procedures for administering PAG, covering the invitation and processing of applications, conduct of patent search, assignee search and technical assessment, monitoring of grant use, and disbursement of grant. HKPC's interface with ITC in respect of the processing and approval of application and monitoring of grant use is also reviewed.
2018	Provision of Consultancy Services	The study examines HKPC's practices and procedures for the provision of consultancy services, including handling of requests/enquiries for services, charging of consultancy project fee, and monitoring of the project execution. The study also covers the procurement of goods and services undertaken by HKPC for the consultancy projects, including raising purchase requisitions, selecting and inviting suppliers to bid, evaluating quotations/tenders, and placing orders.
2017	Management of Assets	The study examines the procedures and practices adopted by HKPC for asset management, covering the classification, receipt, recording, transfer and disposal of asset items, and stock-taking process. Opportunity is also taken to review HKPC's system in managing spare parts for facility management.
2016	Administration of Testing Services	The study examines HKPC's practices in and procedures for handling testing service requests and quotations on the test fees, handling and registering samples received, conducting tests and recording test data, preparing and issuing test reports, and collecting test fees.
2016	Technology Transfer and Commercialization	This study examines the procedures for and practices adopted by HKPC in commercializing its technologies/technical know-hows (collectively known as technologies) through licensing, covering the sourcing and selection of potential licensees, negotiation of licensing terms and conditions, and monitoring of commercialized technologies.

Chap 2_k(v)

Year	Subject	Extracted from ICAC Assignment Report Scope
2014	Outsourcing of Project Services	The study examines the procedures and practices adopted by HKPC in outsourcing project services, covering budgetary planning and control, initiation of and approval for purchase requisitions, drawing up of specifications, sourcing of service providers, maintenance of categorized lists of suppliers, handling and evaluation of tenders and quotations, administration of contract provisions, monitoring of the service providers' performance, and payment.
2012	Procurement of Goods for Projects	This study examines the procedures and practices adopted by HKPC in the procurement of goods for various types of projects (e.g. external projects for clients, internal research projects and government funded projects), covering sourcing of suppliers, maintenance of approved suppliers list, drawing up of specifications, handling and evaluation of tenders/quotations, receipt of goods and payment. Among the eight operational divisions involved in undertaking projects in 2010/11 and 2011/12, four divisions which procure large sums of project goods, namely the Automotive and Electronics Division, Automation Service Division, Environmental Management Division and IT Industry Development Division are selected for detailed study.

Whistle Blowing Policy
Hong Kong Productivity Council

1. Introduction

The Hong Kong Productivity Council is committed to achieving and maintaining the highest standards of openness, probity, accountability and fair play. The Council endeavours to maintain a high standard of corporate governance and put in place pertinent systems and measures to sustain employees' vigilance to corporate governance at all time. Employees at all levels are expected to conduct themselves with professionalism, integrity, impartiality and honesty. It is every employee's responsibility and in all interest of the Council to ensure that any undue behaviour that compromise the interest of the stakeholders, business partners, customers and the general public does not occur.

2. Purpose

The Council has established procedures for handling staff members' reports on irregularities found at work, such being considered unauthorised or unacceptable under the prevailing rules, guidelines and policies of the Council. The purpose of the Whistle Blowing Policy is to provide the wider public with reporting channels and guidance on whistleblowing. The term "whistleblowing" refers to a situation where a person decides to report serious concerns about any suspected irregularity, misconduct or malpractice which he/she has become aware of or genuinely suspects that any members of staff of the Council have been or may become involved in. It is not designed to further any personal disputes, question any business decisions taken by the Council nor should it be used to reconsider any issues which have already been addressed under the Council's policies and procedures.

3. Confidentiality

Persons making complaints under this policy are assured of strict confidence where only the persons who are designated to handle the complaint or have a need to know to have access to the complaint particulars.

4. Procedure

A. Reporting Channel

Persons who have a legitimate concern about irregularity, misconduct or malpractice of the Council or any staff member may raise the matter directly to the Audit Committee (AC) Chairman of the Council. The AC Chairman will review the complaint and decide how it

should be addressed. Depending on the circumstances, the AC Chairman may consider nominating an appropriate investigating officer such as a Council member, the Executive Director or a Director of the Council or set up a special committee to investigate into the matter independently.

B. Reporting Format and Supporting Documentation

Complaints should be made in writing. While the Council does not expect the person to have absolute proof or evidence of the irregularities, misconducts or malpractices, the disclosures should show reasons for the concerns and full disclosure of any relevant details and supporting documentation.

The complaint should be sent to the Audit Committee Chairman, c/o Executive Director's Office, 2/F, HKPC Building, 78 Tat Chee Avenue, Kowloon, Hong Kong in a sealed envelope clearly marked "Strictly Private and Confidential – to be opened by Addressee Only" to ensure confidentiality, or through email to: whistleblowing@hkpc.org.

Only the person who is designated by the AC Chairman will have access to such email or correspondence.

Complainants are required to put their name to any reports they make. Anonymous complaints are usually not entertained.

C. Investigation Procedure

The AC Chairman or the person designated to investigate the complaint will write to the complainant whenever reasonably practicable to:

- acknowledge that the concern has been received;
- advise whether or not the matter is to be investigated further and if so what the nature of the investigation will be; and
- give an estimate of how long the investigation will take to provide a final response.

The AC Chairman may in some instances refer the matter together with the relevant information to the authorities for follow-up where he considers fit.

Hong Kong Productivity Council

Audit Commission 2019 Review
Chapter 2 - Provision of consultancy, research and development and training services

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
1	2.7	**Number of consultancy projects** when there is a change in the definition of a performance indicator: (i) review the performance target to ascertain whether a corresponding revision is necessary; (ii) inform ITC and the Council of the change and the justifications for the change; and (iii) disclose the effect of the change on achievement of KPI target in the annual review report submitted to Commissioner for Innovation and Technology (CIT) and the Council.	(i) will review the performance target to ascertain whether a corresponding revision is necessary and document clearly the reasons for changing the definition of consultancy projects or any other KPIs in the future. (ii) when a change in definition would affect the performance of KPIs, HKPC should inform ITC and the Council of the change and the impact. (iii) will disclose the effect of the change on achievement of KPI target in the annual review report submitted to Commissioner for Innovation and Technology (CIT) and the Council.	Completed. As stated in the Business Development Committee's paper "2020-21 Targets for Key Performance Indicators (KPIs)", the proposed 2020-21 targets for the KPI, "Number of consultancy projects accepted", has included "the number of professional manufacturing support projects with consultancy elements and over HK$5,000 in project value" for the discussion in the Business Development Committee meeting held on 15 November 2019. At the Finance Committee meeting held on 15 November 2019, the number of professional manufacturing support projects with consultancy elements and over HK$5,000 in project value accepted was disclosed for reporting the actual performance for the KPI, "Number of consultancy projects accepted", for the first half of 2019-20.

2	2.11	**Consultancy projects outside Hong Kong** document the justifications for failing to recover all costs incurred for consultancy projects outside Hong Kong, and take measures to ensure that the minimum rate charged for productivity related assignments elsewhere than in Hong Kong is sufficient to recover all costs incurred as stipulated by the HKPC Ordinance.	Remind staff to monitor project cost closely to ensure full cost recovery of projects and to document the justifications for failing to recover all costs incurred for consultancy projects outside Hong Kong. Will remind staff to ensure that the minimum rate charged for productivity related assignments elsewhere than in Hong Kong is sufficient to recover all costs incurred as stipulated by the HKPC Ordinance.	Completed. At the seven special Division Meetings with the Divisions involved in the operation of project management held on 28 November and 5 December 2019, all staff had been informed of details of the issue and reminded to follow the requirement of: - documenting the justifications for failing to recover all costs incurred for consultancy projects outside Hong Kong; and - ensuring that the minimum rate charged for productivity related assignments elsewhere than in Hong Kong is sufficient to recover all costs incurred as stipulated by the HKPC Ordinance. Since December 2019, a cost recovery alert report which listing out cost details of all in-progress projects of a Division has been sent to the General Manager of the Division for reviewing and controlling the cost recovery status.

3	2.17	**Guidelines on fee concessions** promulgate guidelines on the basis of determining fee concession rate for each project to ensure that concessions are appropriately offered to clients on a consistent basis.	Need to state the criteria and the requirements for applying the concession in a more precise fashion in the Standard Practice.	In progress and to be completed in 6 months.
4	2.20	**Project Delays** ascertain the reasons why a considerable proportion of consultancy projects experienced delay and take appropriate measures to ensure that consultancy projects are completed in a timely manner.	All project delays to be reported to Directorate Office on a monthly basis with justifications.	Completed. At the seven special Division Meetings with the Divisions involved in the operation of project management held on 28 November and 5 December 2019, all staff had been informed of details of the issue and reminded to follow the requirement of ascertaining the reasons why a considerable proportion of consultancy projects experienced delay and take appropriate measures to ensure that consultancy projects are completed in a timely manner. Since September 2018, a report called "Delayed Project List" listing out details of progress of all delayed in-progress projects of a Division would be sent to the General Manager of the Division for reviewing and controlling the execution status.

				The practice of weekly review and approval by Executive Director of requests of project extension approved since July 2018 will be continued.
5	2.21	**<u>Cost Recovery</u>** take appropriate measures to ensure that consultancy projects are completed with full cost recovered in accordance with HKPC Standard Practices; for projects which are accepted despite the fact that full-cost recovery is not expected, ensure that they are fully justified with the justifications properly documented.	Will remind staff to ensure that consultancy projects are completed with full cost recovered in accordance with the HKPC Standard Practices. Will remind staff to document justification for accepting those projects for which full-cost recovery is not expected.	Completed. At the seven special Division Meetings with the Divisions involved in the operation of project management held on 28 November and 5 December 2019, all staff had been informed of details of the issue and reminded - to take appropriate measures to ensure that consultancy projects are completed with full cost recovered as stated in clause 3 of the Standard Practice F7 "Pricing Policy". - to provide justification upon seeking approval of project with budget not achieving full-cost recovery. Since December 2019, a cost recovery alert report which listing out cost details of all in-progress projects of a Division has been sent to the General Manager of the Division for reviewing and controlling the cost recovery status.

6	2.24	**Cost incurred for terminated projects** take measures to ensure that costs incurred for terminated projects are fully reimbursed by clients according to the project agreements; and for terminated projects where the waiver of the requirement on the clients to reimburse HKPC for the costs incurred is justified, ensure that the justifications and the approval for granting the waiver are properly documented.	Remind the staff to request clients to reimburse cost incurred and seek management's written approval for exception.	Completed. At the seven special Division Meetings with the Divisions involved in the operation of project management held on 28 November and 5 December 2019, all staff had been informed of details of the issue and reminded to request clients to reimburse cost incurred and seek approval for exception in case of project termination as stated in clause 28 of the Standard Practice F3 "Project Management". Since December 2019, a cost recovery alert report which listing out cost details of all in-progress projects of a Division, including the projects to be terminated, has been sent to the General Manager of the Division for reviewing and controlling the cost recovery status.
7	2.32 2.35	**AED Workshop Case** review manufacturing support projects to identify services provided that were not billed, and tighten controls on services provided for manufacturing support projects to ensure that all service fees are collected; Audit *recommends* that the Commissioner for Innovation and Technology should in connection	Review all manufacturing support projects with a view to ensuring that all services provided in the past were paid for and take measures to ensure that in future, all service fees are collected. Agree. ITC will consider taking appropriate follow-up actions on the sponsorship issue identified by HKPC.	In progress and to be completed in 6 months.

		with the reviews of manufacturing support projects by HKPC, consider whether ITC should take appropriate follow-up actions on the sponsorship issue identified by HKPC.		
8	2.42	**Inno Space Income** step up efforts to ensure the sustainable operation of Inno Space on a self-recovery basis.	HKPC will continue to review the operation of Inno Space with a view to increasing the income to ensure its sustainable operation.	In progress and to be completed in 6 months.
9	2.44	**Booking system for equipment of Inno Space** take measures to improve the booking system of the equipment of Inno Space.	Additional procedures with system enhancement will be put in place to enhance current booking system procedures and records.	In progress and to be completed in 6 months.
10	2.45	**Utilisation of Inno Space Equipment** take measures to promote the utilisation of the equipment of Inno Space.	Promote usage of equipment of Inno Space to members through different channels e.g. STEM educational activities to schools.	Completed. Inno Space has developed a 2020 event plan to promote the usage of equipment from Inno Space via different channels. Inno Space has organised a series of promotional initiatives, including STEM educational activities to encourage students comprehending the use of laser cutting machine and 3D printing machine since July 2019. Besides, Inno Space launched a STEM package to local schools in September 2019 and some schools have already started some on-boarding sessions; and organised STEM-related public events

				such as "STEM for Happier Community Day" providing machine trainings for university students on 9 November 2019. Inno Space has collaborated with tertiary institutions and universities which encourage their students to use equipment of Inno Space. For example, HKU Space students will make use of Inno Space's laser cutting machine for completing their assignments.
11 12	3.4 a & 3.4 b	**<u>Number of R&D Projects / Classification of projects</u>** issue clear guidelines on the classification of projects into consultancy projects and R&D projects and on the counting of projects for performance measurement against targets, including making disclosures on projects counted against both the targets for consultancy projects and R&D projects.	Will issue clear guidelines on the classification of projects into consultancy projects and R&D projects and on the counting of projects for performance measurement against targets, including making disclosures on projects counted against both the targets for consultancy projects and R&D projects.	In progress and to be completed in 6 months.
13	3.8	**<u>On-going R&D projects as KPI</u>** examine the suitability of using the number of on-going projects as a KPI.	Will examine the issue and report to ITC.	In progress and to be completed in 6 months.
14	3.9	**<u>Project Delay</u>** take measures to ensure that R&D projects are completed in a timely manner, including completion of R&D deliverables and reporting	Since July 2018, all project delay requests require ED's approval with justifications in special weekly meetings.	Completed. At the seven special Division Meetings with the Divisions involved in the

		requirements.	Continue to monitor closely project progress.	operation of R&D projects held on 28 November and 5 December 2019, all staff had been informed of details of the issue and reminded to take appropriate measures to ensure that R&D projects are completed in a timely manner. Since September 2018, a report called "Delayed Project List" listing out details of progress of all in-progress projects of a Division will be send to the General Manager of the Division for reviewing and controlling the execution status. The practice of weekly review and approval by Executive Director of requests of project extension approved since July 2018 will be continued.
15	3.12	**Project reports submission** take measures to ensure that Progress Reports and Final Reports of ITF funded R&D projects are submitted to ITC in a timely manner.	Monitor closely the submission of project progress and final reports. Prepare monthly reports on late submission of reports and check the justifications provided.	Completed. At the six special Division Meetings with the Divisions involved in the operation of government funded projects held on 28 November and 2 December 2019, all staff had been informed of details of the issue and reminded to monitor closely to ensure that Progress Reports and Final Reports of ITF funded R&D projects are submitted to ITC in a timely manner.

				Since December 2019, status reports on project report submission updated by responsible divisions has been reviewed by General Managers and the results has been monthly reported to Branch Directors and Executive Director at the Morning Prayer Meeting.
16	3.19	**Targets were exceeded by Significant Margins** review whether the targets for commercialisation of new products or technologies are realistic and challenging for effective performance management purpose.	Will examine the issue with ITC.	Completed. As stated in the Business Development Committee's paper "2020-21 Targets for Key Performance Indicators (KPIs)", the 2020-21 KPI targets had been reviewed with an increase of 36% and 5% on "no. of patents" and "no. of technologies commercialized" respectively and reported to the Business Development Committee at its meeting held on 15 November 2019.
17	3.21	**KPI for Commercialisation of R&D Results** explore the desirability of setting two separate KPIs on the number of patents awarded and the number of licence or royalty agreements entered.	Will examine the issue with ITC.	In progress and to be completed in 6 months.
18	3.23 a	**Commercialised products / technologies developed from R&D projects or from projects** consider the merits of reporting the commercialisation of products or technologies	To accurately reflect the R&D efforts and commercialisation results generated, HKPC will create internal projects to record divisional level R&D projects, so that	In progress and to be completed in 6 months.

		developed from R&D projects and other projects separately with a view to enhancing transparency.	commercialisation of products/technologies developed from these divisional level R&D projects could be included for reporting.	
19	3.23 b	**Basis of counting number of products or technologies commercialised** disclose both the number of products/technologies commercialised and the number of clients to which products / technologies were sold during the year in the annual review report submitted to CIT and the Council.	Will examine the issue with ITC.	Completed. As stated in the Finance Committee's paper "Financial Performance of HKPC for the First Two Quarters of 2019-20 (April – September 2019)", the actual performance for the first half of 2019-20 was disclosed with the number of technology commercialised and number of clients involved and reported to the Finance Committee at its meeting held on 15 November 2019. The practice will be continued for all future reporting of the KPI.
20	3.26	**Number of patents commercialised** endeavour to increase the number of licence/royalty agreements.	Step up the marketing of relevant and market-ready HKPC's patents in HK and Greater Bay Area.	Completed. HKPC will organise seminar on marketing of technologies for commercialisation on a quarterly basis. A seminar on marketing of technologies for commercialisation, "HKPC TechDive 科技商品化系列: 汽車及零部件", was held on 19 December 2019 which was also webcasted at the Shenzhen office

				for marketing in the Greater Bay Area.
21	4.6	**Training KPI** step up efforts to enhance the performance of training programmes, in particular, the income from public training programmes.	In 2019-20, HKPC established a new strategic model with a new management team with the aim to improve the performance of training programmes. Staff responsible for training programmes have enhanced communication with business divisions to ensure that the training programmes provided by HKPC can meet the latest needs of the industry. Continue to execute the enhancement measures and regularly review the effectiveness.	Completed. Enhancement measures included: - A new strategic model on training has been established in April 2019 and practiced since then; - A new management team has been formed in April 2019 to enhance promotion of training courses of HKPC since then; and - Since June 2019, the management team has enhanced communication with business divisions by weekly meetings to capture the latest needs of the industry. Since June 2019, the training performance has been weekly reviewed by the Branch Directors and the Executive Director at the Morning Prayer meeting. The training performance has been improved by 40% as compared with the same period of last year.
22	4.9	**Training Programmes by Division in P&E** organise training programmes according to the estimated number for each programme area set out in the Annual Programme and Estimates as	To review and monitor quarterly the actual activities of training operation according to the approved estimate in the Annual Programme and Estimates.	Completed. A monthly review mechanism has been set up to review and monitor the actual

		far as practicable, and any deviations, if considered justifiable, are properly approved by CIT and the Council.		activities of training operation according to the approved estimate in the Annual Programme and Estimates. The latest review was performed on 18 December 2019 by the Branch Directors and the Executive Director at Morning Prayer meeting.
2 3	4.15	**<u>Enrolment of public training programmes</u>** ascertain the reasons for the low enrolments of some public training programmes and step up efforts to improve their enrolment rates; and take measures to ensure that the estimated enrolment of each proposed public training programme is prepared and included in the proposal.	a. continue to enhance promotion of the training courses to improve enrolment rate. b. include the estimated enrolment number of each proposed public training programme in the proposal. c. provide justifications for courses with a large variant of the actual versus the estimated number of participants.	Completed. After reviewing of low enrolments of some programmes, part of the reason of low enrolment was due to insufficient promotion of training courses. Based on the review, more social media posts of training courses have been launched since June 2019. Besides, the website of HKPC Academy has been revamped in November 2019 to become more mobile friendly for searching and enrolling training courses. The HKPC Academy Guidebook for Organising Public Training Programme has been amended on 11 November 2019 to include the requirement of inclusion of estimated number of enrolment in the programme budget in clause 2.4.3.

				At the five special Division Meetings with the Divisions involved in the operation of training held on 29 November and 2 December 2019, all staff had been informed of details of the issue and reminded to - include the estimated enrolment number of public training programme in the proposal and - provide justifications for courses with large variant of actual versus estimated number of participants as stated in clause 2.4.3 of the HKPC Academy Guidebook for Organising Public Training Programme. Justifications for courses with a large variant of the actual versus the estimated number of participants will be reviewed by project approver as required under clause 23 of Standard Practice F3 "Project Management".
24	4.17 4.18	**<u>Low enrolment of Public Training Programmes</u>** consider their worthwhile before public training programmes with very few expected participants are organised; and **<u>Training Proposals</u>** ensure that full justifications are provided in the	Will document the reasons for launching public training courses with small number of expected participants.	Completed. The HKPC Academy Guidebook for Organising Public Training Programme has been amended on 11 November 2019 to include the requirement of providing justifications for launching

25		proposals for public training programmes with small number of expected participants.		public training courses with expected participants of lower than 10 in a form called "Compliance Checklist for Opening Public Training Project (TA Type)" in clause 2.4.3. At the five special Division Meetings with the Divisions involved in the operation of training held on 29 November and 2 December 2019, all staff had been informed of details of the issue and reminded to provide justifications for launching public training courses with expected participants of lower than 10 as stated in clause 2.4.3 of the HKPC Academy Guidebook for Organizing Public Training Programme.
26	4.22	**Market demand assessments** take measures to ensure that market demand assessments for all new public training programmes are conducted according to the Guidebook, and the details and results of the assessments are included in the proposals.	a. monitor closely the conduct of proper market demand assessment for all new training programmes organised by the Academy. b. update Academy Guidebook accordingly to reflect the requirement that only those courses organised by the Academy requires market demand assessment.	Completed. The HKPC Academy Guidebook for Organizing Public Training Programme has been amended on 11 November 2019 to include the requirement of conducting of market demand for new programmes organized by the Academy in clause 2.1. Since 11 November 2019, a form "Compliance Checklist for Opening

				Public Training Project (TA Type)" has been updated which required staff to complete the market demand assessments and document key details including government policy, client enquiries, feedback from event / association, training insights etc. At a special Division Meeting with the HKPC Academy held on 29 November 2019, staff had been informed of details of the issue and reminded to conduct market demand for new programmes organized by the Academy as stated in clause 2.1 of the HKPC Academy Guidebook for Organizing Public Training Programme.
27	4.24	**Need to Improve Market Demand Assessment** take measures to improve the market demand assessments for new public training programmes.	Will improve the quality of market demand assessment including competitor analysis.	Completed. Since 11 November 2019, a form "Compliance Checklist for Opening Public Training Project (TA Type)" has been updated which required staff to complete the market demand assessments and document key details including government policy, client enquiries, feedback from event / association, training insights etc. Staff was also required to indicate completion of competitor analysis in the

				form. At a special Division Meeting with the HKPC Academy held on 29 November 2019, staff had been informed of details of the issue and reminded to conduct market demand for new programmes organized by the Academy as stated in clause 2.1 of the HKPC Academy Guidebook for Organizing Public Training Programme.
28	4.29	**<u>Programme-end evaluation data in PTA</u>** take measures to ensure that programme-end evaluation data for public training programmes are collected and properly input into the PTA system.	We have reminded divisions that the evaluation data of all public training courses, including those arranged by individual divisions, should be recorded in the PTA system.	Completed. The HKPC Academy Guidebook for Organizing Public Training Programme has been amended on 11 November 2019 to include the requirement of distributing course-end evaluation form for training programme to participants during the last lesson of programme in clause 6.1. Since November 2019, HKPC Academy has assigned an administrative staff to collect course-end evaluation forms completed by participants at the last lesson of training programmes. At the five special Division Meetings with the Divisions involved in the

				operation of training held on 29 November and 2 December 2019, all staff had been informed of details of the issue and reminded to distributing course-end evaluation form for training programme to participants during the last lesson of programme as stated in clause 6.1 of the HKPC Academy Guidebook for Organizing Public Training Programme.
29	4.30	**Corporate training programmes found in the PTA system** issue guidelines to clarify whether evaluation data of corporate training programmes should also be kept in the PTA system for the computation of the overall participants satisfaction index.	To provide guidelines stating clearly that only the public training programme evaluation data is required to be kept in the PTA system for computation of the overall participants satisfaction index.	Completed. At the five special Division Meetings with the Divisions involved in the operation of training held on 29 November and 2 December 2019, all staff had been informed of details of the issue and reminded that only public training programme evaluation data is required to be kept in the PTA system for computation of the overall participants satisfaction index.
30	4.32	**Response rate of programme evaluation forms** take measures to improve the response rate of end-of-programme evaluation forms.	To monitor the response rate and follow-up closely on non-responding participants.	Completed. Since November 2019, HKPC Academy has assigned an administrative staff to collect course-end evaluation forms completed by participants at the last lesson of training programmes.

				At the five special Division Meetings with the Divisions involved in the operation of training held on 29 November and 2 December 2019, all staff had been informed of details of the issue and reminded to collect course-end evaluation forms completed by participants.
31	4.35	**<u>Annual Review of Training Programmes</u>** take measures to ensure that annual reviews of public training programmes are conducted according to the Guidebook.	The original purpose of the Annual Review on a programme by programme basis is to review if certain training programmes should be continued or exited. However, as the market changes more and more rapidly, HKPC has already improved the process by reviewing whether a particular course should be continued or not on a weekly basis by the management. Instead, an Annual review on the strategic areas of training in the coming year will be conducted. This will be carried out in association with all subject divisions such that the focus areas of the training programs to be put in place for the coming year will be consistent with the overall strategic plan of HKPC. a. will revise the Academy Guidebook to reflect the latest training programme review arrangements.	Completed. The HKPC Academy Guidebook for Organising Public Training Programme has been amended on 11 November 2019 to include the requirement of performing annual review on strategic areas of training which will be presented at a Strategic Plan Meeting in clause 7.1. The next annual review has been planned in March 2020. As an annual review, the Head of Academy will meet with training programme managers to review the past programme enrolment numbers, specific feedback from trainers and participants, issues on low enrolment and cancellations, brainstorm the way forward on whether to rerun some successful programmes and develop new programmes based on

			b. will carry out Annual Review with focus on defining the strategic areas of training programs.	demand, as well as defining a clear marketing strategy to promote upcoming programmes. At the five special Division Meetings with the Divisions involved in the operation of training held on 29 November and 2 December 2019, all staff had been informed of details of the issue and reminded to perform annual review on strategic areas of training.
3 2	4.41	**<u>Utilisation Rate of Training Venues</u>** step up efforts to promote the hiring of HKPC training venues by outside organisations; and take effective measures (e.g. improving public awareness of the availability of its training venues, converting the training venues which are surplus to requirement into other gainful uses, etc.) to improve the utilisation of the training venues.	HKPC has taken various measures to improve the overall utilisation rate: a. modernising venue facilities (such as the renovated 4/f HKPC Hall); b. developing an on-line booking system; c. stepping up marketing effort to enhance the utilisation of venues; d. reviewing and putting in place a competitive rate (such as giving a 30% discount on all venue fees for SMEs until the end of March 2020). Will monitor closely the implementation of enhancement measures and venue utilisation rates.	Completed. Efforts to promote the hiring of HKPC training venues by outside organisations have been made on the following: - all works on modernising venue facilities to be completed by end of 2019; - an on-line venue booking system has been launched in October 2019; - improve public awareness by more social media posts since June 2019 and revamp website of HKPC Academy with enhanced photos and information on the venues to facilitate online booking; and - Marketing has been enhanced to engage with associations and

				industry networks since June 2019. Venue utilisation has been reviewed monthly by the Branch Director since September 2019.
33	4.43	**<u>Venue booking system</u>** upload information about venue availability and provide online booking function for the hirers on HKPC's website.	Launch an on-line venue booking system in October 2019.	Completed. An on-line venue booking system has been launched in October 2019. However, information of venue availability is not provided due to booking of HKPC venues requires comply with the booking criteria about nature of event function and types of users as stated in the Standard Practice A16 "Booking criteria of HKPC facilities and review mechanism". In addition, the arrangement of on-line venue availability is not complied with the market practice.

Audit Commission 2019 Review
Chapter 3 - Governance and administrative issues of the Hong Kong Productivity Council

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
1	2.4	**Member Attendance** closely monitor the attendance of members at Council/Committee meetings and step up its efforts to encourage members' attendance of meetings.	a. send out the attendance record together with meeting agenda/papers before meetings, with a note to remind Members of the importance of attending meetings and encourage their attendance; b. offer the option of attendance by teleconferencing if the Member is not physically available for attending the meeting; and c. encourage members who could not attend meetings to provide their views/feedback on the papers in writing prior to the meeting	Completed. Since October 2019, for example in the special Council meeting held on 11 October 2019, measues encouraging Council meetings attendance including (a) sending attendance record of meetings held during the year to Council Members a week before the meeting date, (b) offering the option of attendance by teleconference and (c) inviting Members to provide views/feedback in writing before meetings have been implemented. The practice will be continued for all future Council and Committee meetings.
2	2.6	**Meeting Minutes** encourage members to provide their proposed amendments to the draft minutes of Council/Committee meetings as early as possible and issue the minutes of meetings to members in a timely manner.	a. send reminder to Members 1 week before deadline; and b. issue a further reminder to Members on the day of deadline, stating that the revised draft minutes will be circulated by incorporating comments received on or before the deadline.	Completed. Since October 2019, for example in the special Council meeting held on 11 October 2019, measures encouraging Council Members to provide their proposed amendment including reminders a week before the deadline for commenting on draft minutes and on the day of deadline have been implemented.

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
				The practice will be continued for all future Council and Committee meetings.
3	2.9	**Declaration of Interest** take measures to ensure that Council members submit declaration of interest in a timely manner.	a. issue reminder 7 days before the submission deadline, together with individual follow-up calls, to encourage submission of declaration of interest form as early as possible; b. encourage submission of an electronic copy, to be followed by an original signed copy; and c. send further reminder to Members on the submission deadline to ensure the declaration of interest is returned without further delay.	In-progress and to be completed by next annual declaration of interest in early 2020. At the special Council meeting in October 2019, Council Members noted that further measures will be taken to remind Members to submit declaration of interest in a timely manner. Starting from the next round annual invitation for Members to update their interest records in January 2020, Council Secretariat will issue reminders 7 days prior, as well as on the date of submission deadline. Individual follow-up calls will be made to ensure Members' timeliness. Members who have not submitted their declarations of interests shall not receive meeting papers, in order to avoid conflicts of interest. Council Secretariat will also encourage submission of electronic copy of the declaration form, followed by the original signed copy. In addition, starting from the next round Council meetings, HKPC will table declaration forms for Members who have not returned the forms to sign before commencement of respective meetings.

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
4	2.18	**Service Focus** in collaboration with ITC, review the service focus of HKPC as stated in MAA and revise the MAA on the service focus where necessary.	To review and update the relevant sections of the MAA with ITC.	In progress and to be completed in 6 months. A review on the MAA will be conducted between ITC and HKPC, which will include the Service Focus clause. The parties mutually agree for HKPC to propose revisions to the relevant section by end January 2020 to ITC for review and comment. Hence, the proposed revisions shall be submitted for the Council's consideration in March 2020.
5	2.23	**Performance Targets** ascertain the reasons for failing to achieve the agreed performance targets and provide explanations for such failures to the satisfaction of CIT as stipulated in the MAA.	To set up, in consultation with ITC, a more formal mechanism for submitting the reasons for shortfalls against KPI targets.	In progress and to be completed in six months. HKPC has started to discuss with ITC to establish a more formal mechanism for submitting the reasons for shortfalls against KPI targets to CIT. Relevant arrangements will be incorporated into the future revised MAA for implementation.
6	2.25	**Disclosure of KPI** consider disclosing more KPIs in HKPC Annual Report, particularly the "Core KPIs".	Will review the KPIs to be disclosed in the HKPC Annual Report with a view to disclosing more "Core KPIs".	In progress and to be completed in six months. During the preparation of the annual "Controlling Officer's Reports" (COR), CIT will consult HKPC for input to the contents (including the KPIs). HKPC will conduct a holistic review on KPIs, and discuss with ITC on the KPI contents to be listed in the COR.

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
7	2.27	**KPI Comparison** consider reporting the actual performance against the target performance in HKPC Annual Report.	Will consider reporting the actual performance against the target performance in the Annual Report	In progress and to be completed in 6 months.
8	3.3	**Difference between staff establishment and strength** take effective measures to address the significant staff shortfalls for some staff grades (especially Consultant and Manager) and the significant staff surpluses for some other staff grades.	Actions that have been taken since 2019: a. enhance the competitiveness of our remuneration package b. post vacancies internally to encourage potential staff of other Divisions to apply c. flexible timing for promotion Other actions that continue to be taken: a. engage recruitment agencies for Grade 5 posts and critical posts for enhanced reach-out. b. widen the source and pool of candidates through social media platform, recruitment agencies, recruitment talks in universities, overseas channels. c. take effective measure to address the significant staff surpluses for some other staff grades	Completed. The following have been implemented to attract the grades of staff with shortfall: a. Under the principle of prudent financial management, HKPC continues to enhance the competitiveness of HKPC's remuneration package, including converting two-year contract staff of Grade 1-6 to permanent employment from July 2019. This is also one of the talent retention initiatives following the full scale implementation of the new job grades and salary structure; b. Posting vacancies internally to encourage cross division applications from potential staff; c. Engaging 5 recruitment agencies from 2019 for Grade 5 and critical posts to reach-out the talents;

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
				d. Expanding the source and pool of candidates through social media platform, recruitment agencies, university recruitment talks and overseas channels from 2018; e. Since October 2019, paid overseas channels, in addition to free recruitment channels, have been engaged in recruitment for designated posts; f. Career fairs were held in two universities in September and October 2019 and will continue in other universities in 2020 according to their schedules; g. Promoting career advancement of competent Grade 2 and 3 staff. Coming promotion panel will take effect in January 2020. h. Promoting HKPC to the public from October 2019 to attract joining of staff of the target grades. The promotion will be continued in 2020; and i. Launching of first session of GROW programme for Grade 5 staff in May 2019 and second session of SEED programme for Grade 3 and 4 staff. The programme aims at enhancing their competencies in consulting, project management, financial

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
				management, crisis management, leadership and communication skills through development programmes.
9	3.5	**<u>Staff Turnover Rates</u>** step up efforts to reduce high staff turnover, taking into account the results of the exit surveys and the Employee Opinion Survey.	Actions that have been taken recently to retain talents: a. contract conversion since 1 July 2019 b. salary review for critical cases c. introduced new benefits to be more competitive with market d. enhanced work practices for staff's welfare e. development programmes for staff's career development f. operation process simplification since 2018 and digitalisation in 2019 Other actions to be taken: Continue to review actions required to retain talents including the provision of market competitive remuneration package and follow up with the suggestions from the exit surveys and the Employee Opinion Survey	Completed. Further to the measures such as contract conversion from contractual employment to permanent employment for staff of Grade 7 and below in July 2019, the following have also been implemented: a. Retained talents by benchmarking the salary offered by other institutions and providing market competitive remuneration package since 2018; b. To introduce workplace enhancement measures for improving staff welfare: - Enhanced the types of leaves, e.g. 3 days marriage leave and compassionate leave from January 2018. - Extended paid maternity leave from 10 weeks to 14 weeks, and paid paternity leave from 3 days to 5 days for eligible staff members with effect from November 2018. - Added a new MPF service providers from April 2019.

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
				c. Suggestions implemented from the exit surveys and the Employee Opinion Survey included: - team building exercise by external vendors to enhance team work and communication, and foster collaboration from September 2019; - regular communication meetings between management and staff; and - improve staff communication with senior management by "skip level" meetings and regular unit level meetings etc. d. Launching of first session of GROW programme for Grade 5 staff in May 2019 and second session of SEED programme for Grade 3 and 4 staff in December 2018. The programme aims at enhancing their competencies in consulting, project management, financial management, crisis management, leadership and communication skills through developement programmes; and e. Simplifying the daily administrative procedures from 2018, and digitising such from 2019, to improve work efficiency.
10	3.15	**Shortlisting criteria**	Will set out shortlisting criteria in writing for	Completed.

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
	a	set shortlisting criteria for selecting candidates for interview.	selecting candidates for interview.	Since 15 November 2019, a form "Shortlisting for Interview" has been designed for hiring managers of Divisions to set out shortlisting criteria for selecting candidates for interview. At the eight special Division Meetings with the Divisions involved in the operation of recruitment held respectively on 29 November and 2 December 2019, all staff had been informed of details of the issue and reminded to follow the requirement of setting out shortlisting criteria in writing for selecting candidates for interview.
11	3.15 b	**Record of Applications received** properly record all applications received upon receipt to prevent tampering of applications and document the number of applications received for each recruitment.	Key information related to the recruitment process e.g. the number of applicants received and candidates shortlisted will be recorded.	Completed. Since 15 November 2019, Human Resources Unit has recorded the number of applications of each recruitment in a summary and the number of shortlisted and interviewed candidates in an "Interview Evaluation Form" of the selected candidate.
12	3.15c	**Sufficient number of candidates** ensure that appropriate number of candidates are shortlisted for interview and document justifications for fewer than required number of candidates shortlisted.	Document reasons for less than required number of candidates shortlisted.	Completed. The Standard Practice P23 "Recruitment and Appointment" was updated on 15 November 2019 to include the requirement of providing justification for shortlisting and/or interviewing less than three candidates by hiring managers of

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
				Divisions in clause 7 under "Guidance Note on Recruitment and Appointment". At the eight special Division Meetings with the Divisions involved in the operation of recruitment held between 29 November and 5 December 2019 , all staff had been informed of details of the issue and reminded to follow the new requirement of providing justification for shortlisting and/or interviewing less than three candidates as stated in the updated clause 7 of "Guidance Note on Recruitment and Appointment" of Standard Practice P23 "Recruitment and Appointment".
13	3.15 d	**Information on the Selection Interview Evaluation Forms** ensure that Selection Interview Forms are properly completed by all Selection Panel members.	a. ensure that information on the Selection Interview Evaluation Forms including rating of assessment criteria, overall ratings and comments made by selection panel members are documented on each form; and b. ensure all Panel members sign on the form.	Completed. At the eight special Division Meetings with the Divisions involved in the operation of recruitment held between 29 November and 5 December 2019, all staff had been informed of details of the issue and reminded to complete the "Interview Evaluation Form" for recruitment interviews. Recruiter will continue to have a final check on the "Interview Evaluation Form" properly completed by all Selection Panel members.

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
14	3.15 e	**Job requirement** ensure that the candidate appointed for a post meets the qualification requirement of the post.	Continue to ensure that the candidate appointed for a post meets the qualification requirement of the post and properly document justification for any exceptional cases.	Completed. The Standard Practice P23 "Recruitment and Appointment" was updated on 15 November 2019 to include the requirement of providing justification for selecting candidate not meeting all the job requirements by hiring managers of Divisions in clause 15 under "Guidance Note on Recruitment and Appointment". Recruiter will continue to perform checking on the qualification requirement of the post and the candidate's qualification, and ensure that hiring managers of Divisions would provide justification for selecting candidate not meeting all the job requirements. At the eight special Division Meetings with the Divisions involved in the operation of recruitment held between 29 November and 5 December 2019, all staff had been informed of details of the issue and reminded to provide justification for selecting candidate not meeting all the job requirements as stated in the updated clause 15 of "Guidance Note on Recruitment and Appointment" of Standard Practice P23 "Recruitment and Appointment".
15	3.15f	**Conflict of interest**	a. for candidates declared as "friend" by a staff member, the staff member will refrain	Completed.

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
		require staff involved in the selection process refrain from participating in the process as far as possible if a conflict of interest has been declared.	from participating in the selection interview. b. for candidate declared as "ex-colleague" by a staff member and the staff member had direct supervisor and subordinate relationship with the candidate, require the GM of the post or additional interviewer to participate in the selection interview.	The Standard Practice P23 "Recruitment and Appointment" was updated on 15 November 2019 to include the following requirement in clause 20 under "Guidance Note on Recruitment and Appointment". (a) Panel member not to participate in the interview for declaration of "relative/friend"; and (b) To invite General Manager of other division or management of other unit/division to be Selection Panel members for declaration of "ex-colleague" and with direct supervisor and subordinate relationship in the HKPC. At the eight special Division Meetings with the Divisions involved in the operation of recruitment held between 29 November and 5 December 2019, all staff had been informed of details of the issue and reminded to follow the new requirements on conflict of interest as stated in the updated clause 20 of "Guidance Note on Recruitment and Appointment" of Standard Practice P23 "Recruitment and Appointment".
16	3.15g	**Job offer** review Case 1 regarding the appropriateness of offering a post to a person who has not applied for without going through the	Will review Case 1 regarding the appropriateness of offering the post to a person who has not applied for it without going through the shortlisting and interview procedures laid down in the Standard Practices.	Completed. Human Resources Unit has reviewed Case 1 and did not note any irregularities in offering the post to a person who has not applied for without going through the shortlisting and interview

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
		shortlisting and interview procedures laid down in the Standard Practices.		procedures laid down in the Standard Practices. The controls over recruitment process has been strengthened for asking any suitable candidate to submit application for the post not applied for.
17 18	4.3 4.4a	**Supplier for quotation selection** **Random Selection of suppliers for quotations** ensure that selection of suppliers for quotations are made in compliance with the requirements stipulated in HKPC Standard Practices; ensure that the Standard Practices is updated in a timely manner to include all requirements relating to procurement.	Update the requirement of Standard Practices to align with the current practice of random selection of suppliers instead of selection by rotation.	Completed. The Standard Practice A1/1 "Procurement Policies and Procedures" was updated on 20 November 2019 to include the requirement of random selection of one supplier in clause 5.1.3.
19	4.4b	**Declaration of conflict of Interests** ensure that declaration of conflict of interests are made in compliance with the requirements stipulated in HKPC Standard Practices.	An E-form embedded with the function of declaration of conflict of interest has been used for procurement since April 2019. The processing will not be proceeded in the system if the staff concerned does not make declaration. Will continue to adopt the E-form to ensure that conflict of interest is declared by staff.	Completed. Since August 2019, an e-form has been used in the procurement process and the staff involved in a procurement are required to make declaration of conflict of interest in the e-form. The procurement will not be proceeded if such declaration is missing, At the nine special Division Meetings with the

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
				Divisions involved in the operation of procurement held between 28 November and 5 December 2019, all staff had been informed of details of the issue and reminded to make declaration of conflict of interest in e-form when involving in procurement and the consequences of not making.
20	4.5	**Procurement by Tendering** take effective measures to ensure that purchase are not split into orders of smaller amounts so as to circumvent the requirements stipulated in HKPC Standard Practices.	Will strengthen and reinforce the requirements stipulated in the Standard Practice via communications with all divisions and closely monitor by procurement team. Will report to management for any potential anomalies where appropriate.	Completed. The Standard Practice A1/1 "Procurement Policies and Procedures" was updated on 20 November 2019 to include the requirement of forbidding split order in clause 1.1.4 and 2.4 even in procurement for two different projects but for same client. At the nine special Division Meetings with the Divisions involved in the operation of procurement held between 28 November and 5 December 2019, all staff had been informed of details of the issue and reminded to following the updated requirement in clause 1.1.4 and 2.4 of the Standard Practice A1/1 "Procurement Policies and Procedures". Procurement Unit will also monitor closely in the daily operations. Should any potential anomaly is found, Procurement Unit will report to the management immediately.

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
21	4.12	**Inactive Registered Suppliers** - consider enhancing the existing computer system to facilitate the identification of inactive suppliers on the Registered Suppliers List; and - take measures to ensure that inactive suppliers are removed from the Registered Suppliers List in a timely manner.	Will consider enhancing the existing computer system. Performed an annual review to deactivate the inactive suppliers from the Registered Suppliers List in Oct 2019. Will continue to perform the review on annual basis to deactivate the inactive suppliers.	In progress and to be completed in 6 months.
22	4.20	**Quarterly surprise stocktaking** expand the scope of surprise stocktaking in each quarterly surprise stocktaking exercise by increasing the number and the number of types of fixed asset items selected.	Expand the number of fixed assets items selected from 5 to 20 items and include a wider range of fixed assets for the quarterly surprise stocktaking.	Completed. Since October 2019, the number of surprise count samples has been increased from 5 items to 20 items in the quarterly surprise stocktaking and the range of fixed assets selected has been expanded from high value movable assets to all assets types except renovation.
23	4.21	**Barcode scanner system** expedite the implementation of barcode scanner system to assist in conducting stocktaking exercises.	Will complete affixing of new barcode labels on all fixed asset by May 2020	In progress and to be completed by May 2020.

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
24	4.24 a	**Equipment management record** ensure that all equipment items are included in the lists of equipment.	To remind all staff to timely include all equipment items into the equipment list for management review	Completed. At the seven special Division Meetings with the Divisions involved in the operation of equipment management held between 28 November and 5 December 2019, all staff had been informed of details of the issue and reminded to timely include equipment items into the equipment list as per clause 4 of Standard Practice A12 "Equipment Management".
25	4.24 b	**Equipment utilisation** take measures to improve the utilisation rates of the equipment items which do not achieve the expected utilisation and dispose of the obsolete and non-effective equipment in a timely manner to ensure effective utilisation of HKPC's resources.	a. closely monitor utilisation of the equipment through quarterly review meeting; b. regularly review and dispose of those old or outdated equipment with low utilisation; and c. enhance promotion of available equipment to relevant institutions and companies	Completed. At the seven special Division Meetings with the Divisions involved in the operation of equipment management held between 28 November and 5 December 2019, all staff had been informed of details of the issue and reminded to closely monitor utilisation of equipment and disposal of equipment as per clause 5, 9 & to 11 of Standard Practice A12 "Equipment Management". Since July 2018, the equipment utilisation report has been quarterly reviewed by Directors and between April and November 2019, seven obsolete equipment with low utilisation rate had been disposed after the review. HKPC has introduced the test and laboratory services through different events, including

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
				seminars of different industries and promotion events for specific customer groups, to promote the latest testing requirements to the industry, market trends and related testing services of HKPC. Also, to increase the utilisation rates of the available equipment, HKPC frequently promotes its testing services via digital channels, and the information of testing and laboratory services is also included in different printed materials. HKPC is also actively engaged in long-term cooperation with commercial labs to improve equipment utilisation. In the future, the expected utilisation rate will be reviewed when approving equipment purchase requests, and when a new equipment is planned to be purchased, the Finanical and Procurement Division will check if the order is including in the approved budget.
26	4.24c	**<u>Asset Optimisation</u>** closely monitor the rate of asset optimisation of individual divisions and take appropriate follow-up action for the divisions which have not achieved the target rate of asset	a. closely monitor the rate of asset optimisation of individual division through quarterly review meeting; b. regularly review and dispose of those old or outdated equipment with low utilisation; and	Completed. At the seven special Division Meetings with the Divisions involved in the operation of equipment management held between 28 November and 5 December 2019, all staff had been informed of details of the issue and reminded to closely

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
		optimization.	c. enhance promotion of available equipment to relevant institutions and companies	monitor utilisation of equipment and disposal of equipment as per clause 5, 9 & to 11 of Standard Practice A12 "Equipment Management". Since July 2018, the equipment utilisation report has been quarterly reviewed by Directors and between April and November 2019, seven obsolete equipment with low utilisation rate had been disposed after the review.
27	4.29	**Company car utilisation** closely monitor the utilisation rate of the company cars and review the cost-effectiveness of maintaining the company car with low utilisation rate.	a. review the utilisation of company cars on a regular basis; and b. make available to operational divisions the information regarding the availability of the car for loan for business purpose.	Completed. Since October 2019, the availability of car on-loan has been made known to staff in Car on loan calender in Microsoft Outlook and the utilisation rate of company cars has been reviewed by the Administration Manager of Human Resources and Facility Management Division on a monthly basis for reporting to management. At the eight special Division Meetings with the Divisions involved in the operation of company car usage held between 29 November and 5 December 2019, all staff had been informed of details of the issue and availability of car on-loan in the calendar function of Microsoft Outlook. The utilisation and maintenance fee of Car D will be reviewed in six months' period and will be considered to be disposed of if the utilsation rate

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
				falls below the target 50%.
28	4.30	**Car usage reports** ensure that the time and duration of all trips of the company cars are recorded in the car log book.	a. a car-on-loan application e-form has been in use to record the usage of the Car D and details such as time, duration and purpose of usage has to be input by borrowers. Usage of Car D will continue to be recorded in the car log book which serves as the car usage report. b. conduct monthly checking on the car-on-loan application e-form against car log book record to ensure that information of car usage e.g. date and time, name of borrower, and mileage before and after the trip etc. is recorded in the car log book by borrower.	Completed. All car on-loan applications have to be submitted for approval by e-form since May 2019. The Administration Officer of Human Resources and Facility Management Division has performed monthly checking of actual usage of car on-loan by matching car log book against e-form record since October 2019 and reviewed by the Administration Manager of Human Resources and Facility Management Division. At the eight special Division Meetings with the Divisions involved in the operation of company car usage held between 29 November and 5 December 2019, all staff had been informed of details of the issue and remined to record information of usage of the car on-loan in the car log book for checking against the e-form mentioned above.
29	4.34	**Number of staff exceeded number of guests** ensure that all claims where the number of staff members involved exceeds the number of guests are	Update Standard Practice and remind staff that justifications are to be provided when seeking approval for entertainment with the number of staff members exceeding the number of guests.	Completed. The Standard Practice A5/2 "Official Expenses - Entertainment" was updated on 1 November 2019 to include the requirement of providing justifications when seeking approval for

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
		justified.		entertainment with the number of staff members exceeding the number of guests in clause 3.6. At the nine special Division Meetings with the Divisions involved in the operation of staff claims held between 28 November and 5 December 2019, all staff had been informed of details of the issue and reminded to provide justifications when seeking approval for entertainment with the number of staff members exceeding the number of guests as stated in the updated clause 3.6 of the Standard Practice A5/2 "Official Expenses - Entertainment". Since November 2019, staff claiming entertainment expenses have to document the number of staff and guest for each claim in the expense claim system. Finance and Procurement Division will review and check for proper justification for the cases that the number of HKPC staff is more than the number of guest.
30	4.38	**Prior approvals on official travels outside Hong Kong** ensure that applications for official travels outside Hong Kong are submitted by staff members and approved by the appropriate	Staff will be reminded on a regular basis to comply with the requirements under the Standard Practice to obtain and give prior approval for official travels outside Hong Kong.	Completed. At the nine special Division Meetings with the Divisions involved in the operation of business travel held between 28 November and 5 December 2019, all staff had been informed of details of the issue and reminded to obtain and

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
		approval authorities before departure.		give prior approval for official travels outside Hong Kong. Effective from 1 January 2020, staff's claims on expenses related to official travels outside Hong Kong will not be processed if prior approvals for these travels are not obtained from the management. The Standard Practice A5/4 "Official Expenses – Travelling (Outside Hong Kong)" will be updated on 1 January 2020 to include the requirement of obtaining prior approvals for official travels outside Hong Kong for processing relevant expense claims unless with proper documentation of justification for Executive Director's special approval in clause 9.2.
31	4.40	**Flight award** ensure that all staff members declare their flight awards to facilitate planning for the possible use of the flight awards for corporate function.	The IT system will be enhanced to require staff members to declare whether any mileage has been claimed from airline after undertaking all business trips by air travel.	Completed. Since 11 December 2019, all staff has to mandatory declare flight mileage for business trips by air travel in the Expenses Claim System named "Concur". At the nine special Division Meetings with the Divisions involved in the operation of business travel held between 28 November and 5 December 2019, all staff had been informed of details of the issue and reminded to declare flight

No.	Para.	Issue / Recommendation	HKPC's Follow-up Action	Implementation Status (December 2019)
				mileage for business trips by air travel in the Expenses Claim System named "Concur".

創新科技署署長
Commissioner for Innovation and Technology
香港特別行政區政府創新科技署
Innovation and Technology Commission
The Government of the Hong Kong Special Administrative Region

Ref : ITCCR 2/3801/09 Pt 15
Tel : 2810 2733

3 January 2020

Clerk to Public Accounts Committee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong
(Attn: Mr Anthony Chu)

Dear Mr Chu,

Public Accounts Committee

Director of Audit's Report No. 73

Chapter 2: Provision of consultancy, research and development and training services by the Hong Kong Productivity Council

Thank you for your letter of 20 December 2019. I would like to provide the following information as requested by the Committee.

(a) The Government amended the "Hong Kong Productivity Council Ordinance" (HKPCO) in 1985 to allow the Hong Kong Productivity Council (HKPC) to undertake productivity-related assignments outside Hong Kong, in order to serve the Hong Kong enterprises more comprehensively and effectively, as well as make the best use of the human resources of the HKPC. Regarding paragraph 2.11 of the Director of Audit's Report which mentioned that the HKPC did not recover all costs incurred for 308 consultancy projects completed outside Hong Kong during the period from 2014-15 to 2018-19, 286 (93%) of them were projects conducted for Hong Kong enterprises or their subsidiaries in Guangdong Province and they could bring benefits to Hong Kong enterprises.

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(b) In view of the rapid economic changes and technological advancement of Hong Kong, the former Industry Department (the predecessor of the Innovation and Technology Commission (ITC)) suggested in 2000 that the HKPC should appoint an external consultant to conduct a study on the HKPC's positioning and strategy. With the agreement of the Council, the HKPC engaged a consultant in 2001 to review the role, management and operation of the HKPC.

Since the completion of the above consultancy study in 2002, the HKPC has not separately engaged external consultants to conduct comprehensive studies on the role, management and operation of the HKPC. Notwithstanding this, in the past decade, the HKPC conducted a strategic planning meeting in 2011 to discuss with Council members the needs of the industry at that time for mapping out the HKPC's long-term objectives and direction; and held a special Council meeting in 2016 to discuss the future strategy and positioning of the HKPC to meet the different new demands of the industry. In recent years, as the Innovation and Technology Bureau (ITB) has clear policy direction of promoting re-industrialisation and developing innovation and technology, and the HKPC has been implementing supporting initiatives, the HKPC has not carried out similar studies.

The ITC will discuss with the HKPC on matters relating to the review of the HKPC's mode of operation, future business direction and subvention mode having regard to the future economic development of Hong Kong.

(c) The SAR Government provided a subvention of HK$200,789,804 to the HKPC in 2002-03, which amounted to around 33.6% of its total income.

The SAR Government provided a subvention of HK$186,179,758 to the HKPC in 2009-10, which amounted to around 39.8% of its total income.

As the then Automotive Parts and Accessory Systems R&D Centre has not yet merged with the HKPC at that time, the above subvention only included the recurrent subvention and subvention in addition to annual block grant provided to the HKPC.

(d) At the housekeeping meetings[1] held in June 2015, June 2016, June 2017 and June 2018, the Executive Director of the HKPC reported to the Commissioner for Innovation and Technology (CIT) the HKPC's performance on the Key Performance Indicators (KPIs) in the preceding

[1] Housekeeping meetings are held thrice per year, during which the Executive Director of the HKPC will highlight the major discussion items of the next round of Council and Standing Committee meetings to the Commissioner for Innovation and Technology.

financial year and the reasons for shortfalls against the targets for the relevant KPIs. For example, at the housekeeping meeting held on 14 June 2018, the Executive Director indicated that same as 2016-17, although the HKPC failed to meet the target of the "Number of consultancy projects accepted" in 2017-18, the income from consultancy projects did exceed the target because some consultancy projects were of a larger scale. In addition, due to increasing demand for integrated solutions by clients, many manufacturing support services had been included in consultancy projects; leading to the failure to meet the target for "Income from manufacturing support projects" and the situation persisted in 2017-18. The then CIT accepted the Executive Director's explanations. After the meetings, the ITC would also request the HKPC by email to provide relevant explanations in writing again for record purpose. Relevant documents are at **Annex 1**.

(e)(i) The ITC was not aware of the change in the definition of consultancy projects made by the HKPC in July 2018 before the matter was discovered by the Audit Commission in the course of their audit work in 2019.

(e)(ii) The "Memorandum of Administrative Arrangements on the Administration of the Subvention for the Hong Kong Productivity Council" (MAA) signed in 2009 did not specify the penalties or consequences of the HKPC's change of KPI definitions without informing the ITC. When we review the MAA, we will specify that if the HKPC would like to change the definition of a KPI in the future, it has to obtain the prior agreement of the Council and the CIT. In case of the HKPC's non-compliance in this respect, it will be reflected in the Executive Director's annual performance appraisal, which in turn will affect his variable pay.

(e)(iii) According to paragraph 7 of the MAA, to ensure that the subventions from the Government are used in a cost-effective manner for the provision of services, the HKPC is required to propose for the CIT's approval a set of performance indicators for measuring the progress of the HKPC's activities. Such performance indicators shall include the dimensions of service delivery, operating efficiency, financial results and effectiveness of the HKPC. The performance indicators and targets may be reviewed from time to time and amended as agreed in writing by both the HKPC and the CIT. The HKPC shall submit to the CIT, together with the Annual Programme and Estimates, a report on its achievements with regard to the performance indicators. If the HKPC fails to achieve the agreed performance targets, the HKPC shall provide explanations for such failures to the satisfaction of the CIT.

Generally speaking, in July every year, the ITC will receive from the HKPC a Council paper reporting their performance with respect to the KPIs in the preceding financial year. The HKPC will submit to the Council in November every year the Annual Programme and Estimates of the forthcoming year, which contain the proposed activities, the KPIs and the respective targets, as well as the relevant financial estimates. Upon approval by the Council, the HKPC will submit the KPIs and targets for the next financial year to the CIT for approval. Since obtaining the Council's agreement in November 2015 and subsequently the CIT's approval, the HKPC has adopted 23 KPIs since 2016-17.

Regarding the HKPC's change of the definition of consultancy projects as mentioned in the Director of Audit's Report, the HKPC has set out the following definition of the KPI of "Number of consultancy projects accepted" in the 2020-21 Annual Programme and Estimates submitted to the Council in November 2019: "The proposed target has included estimates of the number of professional manufacturing support projects with consultancy elements, which are over $5,000 in project value that will be accepted in 2020-21."

The HKPC also intends to submit to the Council in January 2020 the revised definition of the KPI of "Number of consultancy projects accepted" and the rectified actual performance (889 projects) for the Council's review. Upon endorsement by the Council, the HKPC will submit the relevant information and explanations to the CIT.

(e)(iv) The ITC and the HKPC agree with the recommendation of the Audit Commission to review the current 23 KPIs. Having regard to the views provided by the Audit Commission and the Public Accounts Committee during the audit exercise and public hearings, the HKPC intends to submit the set of KPIs and targets for 2020-21 after the review to the Council for consideration at its meeting in March 2020. Upon endorsement by the Council, the HKPC will submit the proposal to the CIT for approval in accordance with the MAA by the end of March 2020, with a view to implementing the revised KPIs and targets starting from 2020-21.

(f) Amongst the 129 consultancy projects with delay in completion in 2018-19, there was no project which the ITC had engaged the HKPC to carry out. As for the consultancy projects which other Government departments had engaged the HKPC to carry out, the HKPC indicated that they had reported the progress of the projects to the relevant departments and kept them informed of the delay.

(g) The HKPC established the "Inno Space" in October 2017 to provide workspace and technical support to start-up entrepreneurs, secondary or university students and graduates to assist them in developing their innovative ideas into industrial design, which may subsequently be translated into products through prototyping, so as to nurture a start-up culture in Hong Kong and support "re-industrialisation". The ITB has been actively promoting "re-industrialisation", supporting start-ups and nurturing local innovation and technology talents in recent years. The HKPC's operation of the "Inno Space" is in line with the Government's policy direction. Since 2017-18, the Government provided additional funding of HK$17.76 million to the HKPC by two annual instalments for setting up the "Inno Space" and supporting its first two years of operation. We trust that the HKPC can sustain the operation of the "Inno Space", and will continuously review its mode of operation and key service targets in order to provide better support to its service targets.

(h) Since July 2016, the ITC and the HKPC had been in discussion on the proposal of setting up the "Inno Space", and the HKPC's proposal was accepted by the ITC in May 2017. Details are set out below -

- In October 2016, the HKPC briefed the ITB, the ITC and representatives from other relevant Government departments on the idea of establishing the "Inno Space". The powerpoint presentation is at **Annex 2**;
- As the purpose of establishing the "Inno Space" was to provide workspace and technical support to assist users in developing their innovative ideas into industrial design, which may subsequently be translated into products through prototyping, the initiative aligns with the policy of the ITB to promote "re-industrialisation", and falls within the scope of service of the HKPC. Hence, the Government agreed to provide funding to the HKPC to establish the "Inno Space", and included the initiative in the "2017 Policy Address" announced by the Chief Executive in January 2017, the relevant extract of which is at **Annex 3**;
- subsequently, the ITC and the HKPC discussed the details of the proposal at working level;
- The HKPC introduced the "Inno Space" proposal to the members at the Council meeting held in March 2017 (the powerpoint presentation is at **Annex 4**);

- The HKPC submitted the detailed proposal for establishing the "Inno Space" to ITC in April 2017 (see **Annex 5**) for approval;

- The ITC informed the HKPC in May 2017 of the acceptance of the proposal, and the agreement to disburse an additional funding of HK$17.76 million to the HKPC in 2017-18 and 2018-19 (see **Annex 6**).

(i)(i) According to paragraphs 5.3 and 5.4 of the MAA, the CIT is the designated Controlling Officer of the subvention granted by the Government to the HKPC, and will ensure that the HKPC's activities accord with its objectives and relevant public policies and priorities, and its subvention is properly used and disbursed. The CIT will ensure that the HKPC's policy objectives are appropriate, and that they remain so in the light of changing circumstances. The CIT may advise the HKPC of the need to review these objectives in the light of changes in the economic environment. According to section 5 of the HKPCO and paragraph 5.1 of the MAA, the HKPC is autonomous in the management and control of its activities and resources.

Specifically, the HKPC is required to submit the following for the Government's review -

- The HKPC shall submit to the CIT in each financial year, before the submission of its Annual Programme and Estimates, a Three-year Forecast. The Forecast shall set out the strategic targets of the HKPC, the plans to be adopted in achieving those targets, and an assessment of their resource implications. It shall be updated and rolled forward on an annual basis. The HKPC will normally submit to the ITC in July every year the above Forecast in the form of a Council paper.

- According to paragraph 6.2 of the MAA, in each financial year, the HKPC shall produce the Annual Programme and Estimates for the forthcoming financial year for the Government's approval, which shall contain the proposed activities, the KPIs and the respective targets, as well as the relevant financial estimates for the forthcoming financial year. The HKPC will normally submit to the Council in November every year the Annual Programme and Estimates for the forthcoming financial year for discussion. After endorsement by the Council, the HKPC will submit the Annual Programme and Estimates to the Government in December for approval. After review by the Secretary for Financial Services and the Treasury, the Secretary for Innovation and Technology, with the authority delegated to him, will grant approval of the Annual

Programme and Estimates of the HKPC in accordance with section 16(1) of the HKPCO. The HKPC is required to operate in accordance with the approved Annual Programme and Estimates.

- According to paragraph 7.3 of the MAA, the HKPC shall submit to the CIT, together with the Annual Programme and Estimates, a report on its achievements with regard to the KPIs in the preceding year. Paragraph 7.4 of the MAA requires that, if the HKPC fails to achieve agreed performance targets, the HKPC shall provide explanations for such failures to the satisfaction of the CIT. The Executive Director will normally hold the housekeeping meeting with the CIT in June or July every year, including reporting on the HKPC's performance with regard to the KPIs in the preceding financial year, and providing explanations for shortfalls against the targets for the relevant KPIs. The ITC will normally receive the relevant Council paper in July every year from the HKPC as well.

- In addition, according to paragraph 5.8 of the MAA, the HKPC shall produce to the CIT within six months after the end of each financial year a report on its activities and audited statements of accounts. The ITC will normally receive the annual audited accounts from the HKPC in July every year in the form of a Council paper, and the HKPC will normally submit their annual report to the Council in August every year. In accordance with section 19(1) of the HKPCO, the HKPC shall make to the Chief Executive a report on its activities and shall transmit to the Chief Executive a copy of the financial statements and the audit report not later than six months after the end of each financial year. The HKPC will submit the annual report, the financial statements and the audit report to the Chief Executive's Office by end of September every year, and the ITC will arrange the relevant documents to be laid on the table of the Legislative Council in October or November.

- According to section 6(1) of the HKPCO, the HKPC shall, before establishing or varying any salary scale (including any scale of allowances and other pecuniary benefits) for staff of the HKPC, submit for the approval of the Chief Executive particulars thereof, and the relevant authority has been delegated to the CIT. The HKPC will normally submit the salary adjustment proposal to the Council for review in July every year, and upon endorsement by the Council, submit the proposal to the CIT for approval.

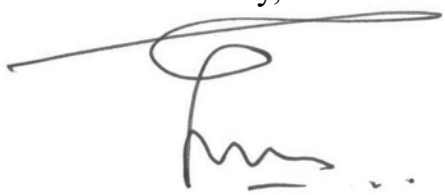
(i)(ii) The Government issued in December 2008 internal guidelines regarding the appointment of Government officials to Boards of Government-owned or funded statutory bodies and companies. It was

stated that should a policy bureau consider it necessary to appoint Government officials as board members of Government-funded statutory bodies, as there may be rare instances that the Government officials may face situations where the interests of the body do not totally coincide with the public interest, the policy bureau should seek to include an express provision in the ordinance requiring the Government officials to represent public interests in priority over those of the statutory body when the ordinance is next reviewed in order to minimise the relevant legal risks.

The ITC drew reference to the above guidelines at the time, and having consulted the Department of Justice, revised paragraph 5.9 when the MAA was reviewed in 2009 to clarify the role of Government officials in the Council of the HKPC (i.e. to represent the Government's interests in priority over those of the HKPC). The revision was agreed by the Council of the HKPC in June 2009.

According to experience, the above revision has not affected the autonomous operation of the HKPC.

Yours sincerely,



(Ms Rebecca Pun)
Commissioner for Innovation and Technology

c.c. Secretary for Innovation and Technology
Secretary for Financial Services and the Treasury
Chairman, Hong Kong Productivity Council
Executive Director, Hong Kong Productivity Council
Director of Audit

Key Performance Indicators (KPI)

- 10 out of 10 on "Effectiveness" all surpassed target, e.g.
  - New services and products introduced (30 vs 29)
  - Number of patent/ licence / royalty (19 vs 8)
  - Number of products / technologies commercialized (15 vs 13)
  - Customer satisfaction index (8.9 vs 8.7)

Key Performance Indicators (KPI)

- Financial performance in 2014-15 generally meeting estimates, e.g. external income and " surplus" both beyond target.
- Though income from some streams of business (e.g. consultancy, training, study missions, etc.) fall below target, income from government funded projects being better and more than compensating the shortfall (e.g. $79M government-funded project achieved vs budget of $33M).

Key Performance Indicators (KPI)

- Good overall progress on key targets, e.g.
  - Income/expenditure ratio (71.1% vs 67.4%)
  - Overall income/employee ($637k vs 580K)
- So, while meeting and performing beyond targets for 13* out of 22 targets and missing the other 9, the overall performance is commendable.

*incl. 1 newly adopted KPI (% of business employee hours charged to billable projects) for which no target has been set for 2014/15

(2014-15)

Re: Fw: Supplementary Information for Consideration of Variable Pay for 2014-15

@hkpc.org to: @itc.gov.hk 2015/07/03 下午 06:30
Cc: @hkpc.org, @hkpc.org

From: @hkpc.org
To: "Lavita MY CHAN" < @itc.gov.hk>
Cc: @hkpc.org, @hkpc.org
History: This message has been forwarded.

1 attachment

Previous set of KPIs.docx

Dear Lavita,

Your email to Alfonso refers. Atth. pls. find the requested information.

Best regards,
Gillian

From: "Lavita MY CHAN" < @itc.gov.hk>
To: @hkpc.org,
Cc: @hkpc.org, "BS YEUNG" < @itc.gov.hk>, "Emily ML LEUNG" < @itc.gov.hk>
Date: 03/07/2015 09:54
Subject: Fw: Supplementary Information for Consideration of Variable Pay for 2014-15

Dear Alfonso,

Further to my preceding email, I should be most grateful for your urgent input, in Word format, on the list of KPIs in 2014-15 (measured against the original set of 30 KPIs with targets set for that year) not meeting targets and reasons for the variance. This would facilitate our internal consideration of HKPC's proposed VP which would be discussed at the coming Staffing Committee Meeting to be held on 10 July.

Regards,
Lavita
Tel: 3655 5491

----- Forwarded by Lavita MY CHAN/ITC/HKSARG on 2015/07/03 上午 09:49 -----
From: Lavita MY CHAN/ITC/HKSARG

2014/15 KPIs – Previous Set

A. KPIs with more than 10% variation

KPI	Target	Actual	Achievement	Reason for Variance
1. No. of consultancy projects accepted	1250	970	78%	– The >1000 target was ambitious and aimed at driving staff performance. Last year (2013/14) actual figure was 964. – Actual consultancy income largely met target (91%). – Major development initiatives such as implementation of business development corporate goals, R&D efforts, government funded projects and promotion programmes have impact on new consultancy project number.
2. No. of fee-charging training courses launched	300	180	60%	– The focus of training continued to be high-end courses in niche areas in 2014/15 (e.g. business processes in SAP human capital management, governance of enterprise IT etc.) – It takes time for the market to get ready for such courses, especially during volatile market conditions and in face of rising operation cost. – To enhance recognition of HKPC's training programmes, a lot of effort in 2014/15 was devoted to preparing for QF accreditation for the Productivity Training Institute and develop QF training programmes.
3. Number of people attended fee-charging training courses	5800	3041	52%	

KPI	Target	Actual	Achievement	Reason for Variance
4. Number of exhibitions/ study missions/ conferences	50	28	56%	– The shortfall was largely caused by a reduction in number of exhibitions and study missions held. Exhibition
5. Number of people attended exhibitions/ study missions/ conferences	2900	1355	47%	– HKPC had reduced involvement in the business and chosen to participate in exhibitions rather than acting as an organizer. Study Mission – Non-fee-charging seminars and networking events attracted more than 23,500 participants in 2014/15, surpassing the target by 30%. – 42 industry consultation events were organized, surpassing the target by 14%.
6. Income from training courses	$19.81M	$12.898 M	65%	Same as above under "no. of fee-charging training courses launched"
7. Income from exhibitions and fee-charging study missions/ conferences	$5.506M	$3.495M	63%	As explained above under "Number of exhibitions and fee-charging study missions/ conferences organized"
8. Income from manufacturing support projects	$33.103 M	$26.027 M	79%	– Clients increasingly seek integrated solutions rather than one-off manufacturing support service. – The reduction in activities in the electronics manufacturing industry in Guangdong and HK resulted in a reduction in bureau testing services. – Actual figure represents an 13% growth from that of 2010/11.
9. Income per consultancy project in progress	$0.15M	$0.129M	86%	– Ambitious target was set to drive performance. The target has been on the rise since 2011/12. – This indicator has continued to reach new levels since 2010/11. The 2014/15 figure achieved represents an 11% increase over 2010/11.

KPI	Target	Actual	Achievement	Reason for Variance
10. Number of new government funded projects	35	28	80%	– HKPC was heavily involved in government funded projects and R&D projects carried forward from previous years. – In 2013/14, 43 government funded projects for $109.1M were approved which was the highest level in the past 5 years both in terms of project number and approved funding. Implementation of the majority of the projects continued into 2014/15. – The number of on-going R&D projects in 2014/15 exceeded target (67 on-going projects against the target of 43). This number is the highest in the past 5 years.
11. Funding approved for new government funded projects	64.7	49	76%	

B. KPIs with less than 10% variation

KPI	Target	Actual	Achievement	Reason for Variance
1. Percentage of employee hours charged to billable projects	68%	62%	91%	– The variance was due to an increase in staff engaged in public mission-related activities like service platforms (SME One, TecONE) and corporate goals for 2014/15 to strive for sustainable business development (e.g. software testing certification scheme, best practice models for retail/food lifecycle management etc.) – Excluding corporate divisions, the figure will be 86.1% which exceeded last year's actual figure (85.9%).
2. Income from consultancy projects	$290.675M	$265.44M	91%	– An ambitious target was set to drive staff performance. – Actual figure has been the rise since 2010/11. Overall, there was a 31% increase over 2010/11. – That the target was largely achieved indicated staff effort to excel.

KPI		2015/16 Performance Target	2015/16 Actual	Achieved %
(1) Key Performance Measure: Service Delivery				
(a)	Number of consultancy projects accepted	1070	917	86%
(b)	Number of fee-charging training courses launched	285	186 (Note 1)	65%
(c)	Number of people attended the fee-charging training courses	5370	3941 (Note 2)	73%
(d)	Number of people attended exhibitions/fee-charging study missions/conferences organized	2180	2230 (Note 4)	102%
(2) Key Performance Measure: Operating Efficiency				
(a)	Percentage of business employee hours charged to billable projects	87.0%	92.8%	107%
(3) Key Performance Measure: Financial Result				
(a)	Overall income/expenditure ratio	68.4%	70.7%	103%
(b)	Income from consultancy projects ($M)	300.000	307.716	103%
(c)	Income from training courses ($M)	19.000	8.910	47%
(d)	Income from exhibitions/study missions/conferences ($M)	3.900	4.844	124%
(e)	Income from manufacturing support projects ($M)	34.000	23.602	69%
(f)	Overall income per employee ($M)	0.620	0.676	109%
(g)	Income per consultancy project in progress ($M)	0.150	0.152	101%
(4) Key Performance Measure: Effectiveness				
Industry consultation	(a) Number of theme-based industry consultation organized : Hong Kong Industry Network Cluster (HK-INC) and non-HK-INC	40	51	128%
HKPC services and marketing effort	(b) Number of people attended events/networking activities for associations/non-fee-charging seminars	18430	20620	112%
New products, new services, new technologies, new applications, new methodologies, commercialization	(c) Number of new services and products introduced	24	30	125%
	(d) Number of patent/ licence/ royalty	8	13	163%
	(e) Number of products/technologies commercialized	14	21	150%
	(f) (i) Number of R&D projects - new projects	29	38	131%
	(f) (ii) Number of R&D projects - on-going projects	52	99	190%
Outcome of consultancy projects	(g) Percentage of customers reporting productivity increase	95%	100%	105%
Customer satisfaction	(h) Customer satisfaction index	8.8	8.92	101%
Satisfaction of training participants	(i) Training participants satisfaction index	8	8.4	105%

Notes:
1. Figure includes 46 courses held under government funded projects
2. Figure includes 2085 participants in courses held under government funded projects
3. Figure includes 2614 participants in events held under government funded projects
4. Figure includes 1459 participants in events held under government funded projects
5. Figure includes $5,891M from events held under gov't funded projects

(2015-16)

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Re: supplementary information for consideration for VP for 2015-16

2016/07/06 上午 10:56

From: @hkpc.org
To: "Abby SH CHENG" < @itc.gov.hk>
Cc: "BS YEUNG" < @itc.gov.hk>, "Jason KP CHEUNG" < @itc.gov.hk>, @hkpc.org
History: This message has been forwarded.

1 attachment

Supplementary Information for 2015-16 VP Consideration - 20160706.docx

Hi, Abby,

Enclosed please find the updated file for your information.

Updated information are highlighted in red for your easy reference.

Should you have any queries, please feel free to discuss.

Regards,

Ling Pang
HR
Tel 2788 5908

From: "Abby SH CHENG" < @itc.gov.hk>
To: @hkpc.org,
Cc: @hkpc.org, "BS YEUNG" < @itc.gov.hk>, "Jason KP CHEUNG" < @itc.gov.hk>
Date: 05/07/2016 11:16
Subject: supplementary information for consideration for VP for 2015-16

Dear Ling,

To facilitate our consideration for the VP for 2015-16, grateful if you could verify and provide the information in the attached document.

Many thanks.

Supplementary Information for Consideration of 2015/16 Variable Pay

1. Grateful if HKPC could fill in the blanks highlighted in yellow below.

Number of HKPC PPS Staff (include APAS)

	2013-14	2014-15	2015-16
Total no. of HKPC staff (excluding GM and above) *Data as at 30 June*	617	626	610
Total no. of Directorate staff (i.e. GM and above) *Data as at 30 June*	12	14	12
Total no. of PPS staff (excluding GM and above) *Data as at 30 June*	507	531	528
No. of PPS staff eligible for VP (excluding GM and above)	426	423	459
No. of GM staff eligible for VP	8	8	9
No. of BD & ED staff eligible for VP	3	4	4

HKPC Performance

2.	2013-14	2014-15	2015-16
External income@	$375M (+3.3%)	$391M (+4.3%)	$413M (+5.6%)
Value added (External income – project expenses)	$215M (+7.5%)	$227M (+5.6%)	$234M (+3.1%)
Total expenditure (incl. capital exp. + depreciation, etc.)	$542M (+4.6%)	$541M (-0.2%)	$575M (6.3%)
Income per HKPC staff	$0.615M (+0.5%)	$0.637M (+3.6%)	$0.676M (+6.1%)
Surplus before VP disbursement	$19.5M (-31.3%)	$43.2M (+121.5%)	$36.4M (-15.7%)
No. of KPIs met or exceeded	20 out of 30 KPIs	*15 out of 22 KPIs	17 out of 22 KPIs

@ *Excluding APAS Division's results.*

* Percentage of business employee hours charged to billable projects has no target set in 2014/15.

3. **Please provide a table setting out the KPIs not meeting targets and reasons for the variance.**

KPI	Target	Actual	Achievement	Reason for Variance
1. No. of consultancy projects accepted	1070	917	86%	– The >1000 target was ambitious and aimed at driving staff performance. – Actual consultancy income exceeded target by 3%, indicating larger project size (e.g. in the areas of environmental management, automation service etc.) and the below target number of consultancy projects had minimal impact on consultancy income. – Major development initiatives such as implementation of business development corporate goals, R&D efforts, government funded projects and promotion programmes have impact on new consultancy project number.
2. No. of fee-charging training courses launched	285	196	69%	– The focus of training continued to be high-end courses in niche areas in 2015/16. It takes time for the market to get ready for such courses. – The volatile economic climate has dampened employer interest in investing in non-essential expenditure items like human resource development. – The 2 QF accredited courses launched during the year are insufficient to make a significant impact to uplift the overall training income.
3. Number of people attended fee-charging training courses	5370	4248	79%	
4. Income from training courses	$19M	$8.910 M	47%	
5. Income from manufacturing support projects	$34M	$23.602 M	69%	– Clients increasingly seek integrated solutions rather than one-off manufacturing support service. – Some manufacturing support service incorporated into consultancy e.g. diffusion bonding, conformal cooling, mould component fabrication

4. **Please advise the estimated increase in VP payment (in both absolute amount and % increase compared to the VP payment in 2014-15) arising from the annual pay trend adjustment and merit increment of PPS eligible staff in 2015-16 only. This is to estimate the net increase in VP after discounting the effect of annual pay trend adjustment and merit increase on the basic salary of staff. You are welcome to suggest alternative methodology on how to discount these basic factors.**

	2014-15 Actual Payment	2015-16 Estimated Amount #	Increased Amount & Percentage
VP Amount Exclude APAS	$9.302M	$9.568M	$0.266M (+2.86%)

Subject to final performance bands and Council approval

If the "pay trend adjustment and merit increments (total average at 6.32% for PPS)" are excluded from the basic salary in calculation of the 2015-16 VP payment, the comparison of VP payment will be changed as follows:

	2014-15 Actual Payment	2015-16 Estimated Amount (exclude pay trend adjustment and merit increments)	Adjusted Amount & Percentage
VP Amount Exclude APAS	$9.302M	$8.963M	-$0.339M (-3.64%)

A downturn in 2015-16 variable pay after net-off the year-to-year salary adjustment.

5. **Please provide special circumstances to justify the proposed variable pay, internal or external, if any (with reference to the various factors endorsed by the Council, e.g. staff morale, PR, etc).**

VP is one of our important performance management tools whereby we could award and recognize performers for their valuable contributions. The Management considers that granting the VP is necessary against the backdrop of sustainably good corporate performance such that VP continues to be seen by staff as part and parcel of the institutional arrangements to drive performance and that performance would be duly rewarded. After considering all the factors and staff sentiment, the Management considers that the proposed VP payouts, following our past three years' practices, will appropriately recognize the staff members' exceptional contribution in the past year and promote staff morale.

2016/17 KPIs

- As agreed by the Council in 2015, starting from 2016/17,
  - the KPIs would contain 23 indicators:
    13 core KPIs + 10 other KPIs
  - 2 new KPIs would be introduced:
    - Total external income
    - A score of 7.5 or above out of 10 in terms of productivity gain by clients (replacing "% of customers reporting productivity increase")

2016/17 KPIs

- In 2016/17, 18 out of 23 KPIs exceeded targets.

- All core KPIs exceeded targets.

2016/17 KPIs

KPI		2015/16 Actual	2016/17 Performance Target	2016/17 Actual Performance	Achieved %
Part I Core KPIs					
(1) Key Performance Measure: Operating Efficiency					
(a) Percentage of business employee hours charged to billable projects		92.8%	87.5%	96.4%	110%
(2) Key Performance Measure: Financial Result					
(a) Overall income/expenditure ratio		70.7%	69%	74.1%	107%
(b) Overall income per employee ($M)		0.68	0.65	0.76	117%
(c) Total external income ($M)		413.2 (new KPI from 2016/17)	429.4	447.3	104%
(3) Key Performance Measure: Effectiveness					
Industry consultation	(a) Number of theme-based industry consultation organized : Hong Kong Industry Network Cluster (HK-INC) and non-HK-INC	51	40	42	105%
HKPC services and marketing effort	(b) Number of people attended events/networking activities for associations/non-fee charging seminars	20,620	22,000	22,074	100%
New products, new services, new technologies, new applications, new methodologies, commercialization	(c) Number of new services and products introduced	30	24	28	117%
	(d) Number of patent/ licence/ royalty	13	8	18	225%
	(e) Number of products/technologies commercialized	21	14	19	136%
	(f) Number of R&D projects - new projects	38	30	46	153%
Outcome of consultancy projects	(g) Percentage of customers giving a score of 7.5 or above out of 10 in terms of productivity gain	n/a (new KPI from 2016/17)	75%	87%	116%
Customer satisfaction	(h) Customer satisfaction index	8.9	8.8	9.0	102%
Satisfaction of training participants	(i) Training participants satisfaction index	8.4	8	8.4	105%
Part II Other KPIs					
(1) Key Performance Measure: Service Delivery					
(a) Number of consultancy projects accepted		917	1,020	948	93%
(b) Number of fee-charging training courses launched		196 (Note 1)	226	203 (Note 4)	90%
(c) Number of people attended the fee-charging training courses		4,248 (Note 2)	3,390	4,198 (Note 5)	124%
(d) Number of people attended exhibitions/fee-charging study missions/fee-charging conferences organized		2,221 (Note 3)	4,000	4,256 (Note 6)	106%
(2) Key Performance Measure: Financial Result					
(a) Income from consultancy projects ($M)		307.7	312.6	344.1	110%
(b) Income from training courses ($M)		8.9	17.6	9.4	53%
(c) Income from exhibitions/study missions/conferences ($M)		4.8	3.9	7.7	197%
(d) Income from manufacturing support projects ($M)		23.6	36.6	25.2	69%
(e) Income per consultancy project in progress ($M)		0.15	0.15	0.14	93%
(3) Key Performance Measure: Effectiveness					
New products, new services, new technologies, new applications, new methodologies, commercialization	(a) No. of R&D projects - on-going projects	99	49	99	202%

Note 1 figure includes 55 courses held government funded projects
Note 2 figure includes 2396 participants in courses held under government funded projects
Note 3 figure includes 1460 participants in events held under government funded projects
Note 4 figure includes 32 courses held under government funded projects
Note 5 figure includes 1459 participants in courses held under government funded projects
Note 6 figure includes 3049 participants in events held under government funded projects

2016/17 KPIs

HKPC's Performance in Perspective

- Of the 5 KPIs with variance from targets,
  - 3 recorded 10% or less shortfall from target
    - no. of consultancy projects accepted
    - no. of fee-charging training courses launched
    - income per consultancy project in progress
  - 2 are income-related KPIs which recorded more than 10% shortfall:
    - income from training
    - Income from manufacturing support projects

    Their shortfall (totaled $20M) is compensated by income from consultancy projects which exceeded target by $32M.

2016/17 KPIs

HKPC's Performance in Perspective (con't)

- Overall, total external income in 2016/17 (being $447M) is higher than budget (being $429M).

- Income/expenditure ratio and overall income per employee both exceeded targets (74% vs 69%, $0.76M vs $0.65M).

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RE: Confidential: HKPC - 57th Meeting of Staffing Committee (4/7/2017)
2017/06/30 下午 06:20

From: Gillian Siu Lan LUK < @hkpc.org>
To: Abby SH CHENG < @itc.gov.hk>
Cc: Alfonso Shik Wing TAM < @hkpc.org>, Flora Shuk Hing LI < @hkpc.org>, Agnes Tsz Wan TANG < @hkpc.org>

1 attachment

KPI.docx

Dear Abby,

Your email to Agnes Tang refers. Atth. pls. find our reply.

Best regards,
Gillian

From: Abby SH CHENG [mailto: @itc.gov.hk]
Sent: Wednesday, June 28, 2017 9:25 AM
To: Agnes Tsz Wan TANG < @hkpc.org>
Cc: Flora Shuk Hing LI < @hkpc.org>; Gillian Siu Lan LUK < @hkpc.org>
Subject: Fw: Confidential: HKPC - 57th Meeting of Staffing Committee (4/7/2017) – Paper no. SC 6, 7 & 8

Dear Agnes,

Thank you for the papers.

We understand from the paper on VP that HKPC did not achieve the KPI targets in 2016/17 for the following 5 indicators. Can HKPC provide reasons for our assessment? Thank you.
(1) "Number of consultancy projects accepted"

(2) "Income from fee-charging training courses launched":

(3) "Income from training courses"

(4) "Income from manufacturing support projects"

(5) "Income per consultancy project in progress"

Abby

2016/17 KPIs Not Meeting Targets and Reasons for the Variance

KPI	Target	Actual	Achievement	Reason for Variance
1. No. of consultancy projects accepted	1020	948	93%	– Actual consultancy income exceeded target by 10%, with larger scale projects accepted in the areas of environmental management, automation service and smart manufacturing and materials. The below target number of consultancy projects had minimal impact on consultancy income. – Indeed, engagement in larger scale consultancy projects was beneficial and necessary for HKPC to continually build up its capabilities, and experience and R&D results in larger projects would also be gainfully cascaded by HKPC to SMEs later on. – The >1000 target was ambitious and aimed at driving staff performance.
2. No. of fee-charging training courses launched	226	203	90%	– Employers, adopting a prudent stance pending the emergence of a clearer picture of economic recovery, scaled

KPI	Target	Actual	Achievement	Reason for Variance
3. Income from training courses	$17.6M	$9.4M	53%	back on non-essential expenditure items like human resource development and preferred to send employees to shorter duration courses which deliver more immediate results and caused less disruption to their operation. – Arising from the above, more training courses were of shorter duration, and hence contributing to falling income. – Furthermore, courses in new technologies and business methodologies took a longer time for market to accept.
4. Income from manufacturing support projects	$36.6M	$25.2M	69%	– Some manufacturing support services were incorporated into consultancy e.g. diffusion bonding, conformal cooling, mould component fabrication, as clients increasingly seek integrated solutions rather than one-off manufacturing support service.

KPI	Target	Actual	Achievement	Reason for Variance
5. Income per consultancy project in progress	$0.15M	$0.14M	93%	– The marginal difference is arithmetic in the main as the calculation is based on consultancy project income generated by the number of consultancy projects in progress. – There was a higher number of consultancy projects in progress in 2016/17 as compared with 2015/16, leading to a diluting effect causing a slight drop in income per consultancy project in progress. In this regard, it must be noted that some of these projects were newly launched towards the end of the review period and hence were mainly in the preparatory stage and did not generate much income.

2017/18 KPIs

- In 2017/18, 20 out of 23 KPIs exceeded targets.
- All core KPIs exceeded targets.

2017/18 KPIs

- Overall financial targets exceeded

KPI	2017/18 Performance Target	2017/18 Actual	% Met
Total external income	$449.81 M	$471.70M	105%
Overall I/E ratio	69.1%	76.40%	111%
Overall income per employee	$0.68M	$0.82M	120%

2017/18 KPIs

- 3 KPIs with variance from targets:

KPI	2017/18 Performance Target	2017/18 Actual	% Met	Remark
Number of consultancy projects accepted	968	699	72%	despite the shortfall, income per consultancy project in progress exceeds target by 7%, indicating larger project size
Income from training courses	$14.0 M	$8.0M	57%	the shortfall of these 2 KPIs ($13M) is compensated by income from consultancy projects which exceeded target by $16M
Income from manufacturing support projects	$33.7M	$26.7M	79%	

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Key Performance Indicators

2018/07/12 下午 05:38

From: Abby SH CHENG/ITC/HKSARG
To: @hkpc.org
Cc: BS YEUNG/ITC/HKSARG@ITC, Jason KP CHEUNG/ITC/HKSARG@ITC

Dear Gillian,

As spoken, we understand that HKPC has met 20 out of 23 targets for 2017/18. On the remaining three KPIs not meeting the target, we would like to seek your clarifications on the following:

(1) No. of consultancy projects accepted (699 against target of 968. For the past two years, the figures were 948 and 917 respectively.)

While we note HKPC's explanation in the SC paper, the drop seems to be more significant this year, and we are also concerned that HKPC will be alleged of focusing more on larger enterprise, while services to SMEs are insufficient. We would like to know HKPC's further clarifications on this, as well as the anticipated results for the years to come.

(2) No. of training courses (7.979M against target of 14M. For the past two years, the figures were 9.4M and 8.9M)

We note that the income from training courses has been on the low side in recent years. Grateful to know the reasons behind. Besides, we will be launching the Reindustrialisation and Technology Training Programme (RTTP) later this year. We encourage HKPC to actively participate in this programme with a view to increasing the training income.

(3) Income from manufacturing support services (26.653M against target of 33.7M. For the past two years, the figures are 25.2M and 23.602M)

HKPC previously advised that the income could not meet target as some manufacturing support services have been incorporated into consultancy projects, in line with market demand for integrated solutions. Grateful to know if this reason is still valid, or that the target of 2017/18 has already reflected this phenomenon.

Grateful for your advice on the above. We will also raise these questions at the SC meeting tomorrow.

Happy to discuss. Thanks!

Abby

KPI		2018/19 Performance Target	2018/19 Actual
Part I Core KPIs			
(1) Key Performance Mensure: Operating Efficiency			
(a) Percentage of business employee hours charged to billable projects		92.0%	95.2%
(2) Key Performance Measure: Financial Result (HK$M)			
(a) Overall income/expenditure ratio		67.6%	77.5%
(b) Overall income per employee ($M)		0.74	0.8
(c) Total external income ($M)		433.9	464.5
(3) Key Performance Measure: Effectiveness			
Industry consultation	(a) Number of theme-based industry consultation organized : Hong Kong Industry Network Cluster (HK-INC) and non-HK-INC	40	65
HKPC services and marketing effort	(b) Number of people attended events/networking activities for associations/non-fee charging seminars	22,000	28,564
New products, new services, new technologies, new applications, new methodologies, commercialization	(c) Number of new services and products introduced	27	27
	(d) Number of patent/ licence/ royalty	10	21
	(e) Number of products/technologies commercialized	18	18
	(f) Number of R&D projects - new projects	35	43
Outcome of consultancy projects	(g) Percentage of customers giving a score of 7.5 or above out of 10 in terms of productivity gain	82%	90%
Customer satisfaction	(h) Customer satisfaction index	8.8	9.07
Satisfaction of training participants	(i) Training participants satisfaction index	8.2	8.56
Part II Other KPIs			
(1) Key Performance Measure: Service Delivery			
(a) Number of consultancy projects accepted		935	944
(b) Number of fee-charging training courses launched		200	234
(c) Number of people attended the fee-charging training courses		3,000	6,084
(d) Number of people attended exhibitions/study missions/conferences organized		4,000	4,039
(2) Key Performance Measure: Financial Result (HK$M)			
(a) Income from consultancy projects ($M)		322.8	340.9
(b) Income from training courses ($M)		12.6	7.6
(c) Income from exhibitions/study missions/conferences ($M)		5.5	6.2
(d) Income from manufacturing support projects ($M)		26.1	30.0
(e) Income per consultancy project in progress ($M)		0.15	0.2
(3) Key Performance Measure: Effectiveness			
New products, new services, new technologies, new applications, new methodologies, commercialization	(a) No. of R&D projects - on-going projects	65	132

Confidential

2018/19 KPIs

- 22 out of 23 KPIs exceeded targets
- All core KPIs exceeded targets
- Only 1 KPI (Training Income) missed target
- Recovery Plan being taken in 2019/20:
  - Appointed a new Head with significant experience in executive training
  - A new cross-division cooperation model with strategic focuses
  - Emphasis on Executive Training with focus on Innovation and Technology, Leadership and Management in partnership with leading international institutes
  - Enhanced resources for promotion and marketing including social media

Confidential

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RE: Confidential: HKPC: 141st Council Meeting (31/7/2019) - PC 16/2019
2019/07/29 下午 02:01

From: Gillian LUK < @hkpc.org>
To: Abby SH CHENG < @itc.gov.hk>
Cc: Jason KP CHEUNG < @itc.gov.hk>
History: This message has been forwarded.

Dear Abby,
Pls. find our reply below.

Reason for shortfall

- -The uncertain international economic situation has somewhat affected companies' resources commitment on public in-class training.
- -Some corporations have increased the proportion of using internal resources or engaging customized corporate training to meet their learning objectives.
- -The abundance of training providers in the market and training materials available online have intensified competition in the in-class training business.
- -There is room for improvement in the collaboration and synergy between subject divisions and HKPC Academy. In previous years, the organisation of technology training had little input from the experts from subject divisions, thus not creating strong synergy on market demands and prevailing technology trends.

Actions taken to achieve a better result in the coming years

- A new Head with significant experience in executive training has been appointed.
- -Business development focus has been placed on executive training with focus on innovation and technology, leadership and management in partnership with leading international institutes.
- -A new cross-division cooperation model with strategic foci has been adopted.
- -Enhanced resources for promotion and marketing including social media

Best regards,
Gillian Luk
Senior Manager
Council Secretariat
T: (852) 2788 6283
HKPC Building, 78 Tat Chee Avenue, Kowloon, Hong Kong

From: Abby SH CHENG < @itc.gov.hk>

Sent: Wednesday, July 24, 2019 9:34 PM
To: Gillian LUK < @hkpc.org>
Cc: Jason KP CHEUNG < @itc.gov.hk>
Subject: Re: Confidential: HKPC: 141st Council Meeting (31/7/2019) - PC 16/2019

Dear Gillian,

We note from the paper that the KPI for "income from training courses" fell below target by 40%. Grateful if HKPC could account for the reason, and provide the plan to achieve a better result in the coming years.

Abby

From: Gillian LUK < @hkpc.org>
To:

Cc:

Date: 2019/07/24 下午 07:10
Subject: Confidential: HKPC: 141st Council Meeting (31/7/2019) - Agenda and Meeting Papers

24 July 2019

To: Council Members

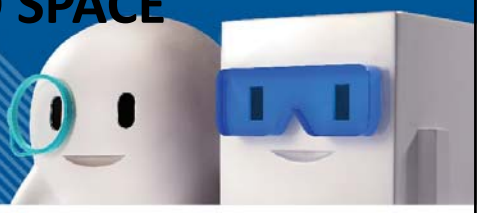
Dear Member,

I refer to the 141st Council meeting to be held at **3:00pm on Wednesday, 31 July 2019** in the Board Room, 2/F, HKPC Building, 78 Tat Chee Avenue, Yau

Annex 2

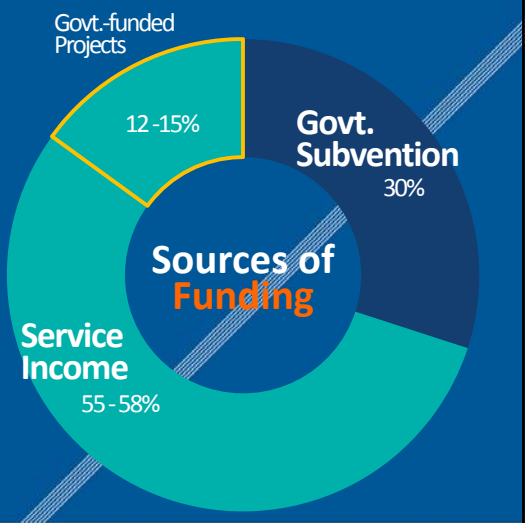
HKPC

PROPOSAL FOR INNO SPACE



Use of Space in Revitalised Industrial Buildings

- Established by **Statute** in **1967**
- **Non-profit**-distributing
- **Mainland** Subsidiaries



HKPC

Inno Space – The Concept

- Inno Space is a concept of community-operated workspace where people with common interests can meet, socialise and collaborate.
- Tools and equipment are provided to makers to facilitate product development

HKPC

Inno Space – The Benefits

- Provide a physical space for peer experience and knowledge sharing
- Connect the community to foster innovation, search for inspiration and provide hands-on skills to youngsters and students to address the needs of the growing technology adoption of tomorrow
- Serve as a micro-factory and provide them with an understanding on manufacturing industry. This can help nurture a pool of creative young human capital which forms the backbone of our creative economy and further contribute strategically to our re-industrialisation policy.

HKPC

Existing Makerspace in HK

- 7 makerspaces
  (in operation or in the process of being setup)
- All makerspace in Hong Kong occupies a floor area of about 20,000 sq. ft in total
  (each ranging from 600 sq ft to 7000 sq ft)



HKPC

Source: http://makerhive.com.hk, http://boot.hk, http://www.makerbay.org

Weakness of Existing Makerspace in HK

- Limited scope of makers' service by providing only basic tools and machineries
- Limited capabilities on processing different materials and realising complicated design
- Limited capabilities on pilot production for realizing near final product with good functional and aesthetic performances

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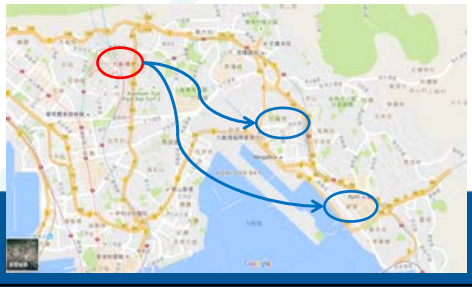
HKPC Inno Space - Establishment

- HKPC will take the lead to design and build the "HKPC Inno Space" through tendering and manage the Inno Space as its off-site facilities.
- Cooperation with similar facilities managed by local universities and existing makerspace operators will be considered for widening the service scope.

HKPC

HKPC Inno Space – Site Selection

- Propose locating at Kowloon Bay or Kwun Tong industrial area or their vicinity
  - high accessibility by public transport from HKPC building in Kowloon Tong
  - Easy sourcing of raw materials / accessories / components



HKPC

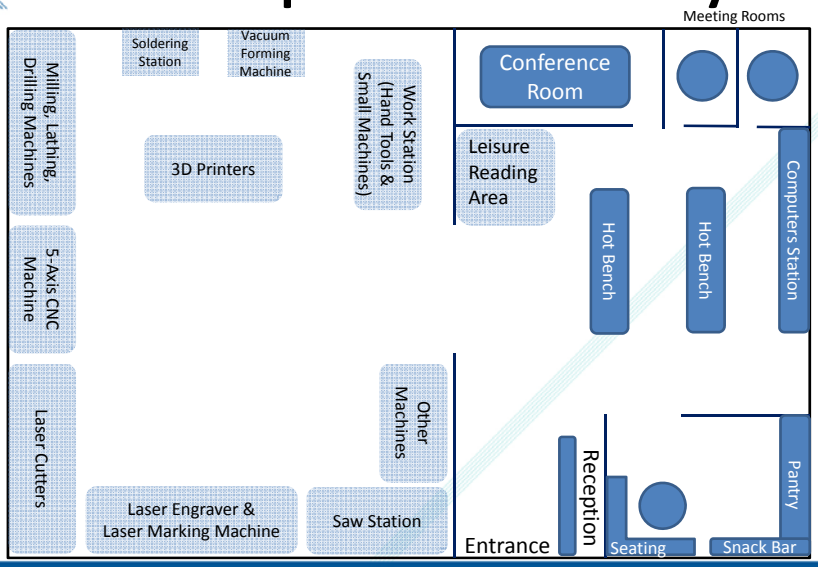
HKPC Inno Space – Capacity of Premises

HKPC envisages the Inno Space will be able to take up 8,000 – 10,000 sq. ft. subject to

- actual configuration of the premises
- scope of services to be offered
- floor space selected/ provided by the owners of revitalised industrial buildings

HKPC

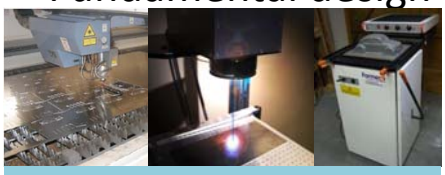
HKPC Inno Space- Facilities Layout



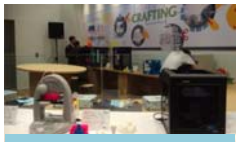
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HKPC Inno Space – Equipment Capability

Fundamental design & fabrication apparatus



Laser Cutting / Laser Engraving / Laser Marking



3D Printer (Single & Multi-Colour)



Soldering Station



Bench Circular Saw



Band Saw



Disc & Belt Sanding Machine



Scroll Saw



Sewing Machine

HKPC

HKPC Inno Space – Equipment Capability

Fundamental design & fabrication apparatus



5 axis CNC Machine



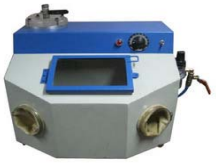
Milling Machine



Lathing Machine



Drilling Machine



Sand Blasting Machine



Vacuum Forming Machine



Strip Heater

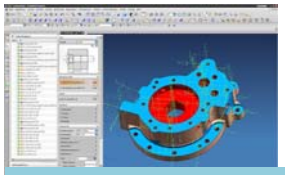


Electronic Component

HKPC

HKPC Inno Space – Equipment Capability

Fundamental design & fabrication apparatus



CAD / CAM /EDA Software



Office Equipment



Hand Tools



Measuring Instrument



Protective Equipment

HKPC

HKPC Inno Space – Equipment Capability

- Laser cutters, Laser engraver, Laser marking machine
- 3D printers
- Soldering station
- Sewing machine
- Spray painting system
- 5-axis CNC machine
- Milling machine, Lathing machine, Drilling machine
- Vacuum forming machine
- Bench circular saw, band saw & scroll saw
- Sand blasting device, Disc & belt sanding machine
- Strip heater, function generator, oscilloscope, power supply
- CAD/CAM/EDA software
- Office Equipment, etc.

HKPC

HKPC Inno Space – Accessibility of Facility

Main target users

- Young entrepreneurs, secondary/university students and graduates
- Generally accessible by the public

Proposed Opening Hours

- Mon – Fri 12:00-21:00
- Sat – Sun 10:00-19:00

HKPC

HKPC Inno Space – Business Model

Methods of Charging-

- Membership
- Pay-per-use
- Pay-per-entrance
- Group booking

for events, competitions, workshops & training classes

(patrons may be invited to subsidise the rent of HKPC Inno Space)

HKPC

HKPC Inno Space- Cost Estimate

- **Capital Cost**

  Fitting-out of premises
  $ 3.1 million HKD

  Procuring equipment
  (hardware & software)
  $ 7.2 million HKD

- **Recurrent Cost**

  Annual operating cost
  (assuming nil rent)
  $ 3.8 million HKD

HKPC

HKPC Inno Space - Capital Cost

Government funding support for the capital works and procurement of equipment will be required for HKPC to take up a sizable premises of the industrial building to operate the HKPC Inno Space.

(subject to the configuration of premises and conditions of entire building)

- Power loading, Gas & Water supply
- Floor loading, Ceiling
- Lifts & Carparks
- Occupational health & safety, etc.

HKPC

HKPC Inno Space – Recurrent Cost

- About 5 – 8 experienced technical officers will be needed for maintaining daily operation, providing direct coaching and maintaining healthy & safe environment for users.
- HKPC will meet the recurrent cost of operating "HKPC Inno Space"

(assume only nominal rent of the premises being charged by some local funding organization or patron. Or else, users will need to pay a higher fee for individual services in order to obtain full recovery of the cost, which may in turn discourage usage by the general public.)

Items	Estimated Cost (HKD)
Overhead Cost (machine maintenance, management fee, electricity, water, internet, etc.):	850,000
Salary for Manpower (6 staff):	2,500,000
Consumable:	400,000
Total:	**3,750,000**

HKPC

Terms of Allocation

- Preferably 10 years or more vis-à-vis the upfront capital costs involved and growing demand for the concerned facilities
- HKPC is prepared to operate the "HKPC Inno Space" on a long term and self-recovery basis

HKPC

Our Niche

- Provision of diverse equipment and software for design and fabrication of metal, wood, plastic, textile, ceramic, electronic models/ prototypes/ products.
- Experts from HKPC will be available to provide supervision and training to users. Direct coaching will be provided to the users before using the high-end equipment.
- Support the pilot production with advanced manufacturing equipment by HKPC. Services of HKPC Inno Space will be more comprehensive in terms of capability and functionality when comparing with existing ones in the market of Hong Kong.

HKPC

Extending Equipment Capabilities

To supplement the capability of HKPC Inno Space, HKPC will make available our advanced equipment at Kowloon Tong premises to perform different production processes for the makers if necessary

- Injection moulding, Ceramic & metal injection moulding
- Metal stamping
- 3D scanning, 3D metal printing
- Laminated object manufacturing
- Stereolithography
- Thermal coating & Brazing
- Diffusion bonding
- Laser polishing

HKPC

HKPC Inno Space

CONCEPT

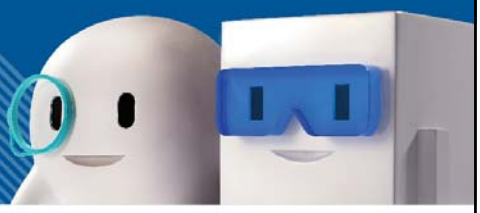
MODELLING

PRODUCTION

HKPC

HKPC

Q & A



All-round Productivity Partner
全方位企業伙伴

Promoting the Development of Industries and Re-industrialisation

64. The Science Park expansion is underway for completion in three years. This will further increase the park's gross floor area to some 400 000 square metres.

65. To promote re-industrialisation, the Government is preparing to build a Data Technology Hub and an Advanced Manufacturing Centre in the Tseung Kwan O Industrial Estate, to be completed in three and five years respectively. Furthermore, the Government introduced a Technology Voucher Programme two months ago to subsidise the use of technology by SMEs to improve productivity or facilitate upgrading and transformation.

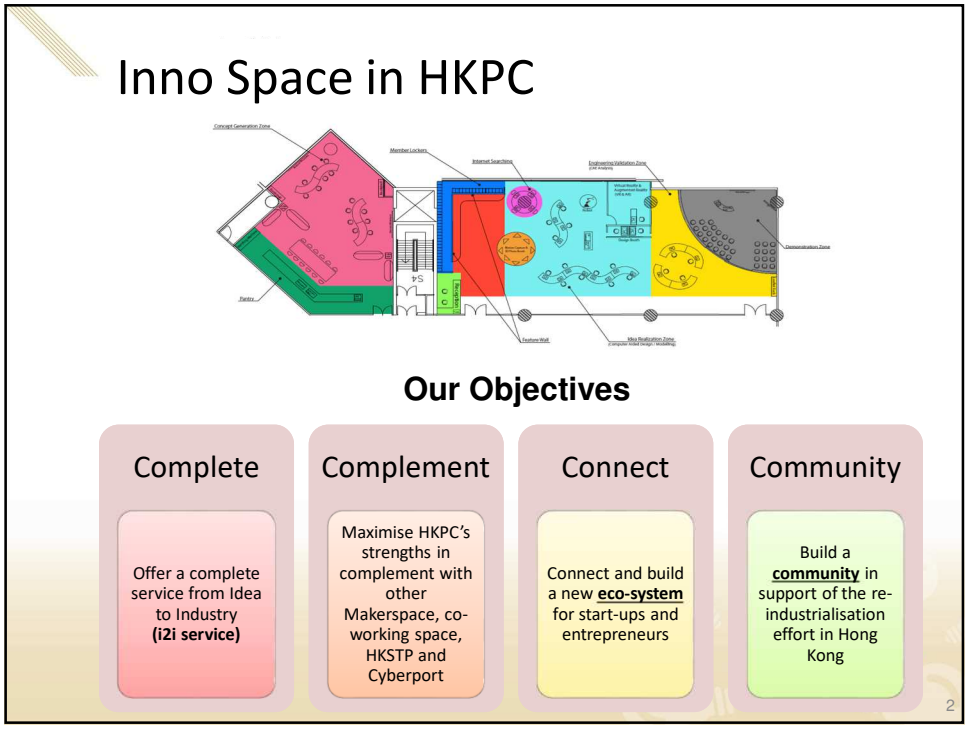
66. Industries enjoying advantages in the process of Hong Kong's re-industrialisation include biotechnology, big data, the Internet of Things, artificial intelligence and smart city. ITB, Invest Hong Kong and the ETOs will actively encourage relevant enterprises to establish their presence in Hong Kong.

67. The Government will establish an Inno Space with the Hong Kong Productivity Council to facilitate the sharing of practical technologies and skills to promote the translation of innovative and technological ideas into industrial designs or products, and support a start-up culture and re-industrialisation.

68. The Government has set aside sizable sites, including one of over 50 hectares near the Liantang/Heung Yuen Wai Boundary Control Point, for use by the innovation and technology sector (including the development of a science park and industrial estates) and other emerging or traditional industries. We will also recommend the Science Park make best use of the developable sites in Tai Po, Yuen Long and Tseung Kwan O industrial estates.

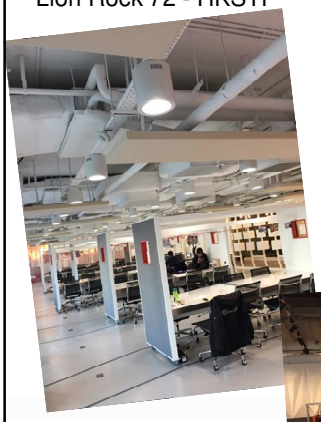
Annex 4


Inno Space
HKPC
Partnering for a Smart Future
同行五十載 智慧創未來

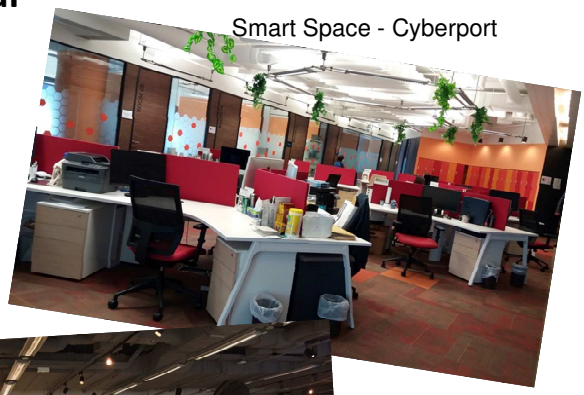

Inno Space in HKPC
Our Objectives
Complete
Offer a complete service from Idea to Industry (i2i service)
Complement
Maximise HKPC's strengths in complement with other Makerspace, co-working space, HKSTP and Cyberport
Connect
Connect and build a new eco-system for start-ups and entrepreneurs
Community
Build a community in support of the re-industrialisation effort in Hong Kong
2

Our Visits - Local

Lion Rock 72 - HKSTP



Smart Space - Cyberport





Ing Dan

3

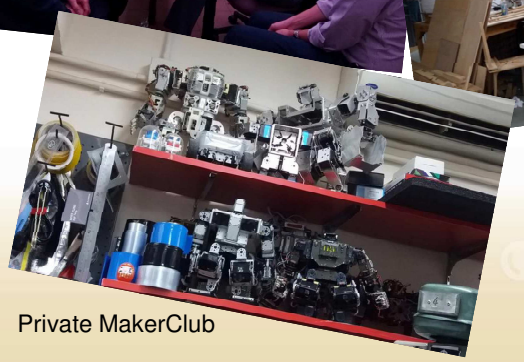
Our Visits - Local

Dim Sum Lab



Makerbay





Private MakerClub

4

Our Visits - Overseas

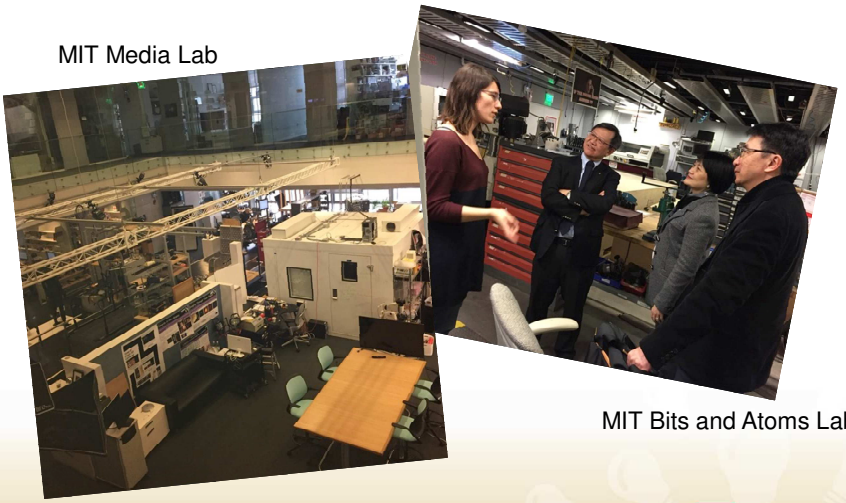
Finland Hackspace



MIT Innovation Initiatives

Our Visits - Overseas

MIT Media Lab



MIT Bits and Atoms Lab

Our Visits - Overseas

MIT Martin Trust Centre





Cambridge Innovation Centre (CIC)

7

Our Operations

Our Key Areas

- Inno-Idea
- Inno-Prototype
- Inno-Network

Our Charging Model

- Monthly membership fees
- Reciprocal discount for other makerspace and co-working space members
- Limitation on number of access hours per month

Our Activities

- Prototyping
- Small batch and full production advisory
- Equipment training
- Safety training
- Entrepreneurship training
- TEC talk
- Business Networking
- Membership Fun Activities

8

Our Facilities

Floor Areas: Around 8,000 sq.ft. in 1st and LG1 floor

Computer Software

- CAD
- CAE Analysis
- 2D and 3D modelling
- Motion Capture
- Electronics Design
- 3D Rendering

Machines (examples)

- CNC
- Laser Cutting
- Laser Marking
- 3D Printers
- 3D Scanner
- Grinders
- Welding
- Sewing
- Vacuum Forming

9

Our Budget

	Cost (HK$'000)
1. Manpower	4,440
2. Equipment	7,160
3. Centre Fitting Out	3,100
4. Other Direct Costs	3,060
Total Project Cost:	17,760

10


Thank you!
HKPC
Partnering for a Smart Future
同行五十載 智慧創未來
11

Service Proposal for

“Inno Space”

Prepared by

Hong Kong Productivity Council

27 April 2017

Table of Content

1. Hong Kong – A Fast Growing and Vibrant Start-up Community …. 1

2. A Community of Start-ups – the Backbone of Re-industrialisation… 2

3. Inno Space – HKPC Positioning, Strategy and Value Preposition ……..……..……..……..……..…… 3

4 Inno Space – Services and Operations ……...…..……. 6

4.1 Inno Space – The Centre …… 6

4.1.1 Floor Space, Location and Facilities…… 6

4.1.2 Equipment …… 9

4.1.3 Marketing and Promotion ……. 9

4.1.4 Networking Event and Activities ……... 10

4.1.5 Business and Entrepreneurship Training……... 11

4.1.6 Operating Hours ……. 11

4.1.7 Membership Scheme ……... 11

4.1.8 Safety and Security ……. 15

4.1.9 Business Model ……..... 16

4.1.10 Collaboration with Other Organizations …….. 17

4.2 Project Timeline ……..…..… 18

4.3 Budget ……..…… 20

4.4 In-kind Support from HKPC …….……..... 23

4.5 Governance and Performance Monitoring ……..….. 25

4.6 Way Forward ……..… 26

5 Appendices ……..…..… 26

1. Hong Kong – A Fast Growing and Vibrant Start-up Community

In recent years, Hong Kong has become one of the fastest growing start-up hubs in the world with a burgeoning number of co-working spaces and makerspaces. According to the latest figures from the HKSAR Government, the number of start-ups has risen from 1,558 in 2015 to 1,926 - that is a 24% year-on-year increase in 2016. This has become one of the key developments of Hong Kong Industry in its pursue of becoming a high value industry and ultimately achieving re-industrialisation. In many ways, Hong Kong Industry already possesses all the basic ingredients for success in being a start-up hub. We are well established with world-class designer, excellent R&D facilities, a well-proven banking and financial system as a World Financial Centre, well-established manufacturing base in Pearl River Delta, and, efficient supply chain and logistics. Ultimately, the final ingredient of a "make-it-happen" spirit is what makes it tick for Hong Kong.

With the excellent facilities set up and policy support by HKSAR Government to start-ups, many university graduates, SMEs and new entrepreneurs are attracted to join the "start-up bandwagon" in developing their ideas into a reality. In addition, many overseas entrepreneurs and even MNCs are flocking to Hong Kong to join the start-up community in Hong Kong. As a result, Hong Kong has grown a vibrant start-up and entrepreneur community.

2. A Community of Start-ups – the Backbone of Re-industrialisation

Chief Executive proposed undertaking re-industrialisation of Hong Kong in his 2016 policy address as he spoke about diversifying the economic growth engines of Hong Kong.

Indeed, many developed countries such as Germany, the United States and Japan are proposing different strategies to push re-industrialisation. They mostly rely on advanced technologies in their bid to transform the manufacturing sector towards high value-added development.

In a similar manner, the re-industrialisation of Hong Kong is not about bringing back labour-intensive and low skill manufacturing process to Hong Kong. Instead, it is about the development of a high value-added manufacturing industry by making the best use of advanced technologies and integrating them with Hong Kong's practical environment.

To this end, with their advanced technologies and innovation, the growing vibrant community of start-ups and entrepreneur will form the basis of many new high value-added industry sectors in Hong Kong. Eventually, the community will become the backbone of the re-industrialisation effort in Hong Kong.

3. Inno Space – HKPC Positioning, Synergy and Value Preposition

As the start-up and entrepreneur community is becoming more mature, they are faced with a new issue. While they are well supported in their early stage of development with various funding schemes and investment, incubation programs and R&D support, they generally find the support for the later stage of their development cycle lacking. They are yearning for getting technical and advisory support for producing prototype, small batch production and full-scale manufacturing. These are the necessary ingredients for making their ideas to become a reality and eventually a success.

To address the above issue, in the 2017 Policy Address, the Government announces that they will establish an **Inno Space** with the Hong Kong Productivity Council (HKPC) to facilitate the sharing of practical technologies and skills to promote the translation of innovative and technological ideas into industrial designs or products, and support a start-up culture and re-industrialisation.

In order to facilitate the establishment of Inno Space and to provide targeted support to the entrepreneurs and start-up community in Hong Kong, HKPC conducted a survey and visit of a number of major co-working spaces and makerspaces in Hong Kong and Overseas (for details please refer to Appendix III). It is found that start-ups and entrepreneurs are generally faced with the following key issues:

1. Lack of space, equipment and facilities to develop a prototype
2. Lack of a "focal point" for growing their community
3. Lack of business skills
4. Lack of small batch production support
5. Lack of information on International standard compliance
6. Lack of knowledge on and connection to mass production

While there are a number of makerspaces and co-working spaces in Hong Kong, they are generally not adequately equipped and well connected with various facets of Hong Kong Industry to provide all round support to the Hong Kong start-up communities.

In order to address the above issues, HKPC will establish the Inno Space as a one-stop support centre for developing an ecosystem for the entrepreneur and

start-up community in Hong Kong. There are four key objectives for Inno Space:

1. **Complete**
    - To offer a complete service from Idea to Industry **(i2i service)**
2. **Complement**
    - To maximise HKPC's strengths in complement with other makerspaces, co-working space, HKSTP and Cyberport
3. **Connect**
    - To connect and build a new **eco-system** for start-ups and entrepreneurs
4. **Community**
    - To facilitate the building of a community in support of the re-industrialisation effort in Hong Kong

For achieving the above objectives, Inno Space will have the following four key elements in its services:

1. **Equipment and Machinery** for developing prototypes
2. **Business Training** for Entrepreneur and Start-ups
3. **A Focal Point** for developing an eco-system for the start-up community
4. **Technical Advisory** on patent application, standard compliance, testing, small batch and full production

With the technical know-how, industry knowledge and business network developed by HKPC in its 50 years of operation, Inno Space will be uniquely positioned to provide an all-round support to the growing and vibrant entrepreneur and start-up community in Hong Kong. From the generation of ideas, development of concept, making of a prototype, refinement of the

prototype, compliance testing, patent applications for their ideas, small batch production to introduction of business network, Inno Space supported by HKPC will be offering a complete end-to-end, "**Idea to Industry (i2i)**" eco-system of services, people and business network.

With the key aim to establish "Connection" and "Collaboration" amongst the start-ups in Hong Kong, Inno Space will enable all its members to share their skills and knowledge, and ultimately putting their innovation into a reality. Inno Space will play a key role in supporting the robust eco-system to spur innovation and nurture start-ups on a sustainable basis, ultimately, help developing an all-round innovative start-up culture into a key driving force of the re-industrialisation of Hong Kong.

4. The Inno Space – Service and Operations

4.1 The Inno Space – The Centre

4.1.1 Floor Space, Location and Facilities

Inno Space will occupy a total floor space of over 8,000 sq. ft. within HKPC Building at Kowloon Tong, housing all the equipment, machinery, tooling, networking areas and demonstration zone on two separate floors in HKPC. It will consist of THREE key functions:

1. **Inno-Idea**
2. **Inno-Prototype**
3. **Inno-Network**

Inno-Idea

Inno-Idea has a floor space of approximately 4,300 sq. ft. and is located on the 1st floor of HKPC building. With HKPC's central geographical location, the Inno Space will be ideally located to serve as a focal point for the entrepreneur

and start-up communities. It will have a maximum capacity of around 100 members simultaneously using the facilities, software tools and packages set up there. Inno-Idea will have the following support and services:

1. **Concept Generation** – An area will be set-aside for users to think, brainstorm and develop innovative ideas. Users can make reference to books and magazines and conduct Internet search for inspiration and ideas generation.

2. **Idea Realisation** – Users can translate their ideas or concepts into design drawings. Key software for design and industrial modelling will be available.

3. **Engineering Validation** – Design verification tools including various computer-aided engineering (CAE) software for structural analysis, animation, process simulation and performance evaluation are available for members to evaluate their designs before making prototypes. Fitting in with the development in creative industry, there are also facilities for 3D scanning, robotics, motion capturing and virtual reality (VR) / augmented reality (AR) application development.

4. **Idea Demonstration** – Users can make use of Inno-Idea for publicity events like seminars, sharing talks, product dissemination and demonstration. Lockers are available for users who need to keep their drawings or samples for later use. It is estimated that the Inno-Idea can concurrently accommodate over a hundred users.

5. **Work and Rest** – A pantry where users can make light refreshment, drinks and coffees using the provided kitchen appliances.

Inno-Prototype

On LG1 floor, Inno Space will house the Inno-Prototype where all the tools, machinery and equipment, both mechanical and electronics, for helping start-ups and entrepreneurs to develop functional prototypes. It will occupy a floor space of around 3,000 sq. ft. The Inno-Prototype is designed for model making and prototype development. It is composed of various small workshops, tailoring for different processing methods. Some key tools, machinery and equipment are:

1. 3D printing machines
2. Cut & Sew
3. Metal works – Casting, Laser Cutting and Machining
4. Wood Works
5. Electronic Fabrication
6. Crafting – Laser Processing, Spraying, Welding, Sanding and Blasting
7. Storage – There will also be a storage area for users to keep their semi-finished works during the fabrication process.

It is estimated that the Inno-Prototype can concurrently accommodate for a maximum of around 50 users.

Inno-Network

Inno-Network will be set up at the LG1 of the HKPC Building and it will provide a comfortable and relaxing area for users to take a short break, relax, talk and meet people. The Inno-Network has an area of around 900 sq. ft., featuring sofas and vending machines. Events such as social gathering or cocktail reception can be held with a maximum of around 40 participants.

Please refer to the tentative floor plans as shown in Appendix I.

4.1.2 Equipment

The Inno Space will be well equipped with various kinds of machines and tools for idea realization. Computer systems with software for 2D or 3D modelling, programming and design evaluation will be set up. Desktop or lab-scale machineries, basic hand-tools, raw materials and electronic components will be available for making prototypes with metals, plastics, wood, fabric and electronics. A tentative list of equipment is shown in Appendix II.

4.1.3 Marketing and Promotion

The Inno Space will make use of various digital social media (such as YouTube, Facebook, Twitter, We Chat, etc.) to broaden our network and awareness in the maker, start-up and entrepreneur communities. Promotional videos, attractive highlights of events and snapshots will be posted on the Internet. A dedicated website and smartphone app will be established for promoting the objectives and functions of the Inno Space and an introduction of the equipment and facilities available. All events organized by the Inno Space will also be updated regularly.

Media interviews will be arranged for selected success stories to show how Inno Space help individual members on their road to success. The members can share their experiences and lesson learnt so that it will give good encouragement to upcoming entrepreneurs and start-ups on one hand, and promote Inno Space on the other.

Regular group visits and tours will be set up for potential users of Inno Space. Target groups will include the secondary and university students, start-up and entrepreneur communities from other Maker Club, makerspaces, co-working spaces and organisations such as HKSTP, the Cyberport, trade associations etc.

Separately, as Grand Opening of Inno Space is targeted to be before October 2017, a ceremony will be organized to mark this special occasion. Guests from the Government, local tertiary institution and secondary schools, various industrial sectors and commercial organisations will be invited. Media will also be invited on this occasion in order to maximise the exposure of Inno Space.

4.1.4 Networking Events and Activities

Building a community of start-ups, entrepreneurs and makers with the Inno Space is a key task for the success of Inno Space. As such, Inno Space will create a space for people to interact, brainstorm and share information. Apart from the provision of "spaces" and "equipment" to users, a number of activities will be organised to create an open and sharing environment for users with common interests. Casual sharing talks with specific themes will be organized regularly. TED (Technology, Entertainment, Design) talks on different categories, e.g. technology management, entrepreneurship, new technology development, etc., will also be organised. Overseas renowned experts will be invited for delivering training and sharing talks in order to wake up the creativity of young entrepreneurs. Business matching or networking sessions will also be arranged to link up our members with different industry/trade associations.

There will also be technical seminars aiming at introduction of new technologies and new applications for our daily lives. Technology demonstrations will be organized to provide an opportunity for the members to display their innovative ideas or products.

4.1.5 Business and Entrepreneurship Training

Inno Space will organise a number of business and entrepreneurship related training courses on a cost recovery basis. The training courses will be open to both members and non-members to join by paying fees. However, members will be given a priority and discount in participating in these training courses. The training courses will be organised in association with leading business schools, universities and institutions locally and from overseas. It is aimed to build up the business skills of members of Inno Space, start-ups and entrepreneurs in areas such as marketing, pitching skills, innovation management, IP and patent management, financial etc.

4.1.6 Operating Hours

In order to cater for the usage patterns for all parties, particularly the makers, the proposed opening hours will be 9:00-23:00 from Monday to Friday and 09:00 – 21:00 on Saturday and Sunday, and close on public holidays. The opening hours will be regularly reviewed taking into account the usage pattern.

4.1.7 Membership Scheme

The Inno Space will adopt a membership system. Users are required to register as a member before they can enjoy the facilities in the Inno Space. There will be two tiers of membership: General and Advanced.

General Membership – it is designed for all users who would like to meet with different people, socialize and collaborate for idea creation and design generation. They can freely enjoy the facilities provided at the **Inno-Idea** and **Inno-Network** such as books and magazines, computer software for designs, 3D scanning and printing, motion capturing, etc. but they will NOT be allowed to use facilities in **Inno-Prototype**. Free admission to the events organized by the Inno Space will also be provided. A nominal membership fee will be

charged. Membership fee of general membership for full-time secondary/university students will be waived.

Advanced Membership – For users wishing to use the equipment and facilities at the **Inno-Prototype** will need to join for the **Advanced Membership**. Safety and Equipment Training will be provided to advanced members before they are eligible to use the equipment, machinery and tools at the Inno-Prototype. Membership fee for advanced membership will be higher than general membership. A generous discount will be offered to full-time university students.

A summary of the respective privileges of membership level is listed in the table below:

	Advanced Members	General Members	Non Members
Admission to Inno-Idea	✓	✓	×
Admission to Inno-Network	✓	✓	×
Admission to Inno-Prototype	✓	×	×
Casual sharing talks	✓	✓	×
TED talks	✓	✓	×
Sharing talks by renowned experts	✓	✓	×
Business matching or networking sessions	✓	✓	×
Regular group visits and tours	✓	✓	✓
Open Day with guided tours	✓	✓	✓
Technical seminars	✓	✓	✓
Technology demonstration	✓	✓	✓
Business and entrepreneurship training	✓	✓	✓

Eligibility for Membership

Advanced Member – People aged from 18 or above are eligible to register for membership. They will be allowed to use all the facilities, tools, and equipment in Inno Space, subject to availability and the completion of necessary usage and safety training.

General Member – People aged from 16 or above are eligible. This would provide opportunities to senior secondary school students to learn and develop their interests in creativity, innovation and R&D. They will be allowed to join all the free events and TED Talk, as well as use all the facilities, tools, and equipment in Inno-Idea and Inno-Network areas subject to availability and the completion of necessary usage and safety training. No person under the age of 18 will be allowed to operate machinery and equipment in Inno-Prototype area.

Check-in & Check-out System

After the membership registration, all members are eligible to visiting the Inno Space (Inno-Idea) by registering at the Reception Counter at the Inno-Idea. However, for advanced members who want to use the equipment and facilities at the Inno-Prototype, they have to check-in and check-out for safety considerations. To avoid disappointment, members are encouraged to make an appointment for machinery operation. This establishes a mechanism in limiting the number of users at any given moment such that we can provide sufficient attention and support to them.

Eligibility for Participation in Public Events

All are welcomed to come to our public events such as open days, seminars, talks, exhibitions, demonstration sessions to spark their interest in innovation

and technology. These events will be open to both members and non-members. Depending on the nature of the events, fees may apply on a cost recovery basis. Reservation may be required in order to manage the number of participants joining these events but members will be given a priority and discount in participating in these events. Safety briefings will be held at the beginning of events to inform participants the location of emergency exits and the escape routes.

4.1.8 Safety and Security

Safety in Inno Space is of paramount importance. The Inno Space will follow the Health and Safety policy of the HKPC, conforming to OHSAS18000 International Safety standard. Some key elements of the safety measures are as follows:

1. **Safety briefings** will be held at the beginning of each public event to inform participants the location of emergency exits and the escape routes.
2. **Basic Safety Training** will be provided to all members of the Inno Space on the fundamental safety precautionary measures. The training will include the potential hazards, location of safety equipment, location of the emergency exits and the escape routes. Completion of the basic safety training together with signing of Form of Undertaking would be a mandatory requirement for a successful membership registration.
3. **Machinery Operation and Safety Training –** Members who wish to use the machines at the Inno-Prototype must complete a Machine Operation and Safety Training. Upon completion, members have to go through a capability test to demonstrate their capability in operating those machines.
4. Within Inno-Prototype, a "**never work alone**" policy will be adopted. All machines can only be used within the opening hours of the

Inno-Prototype with its technical staff present. A 24-hour CCTV monitoring system will be also set up at the Inno Space (Inno-Idea and Inno-Prototype).

4.1.9 Business Model

The Inno Space will adopt a member-based business model and a pay-per-use charging system for member use of all the facilities, tools, machinery and equipment in Inno Space. The membership fee will be set on a cost recovery basis and by making reference to the fees charged by other makerspaces in HK. For the first two years of operation when a part of the centre operational cost will be covered by Government subvention, a discount will be applied to the membership fees as a means to attract a higher number of members in its initial operation. The rates will be given to both the Business Development Committee (BDC) and Finance Committee (FC) of HKPC for information and approval respectively.

Members who wish to make prototypes on their own with the equipment and facilities at the Inno-Prototype will be charged according to the time used. As we have to ensure that tools and equipment are used on an equitable basis, members will be allotted a limit on their use of each tool and equipment. Exceeding the set limit will accord the member a lower priority for the use of that piece of equipment.

Members can purchase raw materials (such as 3D printing filaments, metal powders, blocks and sheets, plastic sheets, electronic components, fabrics, etc.) from the Inno Space for making their own prototypes. Lockers will be available for rent by members who wish to store their works or prototypes at the Inno Space.

All net incomes from membership fee and other fee-charging items will be kept as reserves of the Inno Space for supporting the continuous operation of the Inno Space after the first two-year subvention period.

4.1.10 Collaboration and Synergy with Other Organizations

The set up of Inno Space is not aimed at competing with any existing makerspaces, co-working spaces and other set ups in Hong Kong. It is the aim of Inno Space to complement other facilities by using some of the equipment others do not have, giving consultancy and advices with the knowledge HKPC built up throughout the years, and, providing business networks from HKPC with the broad manufacturing and industry sectors. Inno Space will actively seek collaboration with other organisations such as the existing commercial co-working spaces and makerspaces, the universities in Hong Kong, R&D Centres, the Hong Kong Science and Technology Park, the Cyberport, trade associations and professional institutions, etc.

In order to strengthen the cooperation between existing "Makerspaces" in Hong Kong and to create a synergy effect by leveraging the strengths of different co-working spaces, makerspaces and sharing resources, the Inno Space will work on establishing a reciprocal membership scheme with other makerspaces in Hong Kong. Reciprocal members will receive a discount when joining Inno Space membership and vice versa. Details of the reciprocal membership scheme will be worked out in the ensuing months. In addition, where applicable, Inno Space will explore other collaborative activities such as business and enquiry referral, sharing sessions, joint events and functions, etc.

4.2 Project Timeline

Proposed Commencement Date: 01/04/2017

	Milestone Completion Date	**Work Progress**
1st Project Milestone: (6th month from commencement)	30/09/2017	- Renovation work of the Inno Space – 1st Phase - Purchase of equipment - Preparation of opening ceremony of the Inno Space - Establishment of the Inno Space website - Membership-drive Program – 1st round
Opening of the Inno Space before end of October 2017		
2nd Project Milestone: (12th month from commencement)	31/03/2018	- Membership-drive Program – 2nd round - Promotion events
3rd Project Milestone: (18th month from commencement)	30/09/2018	- 1st Anniversary Event - Membership-drive Program – 3rd round - Promotion events
4th Project Milestone: (24th month from commencement)	31/03/2019	- Membership-drive Program – 4th round - Promotion events - Review of the operation mode of the Inno Space

From 01/04/2019 onwards, the Inno Space will be operated by HKPC on a self-recovery basis.

Equipment

The purchase of the equipment will be carried out in phases with most equipment purchased in the 1st milestone period in order for adequate support to be ready for the opening of the Inno Space. However, in case some equipment cannot be delivered in the 1st milestone period, we will continue the procurement work in the 2nd milestone period.

Membership-drive program

The Inno Space will carry out programs that aim at attracting potential users of the Inno Space to become our members. We will, from time to time, approach relevant groups such as members of other makerspaces, university and senior secondary students, professional bodies, etc. In the program, we will carry out activities such as regular group visits and tours for targeted groups.

Promotional events

The Inno Space will organise a number of events such as open days, seminars, talks, exhibitions, and demonstration sessions to help promote Inno Space and also build up a community of start-ups and to spur innovation and nurture start-ups on a sustainable basis. While most events will be technically or innovation oriented, some events may involve a bit of fun activities for in order to build a team spirit for the younger generations using the Space.

4.3 Budget

The budget set out in this section is for:

1. The set up and renovation cost of the Inno Space, the purchase of equipment and facilities at the Inno Space, the establishment of the Inno Space website and smartphone app, and the promotional events.
2. The recurrent cost of the Inno Space for the first two years of operation will also be budgeted including direct manpower cost of the Inno Space and the monthly overhead cost including the standard internal management fee charged by HKPC per unit floor space.
3. There will also be budgets for other office/workshop materials and consumables and for software/hardware/website maintenance.

The table below lists all the expenditure items to be incurred in this project.

Summary:

	Cost (HK$'000)
(i) Manpower	4,440
(ii) Equipment	7,160
(iii) Other Direct Costs	6,160
Total Project Cost:	17,760 (A)+(B)+(C)

(i) Manpower

Position/Rank	No. Required	Duration (months)	Monthly rate or equivalent (HK$'000)	Total (HK$'000)	Justifications
Centre Manager	1	Around 23 months	62.5	1,440	1
Centre Officer	1	Around 23 months	26.0	600	2
Technical Officer	4	Around 23 months	26.0	2,400	3
			Sub-total (A):	4,440	

(ii) Equipment

Equipment to be used	Quantity	Unit Cost (HK$'000)	Total (HK$'000)	Justifications
Equipment	N/A	7,160	7,160	4
		Sub-total (B):	7,160	

(iii) Other Cost

Item	Quantity	Unit Cost (HK$'000)	Total (HK$'000)	Justifications
Renovation and Infrastructure	N/A	3,100	3,100	5
Establishment of Website	N/A	50	50	6
Venue Management Fee	20 months	116	2,320	7
Software/Hardware /Website Maintenance	N/A	300	300	8
Consumables & office equipment	2	195	390	9
		Sub-total (C):	6,160	

Justifications:

[1] A centre manager at HKPC Consultant rank (Grade 5) will be responsible for the overall operation of the Inno Space including daily operations, manpower and resources planning. He/She has to ensure that the project milestones are met. He/She also has to develop a marketing plan for the Inno Space in order to maximize the number of beneficiaries. He/She will also be responsible for actively liaising with other makerspaces and co-working spaces with the purpose of building a community of start-ups and entrepreneurs.

[2] A centre officer at HKPC Associate Consultant rank (Grade 4) will be responsible for assisting the centre manager in executing the marketing plan and maintaining the daily operation of the Inno Space. He/She is also required to provide administrative and logistic support to the Inno Space.

[3] Four technical officers (Grade 3 or 4) will be responsible for providing technical support to users of the Inno Space in operating the computer software, facilities, tools and equipment. They have to maintain the proper function of all the software and hardware as well as to ensure safety. They are also required to provide administrative and logistic support to the Inno Space.

[4] Please refer to Appendix II for a detailed list of equipment.

[5] This budget item is for the infrastructure set up and renovation for the Inno Space. The renovation and fitting out works will include centre interior design, demolition works of the existing office and workshop area, ceiling (false ceiling) and flooring works, electric sockets outlet, pipework and ports for telephone and network, general requirements of building service (lighting;

fire service installations, air conditioning & ventilation; emergency public address), wiring works, water piping, paint works, wood works, insurance, construction waste removal fee, etc. However, since the layout of the interior design of the Inno Space is not yet finalised, the figure presented in this proposal is for budgetary purpose.

[6] This budget item is for the establishment of the Inno Space website.

[7] This budget item is for the standard venue management fee of the HKPC Building, which includes air conditioning, electricity, water, compressed air, telephone & Internet, cleaning service, security, etc. In first four months during the renovation and fitting phase, Inno Space will be exempted for management fee. The standard venue management fee is the same prevailing rate charged for other ITC R&D centres such as HKRITA and APAS.

[8] This budget item is for hardware/software/website maintenance for the Inno Space. It is expected that software/website maintenance will only be required one year after the purchase/establishment.

[9] This budget item is for other office equipment and office/workshop materials and consumables such as stationery, raw materials for prototyping, kitchen appliances at the pantry, etc.

4.4 In-kind support from HKPC

Support from Management, Technical Advisory and Marketing

Senior management of HKPC will oversee the strategic direction, functions and

operations of the Inno Space and support its business management and marketing strategy. The HKPC team will provide advices on the marketing plan and support on the marketing events of the Inno Space, including the Opening Ceremony, the design and content of the Inno Space website, etc. The HKPC team will also assist the procurement of equipment by identifying the technical specifications of the equipment and help the technical officers of the Inno Space to acquire the technical knowledge in related processing and machine operation. Experts from HKPC will be available to provide supervision and training to the users on those basic tools and desktop/lab-scale machinery installed at the Inno Space. They will also provide preliminary advisory service for FREE to members of the Inno Space who come across difficulties during their development work.

Support on advanced machinery and equipment

To supplement the capabilities of the Inno Space, HKPC will also make available various advanced machinery, equipment and facilities at the HKPC Building for different prototype making and pilot production processes such as injection moulding, metal stamping, 3D printing, stereo-lithography, thermal coating & brazing, diffusion bonding, metal/ceramic injection moulding, ceramic injection moulding, laser polishing, PCB assembling, materials analysis and testing, etc., for the makers if necessary. For these advanced machinery of HKPC, members of Inno Space will not be allowed to operate by themselves because of higher safety risks. Those advanced machinery are made available for use but must be operated by HKPC staff upon request and will be charged on the usage under specified standard rates.

Support on training courses and events

HKPC will provide discounts to members of the Inno Space for participating in the training, seminars, conferences and study missions organized by HKPC.

This is to encourage members to acquire the latest market information and advanced technology development. Participating in HKPC events also provides them with chances to build up their networks in the business world.

4.5 Governance and Performance Monitoring

While the management of Inno Space will report to the Senior Management of HKPC, the Business Development Committee (BDC) of HKPC will serve as a Steering Committee of Inno Space providing steering and direction to the management of Inno Space.

On a half-yearly basis, the management will produce progress reports on the centre's activities and achievements to BDC for comment and to the Government for review within one month after each half-year period. The report will contain key information on Inno Space such as its utilisation, visitor counts, milestones achieved, major collaboration with other parties, a summary of the activities held as well as the financial report. Members will be invited to give comment on the report and provide suggestions on how the Inno Space will create better impact.

On a yearly basis, the management will give an annual plan on Inno Space to BDC for approval and comment. The annual plan will include the key focuses of the Inno Space for the year, its major initiatives, resource requirements, marketing and manpower plan.

Any unspent budget over the initial two years would have to be returned to the Government.

4.6 Way Forward

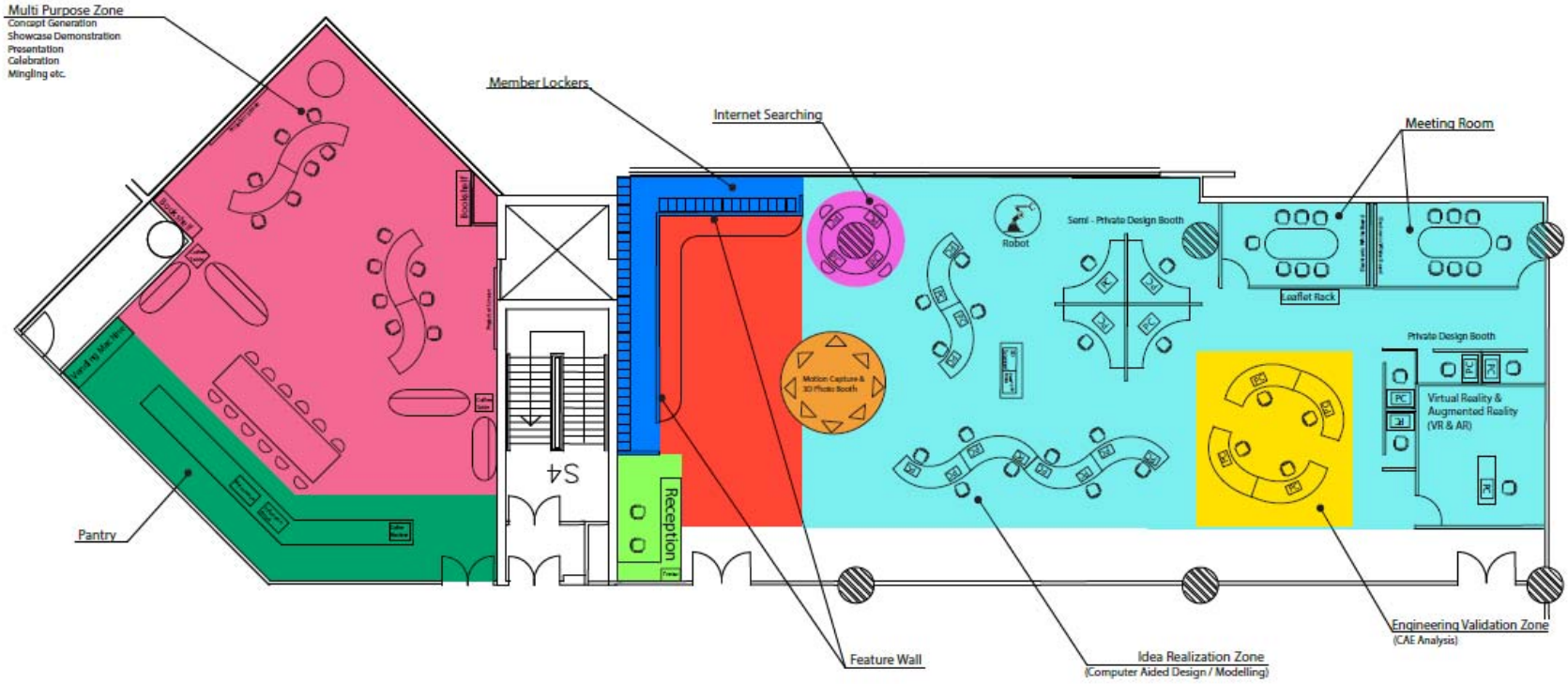
In view of the amount of upfront capital costs involved and the growing demand for concerned facilities, it is estimated that the Inno Space will serve the community for around 10 years until substantial revamping is required. After the first two years of operation with government funding, HKPC is prepared to run the Inno Space on a long-term and self-recovery basis.

In order to ensure a smooth operation of the Inno Space after the first two years of government subvention, HKPC will conduct a review on the operation model of the Inno Space in order to evaluate the financial position of the Inno Space and adjust the service scope of the Inno Space if necessary. This is to ensure that HKPC can maintain a healthy development of the Inno Space in the coming years without additional funding support from the Government.

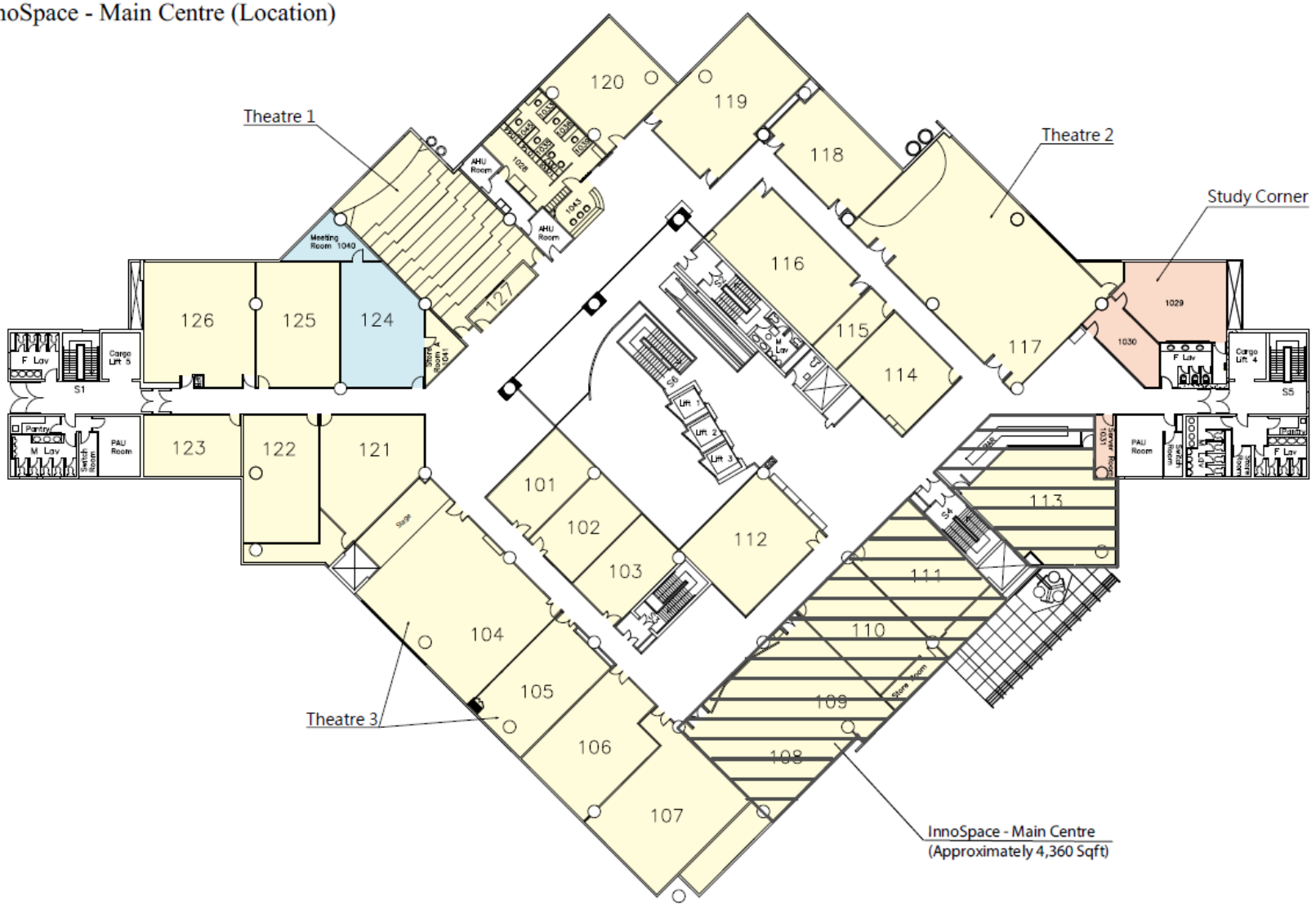
4.7 Appendices

Appendix I: Tentative Floor Plans of the Inno Space
Appendix II: Equipment List
Appendix III: Market Study

Appendix I - 1
InnoSpace - Main Centre (Detail)
Approximately 4,360 Sqft



Appendix I - 2
InnoSpace - Main Centre (Location)



Appendix I - 3
InnoSpace - Networking Zone & Prototype Centre (Detail)
Approximately 3,920 Sqft



Appendix I - 4
InnoSpace - Networking Zone & Prototype Centre (Location)



Appendix II – Equipment List

Machine/Machining System	Unit Price	Unit	Total Price
3D Scanner	HK$200,000	1 EA	HK$200,000
		Sub-Total	**HK$200,000**
3D Photo Booth Infrastructure	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
3D Photo Cameras	HK$10,000	15 SET	HK$150,000
		Sub-Total	**HK$150,000**
3D Photo Connection System	HK$150,000	1 SET	HK$150,000
		Sub-Total	**HK$150,000**
Motion Capture Cameras	HK$2,000	5 SET	HK$10,000
		Sub-Total	**HK$10,000**
VR Headsets (Oculus Rift + HTC Vive)	HK$18,000	2 SET	HK$36,000
		Sub-Total	**HK$36,000**
High Power Laser Source for Sintering	HK$200,000	1 EA	HK$200,000
		Sub-Total	**HK$200,000**
High Precision 3D Printing X-Y Table	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
3D Composite Printing Control System	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
Multi-Colour 3D Printing Heads	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
Multi-Colour 3D Printing Control System	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
3D Printing Safety Equipment & Other Mechanical Frame & Structure	HK$200,000	1 LOT	HK$200,000
		Sub-Total	**HK$200,000**
Robotic Arm	HK$180,000	1 EA	HK$180,000
		Sub-Total	**HK$180,000**
Disc & Belt Sanding Machine	HK$5,000	1 EA	HK$5,000
		Sub-Total	**HK$5,000**
Blasting Machine	HK$35,000	1 EA	HK$35,000
		Sub-Total	**HK$35,000**

Spraying System	HK$150,000	1 SET	HK$150,000
		Sub-Total	**HK$150,000**
Grinding Machine	HK$54,500	1 EA	HK$54,500
		Sub-Total	**HK$54,500**
Welding Machine	HK$70,000	1 EA	HK$70,000
		Sub-Total	**HK$70,000**
Laboratory Muffle Furnace	HK$104,000	1 EA	HK$104,000
		Sub-Total	**HK$104,000**
Sewing Machines	HK$8,000	3 SET	HK$24,000
		Sub-Total	**HK$24,000**
Laser Head for Metal Cutting	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
High Speed X-Y Table	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
Mechanical Protection System	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
Laser Optical System	HK$200,000	1 EA	HK$200,000
		Sub-Total	**HK$200,000**
Laser Engraving & Marking Machine	HK$170,000	1 EA	HK$170,000
		Sub-Total	**HK$170,000**
Laser Cutting Machine (Plastic)	HK$200,000	1 EA	HK$200,000
		Sub-Total	**HK$200,000**
Desktop CNC Machine	HK$200,000	1 EA	HK$200,000
		Sub-Total	**HK$200,000**
Milling Machine	HK$150,000	1 EA	HK$150,000
		Sub-Total	**HK$150,000**
Lathing Machine	HK$150,000	1 EA	HK$150,000
		Sub-Total	**HK$150,000**
Drilling Machine	HK$30,000	1 EA	HK$30,000
		Sub-Total	**HK$30,000**
Saw Machines (Circular, Band & Scroll)	HK$12,000	3 EA	HK$36,000
		Sub-Total	**HK$36,000**
Vacuum Forming	HK$105,000	1 EA	HK$105,000
		Sub-Total	**HK$105,000**

Electronic Kits (Oscilloscope, Power Supply & Soldering Stations)	HK$40,000	5 SET	HK$200,000
		Sub-Total	**HK$200,000**
Signal Generators	HK$18,000	2 EA	HK$36,000
		Sub-Total	**HK$36,000**
CAD Software – SolidWorks (Parametric Design)	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
CAD Software - SolidThinking Evolve	HK$50,000	4 SET	HK$200,000
		Sub-Total	**HK$200,000**
CAD Software - Siemens NX (Freeform Design)	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
CAD Software - Siemens NX (Geometric Design)	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
CAE Analysis Software (Multiphysics)	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
CAE Analysis Software (Structures)	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
Electronic Design Software (Electronic)	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
Programming / coding Software	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
CAM software - Siemens Simscenter	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
3D Rendering Software - Keyshot	HK$25,000	4 SET	HK$100,000
		Sub-Total	**HK$100,000**
Computers	HK$13,000	15 EA	HK$195,000
		Sub-Total	**HK$195,000**
Monitors	HK$1,300	15 EA	HK$19,500
		Sub-Total	**HK$19,500**

Safety Items, Measuring Instruments & Other Hand Tools	HK$200,000	1 LOT	HK$200,000
		Sub-Total	**HK$200,000**
Measuring Scope	HK$200,000	1 SET	HK$200,000
		Sub-Total	**HK$200,000**
		Total	**HK$7,160,000**
		Budget	HK$7,160,000

Appendix III: Market Research

A market research through desktop search and site visits was conducted to have a better understanding on the latest development of “Makerspaces” in Hong Kong and around the world. A summary is listed in the table below:

Table 1: Comparison of Various "Makerspaces" in Hong Kong and around the World

Name	Type	Location	Manpower	Operation Mode	Target Customer	Facilities	Space	Equipment and Machinery	Business Model / Charging Model	Safety and Security
Smart-Space	Co-working spaces for local start-ups and overseas companies	Cyberport, Hong Kong	12	Tenant	Local start-ups and overseas companies which are looking for scaling their business in Mainland China and other parts of Asia	- Internet access - Open Wi-Fi - Complimentary subscription to the Corporate Subscription Programme to access Mainland China market - Cyberport Cloud Development Platform - Cyberport IP Telephony (for Room setting only) - 24-hour access - Complimentary use of meeting room facilities - Complimentary use of fitness centre - Enjoy a corporate rate at Le Meridian Cyberport Hotel	Smart-Space3F: 27,000 sq. ft. (There are other Smart-Space at the Cyberport, including Smart-Space 1, Smart-Space 2, Smart-Sapce 3C, FinTech and FinTech-1)	Nil	Subscription fee of: 1. Office room: the fee is subject to tenant's size 2. Workstation: HK$1,500 per month 3. Flexi-space: HK$800 per month	Smart-Space offers 24 hours access from Monday to Sunday with front desk operator managing use of all the facilities provided in Smart-Space from 9:00am – 1:00pm and 2:00pm – 5:30pm. Users are required to present their registered Octopus Card at the entrance of Smart-Space for access to the Premises.

Name	Type	Location	Manpower	Operation Mode	Target Customer	Facilities	Space	Equipment and Machinery	Business Model / Charging Model	Safety and Security
Hong Kong IngDan Experience Centre	Exhibition and event space for showcasing the latest hardware innovations to the public	Cyberport, Hong Kong	8	Consultancy service	Internet of Things (IoT) entrepreneurs and small and medium-sized enterprises	- Showroom - Venue for workshops, workshops, events or forums on product releases and exchanging ideas	6,500 sq. ft.	Nil	Rental of facilities and consultancy service fee	Follow the general safety and security system of Cyberport for general tenants
Soft Landing Centre by HKSTP	Co-working spaces	Hong Kong Science & Technology Park, Shatin, Hong Kong	4	Tenant	Entrepreneurs (Technology Business), International Technologists (Technology Transfer)	- Office workstation with recreational facilities - Meeting rooms - Printers & photocopiers	No information available	Nil	Renting premises	Follow the general safety and security system of HKSTP for general tenants
Robotic Garage by HKSTP	Machine shop	Hong Kong Science & Technology Park, Shatin, Hong Kong	5	Membership	Students (18+), Company/ Entrepreneurs, Hobbyists	- Metal, Wood & Plastic Workshop - Basic Electronics Workshop	1000 sq. ft.	- High-power Laser Cutter (Plastic) - 4-axis CNC Milling Machine - Manual Drill Press - Manual Lathing Machine - Robot (Baxter & UR5) - 3D Printer - Basic Hand Tools	1. Day: $ 25 2. Week: $ 100, 3. 1-Month $ 250, 4. 3-Month $ 600, 5. 6-Month $ 1000, 6. Concession for Full-Time Students	Liability Release Form, Mandatory Safety Courses, Machinery Training Courses

Name	Type	Location	Manpower	Operation Mode	Target Customer	Facilities	Space	Equipment and Machinery	Business Model / Charging Model	Safety and Security
Lion Rock by HKSTP	Co-working spaces	Kowloon Tong, Hong Kong	2	Incubation Program Enrolment	HKSTP Incubation Program Members	- Multi-purpose Activity Room - Conference Room - Lounge Area - Lockers - 3D Printer	10,000 sq. ft.	Nil	Serve tenants of HKSTP only	24 hours access from Monday to Sunday with front desk operator managing use of all the facilities
MakerBay	Machine shop + office spaces	Yau Tong , Hong Kong	2	Membership & Tenant	Family, Adult (18+), Teens (16+), Young Teens (12+), Kids (6+) Local start-ups and small enterprises	- Metal, Wood, Textile & Electronics Workshop - Chemistry & Biology Lab - Work Studio - Meeting Room - Benches - Café - Tools Shop	6,500 sq. ft.	- 3D Printer (Plastic) - 4-axis CNC Milling Machine - 100 W Laser Cutter **Electronic Prototyping** - Soldering Station - Fume Extractor - PCB Oven &Reflow Oven - Wind Turbine & Testing, **Wood Work** - Miter Saw with Laser - Band Saw & Table Saw - Nail Gun **Power Tools** - Circular Saw & Jig Saw - Impact Drive - Angle Grinder	1. Day:$ 200, 2. Week: $ 750, 3. 1-Month $ 1500, 4. Concession for Full-Time Students	Induction Classes for: Power Tools, CNC Milling, Laser Cut, Metal Work & Wood Work

Name	Type	Location	Manpower	Operation Mode	Target Customer	Facilities	Space	Equipment and Machinery	Business Model / Charging Model	Safety and Security
								- Water jet Pressure Washer, - Demolition Hammer **<u>Chemistry & Biology</u>** - Microscope (40x - 1000x), - Hot plate with Programmed Timer, - Microcentrifuge (4000rpm) - Incubator (30C-40C)		

Name	Type	Location	Manpower	Operation Mode	Target Customer	Facilities	Space	Equipment and Machinery	Business Model / Charging Model	Safety and Security
Dim Sum Lab	non-profit, community-based Makerspace that bring creative artists and specialists together	Sheung Wan, Hong Kong	No employed staff	Membership	open to public with screening by the board	- discussion area - sofa, chair, coffee table - projector and screen	1,000 sq. ft.	- CNC machine -desktop - drill press - band saw & scroll saw - mini mill - laser cutter - 3D Printer - soldering station - bench power supply - hand tools - computer with free and open source software	1. full member: $6,000 per year 2. sponsored member: free (especially for students)	No special measures

Name	Type	Location	Manpower	Operation Mode	Target Customer	Facilities	Space	Equipment and Machinery	Business Model / Charging Model	Safety and Security
MIT - Innovation Node	Project Space	Kowloon Tong, Hong Kong (Pending)	4	Program Enrolment	University students from MIT and Hong Kong (Engineering, Science, Design & Business Discipline)	Chair, sofa, projector, screen and pantry	5,000 sq. ft.	Light-duty machine such as drilling machine, CNC machine	Education programmes	No information available
MIT - MakerWorks	Machine Shop	Cambridge, MA 02139., The U.S.	35 student mentors stationing on part-time basis	MIT Affiliation	MIT Mechanical engineering undergraduates, graduate students, post-doctoral researchers, professors, staff & Martin Trust Center Affiliates	Modelling, Prototyping and Validation Resources	3,000 sq. ft.	- Mill - Lathe - Waterjet Laser Cutters - 3D printers - Hand Tools - Electronics Tools - CAD/CAM & machine related software	Mainly by sponsorship contributions from Martin Trust Center (Charges for some machines and materials)	Introductory Session (Maker Mondays) to train newcomers on policies and basic tools

Name	Type	Location	Manpower	Operation Mode	Target Customer	Facilities	Space	Equipment and Machinery	Business Model / Charging Model	Safety and Security
MIT - Fabrication Lab	Machine Shop + Project Space	Cambridge, MA 02139., The U.S.	No information available	Participate in Research Group	MIT Research Groups	- Working tables - Workshop - Prototyping tools and equipment	No information available	- Focused Ion Beam - Atomic Force Microscope/ Scanning Tunneling Microscope - Solid State Micromachining Laser - Precision Wire Electric Discharge machine - 3D printers - Laser Cutters - Precision 5-axis Milling Machine - Robot Arm (UR5) - CNC Lathe - Cold Saw / Band Saw - Sewing Machine - Vacuum Former - Coil Winder - Micro CT - 3D Scanner	University Funded	No information available

Name	Type	Location	Manpower	Operation Mode	Target Customer	Facilities	Space	Equipment and Machinery	Business Model / Charging Model	Safety and Security
Helsinki Hacklab	Non-profit working space and community environment for people to work on a variety of technical projects, ranging from electronics to heavier build or assembly jobs	Helsinki, Finland	No employed staff	Membership	open to public	- working tables - workshop - Prototyping tools and equipment - Pantry & lockers	2,600 sq. ft.	- CNC machine - 3D printer - laser cutting machine - desktop drilling machine - soldering station - band saw & scroll saw - sanding machine - hand tools - bench power supply	1. general member: EUR35 per year 2. keyholder members: EUR40 per month	No special measures

創新科技署
Innovation and Technology Commission
香港特別行政區政府
The Government of the Hong Kong Special Administrative Region

Ref : ITCCR 13/1608/16
Tel : 2810 2750

4 May 2017

Dr Lawrence Cheung
Director, Technology Development
Hong Kong Productivity Council
HKPC Building, 78 Tat Chee Avenue
Kowloon, Hong Kong

Dear Lawrence,

Hong Kong Productivity Council (HKPC)
Service Proposal for the Inno Space

I refer to your service proposal dated 27 April 2017 (enclosed) on the establishment and operation of the Inno Space from 1 April 2017 to 31 March 2019. I am pleased to inform you that the Commissioner for Innovation and Technology has accepted the service proposal.

For this purpose, the Innovation and Technology Commission (ITC) will disburse an additional subvention of $17,760,000 to HKPC, payable in 2017-18 and 2018-19 subject to the passing of the Appropriation Bill for the relevant years at the sum –

2017-18 : $14,010,000
2018-19 : $3,750,000

Please be reminded that the additional subvention should only be used for the purpose of establishing and operating the Inno Space. Any unspent subvention should be returned to the Government. HKPC is required to provide half-yearly progress reports on the implementation of the Inno Space and notify ITC of any substantial changes to the service proposal.

21st Floor, West Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong 香港添馬添美道 2 號政府總部西翼 21 樓
Facsimile 傳真 : 2957 8726

If you have any questions, please feel free to contact me or Mr Yeung Ba Sang at 2810 3276.

Yours sincerely,



(Bryan Ha)
for Commissioner for Innovation and Technology

Encl.

創新科技署署長
Commissioner for Innovation and Technology
香港特別行政區政府創新科技署
Innovation and Technology Commission
The Government of the Hong Kong Special Administrative Region

Ref : ITCCR 2/3801/09 Pt 15
Tel : 2810 2733

21 January 2020

Clerk to Public Accounts Committee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong
(Attn: Mr Anthony Chu)

Dear Mr Chu,

Public Accounts Committee

Director of Audit's Report No. 73

Chapter 2: Provision of consultancy, research and development and training services by the Hong Kong Productivity Council

Thank you for your letters of 9 January 2020 to the Secretary for Innovation and Technology and the Commissioner for Innovation and Technology (CIT). A consolidated reply setting out the information requested by the Committee is provided below.

(a) At present, the Hong Kong Productivity Council (HKPC) has not carried out any valuation of the patents developed and owned by it in its accounts. The Government and the prevailing accounting standards also have not specified such a requirement. We understand that the HKPC's accounts are audited by an independent external auditor every year according to the prevailing accounting standards. When the independent external auditor reported their findings to the Audit Committee of the HKPC after the annual audit every year, they did not find any problem with this accounting arrangement. The Government will suggest to the HKPC to consider carefully whether the HKPC should conduct valuation of its patents in future, and obtain relevant professional advice when necessary.

21/F., West Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong 香港添馬添美道二號政府總部西翼二十一樓
Telephone 電話：2810 2733 Facsimile 傳真：2730 4633

(b) The Innovation and Technology Commission (ITC) has been monitoring the performance of the HKPC in training services and whether the HKPC can meet the Government's policy objectives through its training programmes.

In working out the estimates for 2016-17 and 2017-18, the ITC took into account the fact that the HKPC had failed to meet the targets of the income from training courses and the number of people attending fee-charging training courses in 2014-15 and 2015-16. According to the reports by the HKPC to the then CIT, the main reason was the low level of awareness of the industry of new technologies/management systems and the concept of Industry 4.0. In this regard, the HKPC might need to first organise more non-fee-charging activities/seminars/training courses to raise the level of understanding and interest of the industry towards various new developments and new technologies.

The ITC considers that the Government should primarily consider whether the HKPC's services can fulfil its public mission and implement Government's policies. As the HKPC could also assist enterprises in upgrading their technological level and promote "re-industrialisation" through organising non-fee-charging seminars and training courses which was in line with the Government's policy direction and the HKPC's public mission, the then CIT accepted the explanation, and accordingly adjusted downwards the estimated number of people who attended the HKPC's fee-charging training courses and the estimated income from training courses whilst adjusting upwards the estimated number of people who attended the HKPC's non-fee-charging seminars in her Controlling Officer's Reports for 2016-17 and 2017-18 with the reasons for the adjustments clearly set out in the explanatory notes.

As regards the breakdown by the four programme areas (namely environmental technology, information technology, management systems, and manufacturing technology) of the "number of fee-charging training courses", the HKPC had also explained that the actual number of fee-charging training courses launched would depend on the prevailing demand and competition in the market. The then CIT considered that the Government should not micro-manage. Therefore, in assessing the performance of the HKPC under the above performance indicator, the focus of the Government should be whether the objectives of the training programmes and the overall figure could meet the Government's policy direction and the HKPC's public mission, and not on the breakdown.

The HKPC agrees with the recommendation of the Audit Commission that in future, the HKPC will organise training courses according to the estimated number for each programme area set out in the Annual Programme and Estimates as far as practicable. The HKPC will also review and monitor quarterly the actual activities of training operation and if the numbers of courses deviate from the estimates, the HKPC should submit full justifications to the CIT and the Council for approval.

(c) The ITC tenders views on the direction of the HKPC's work through housekeeping meetings [1] held from time to time and day-to-day communication at different levels. In addition, the Innovation and Technology Bureau (ITB) and the ITC, having regard to the views of other non-official members, also offer views on the HKPC's development strategies through participation in the Council meetings of the HKPC to ensure that the HKPC's work can support the Government's policies.

The Government has been actively promoting the "re-industrialisation" policy in recent years. In this regard, the ITC has requested the HKPC to support the policy by stepping up efforts to assist enterprises in enhancing their technological level and providing relevant consultancy services. The ITC also noted that in recent years, there has been increasing demand for integrated solutions by the industry. Many manufacturing and technical support services have been included in consultancy projects which are related to upgrading the technological level of production lines and Industry 4.0. The ITC considers that this is in line with the Government's policy direction. Taking into account the aforesaid situation, the then CIT introduced a new indicator in her Controlling Officer's Report for 2018-19 on "income from integrated solutions", which includes the income from consultancy/technical assistance and the income from manufacturing support/process control. The relevant figures were previously reported under separate indicators. In line with market demand for integrated solutions, the revised indicator can better reflect the overall performance of the HKPC.

The ITB has been implementing various policy measures to promote the development of innovation and technology (I&T) through organisations under its purview, including the HKPC, the five research and development (R&D) centres[2], the Hong Kong Science and Technology

[1] Housekeeping meetings are held thrice per year, during which the Executive Director of the HKPC will highlight the major discussion items of the next round of Council and Standing Committee meetings to the CIT.

[2] The five R&D centres were set up in 2006, including the Automotive Platforms and Application Systems R&D Centre, the Hong Kong Applied Science and Technology Research Institute, the Hong Kong Research Institute of Textiles and Apparel, the Logistics and Supply Chain MultiTech R&D Centre, and the Nano and Advanced Materials Institute.

Parks Corporation and the Hong Kong Cyberport Management Company Limited. As Directors of the Boards of the above organisations, the Permanent Secretary for Innovation and Technology and/or the CIT (or their representatives) participate in the Board meetings to discuss how these organisations could assist the Government in promoting the I&T development. Officers of the ITB and/or the ITC also co-ordinate and discuss the direction and objectives of these organisations in promoting I&T development through meetings with their management from time to time, including meetings between the CIT and the Chief Executive Officers of the relevant organisations, and other liaison activities.

Yours sincerely,



(Ms Rebecca Pun)
Commissioner for Innovation and Technology

c.c. Secretary for Innovation and Technology
Secretary for Financial Services and the Treasury
Chairman, Hong Kong Productivity Council
Executive Director, Hong Kong Productivity Council
Director of Audit

創新科技署署長
Commissioner for Innovation and Technology
香港特別行政區政府創新科技署
Innovation and Technology Commission
The Government of the Hong Kong Special Administrative Region

By Fax

Ref : ITCCR 2/3801/09 Pt 15
Tel : 2810 2733

11 December 2019

Clerk to Public Accounts Committee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn: Mr Anthony Chu)
[Fax No.: 2543 9197]

Dear Mr Chu,

Public Accounts Committee

Director of Audit's Report No. 73

Chapter 2: Provision of consultancy, research and development and training services by the Hong Kong Productivity Council

I refer to your letter of 3 December 2019 and would like to provide the following information as requested by the Committee -

(a) "Memorandum of Administrative Arrangements on the Administration of the Subvention for the Hong Kong Productivity Council" (MAA) and details of the revisions in 2009

The Government of the Hong Kong Special Administrative Region and the Hong Kong Productivity Council (HKPC) entered into the first MAA in March 2003, and signed a new MAA (at Annex) in June 2009, which has been adopted until now. Compared with the version signed in 2003, the majority of the clauses in the original text have been retained in the current MAA, with revisions made to the following clauses -

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- Paragraph 5.2 on the Government's funding of the operation of the HKPC: as the Clothing Technology Demonstration Centre Company Limited, a subsidiary company of the HKPC, had already ceased operation in 2007, the clause relating to the use of part of the Government's subvention to fund the recurrent operating cost of the subsidiary company was removed from the original text.

- Paragraph 5.9 on the role of Government's representatives in the Council of the HKPC: removing the clause in the original text which required public officers to act in the best interests of the HKPC where no conflict of interest arose, and adding the following clause to clarify the role of Government's representatives in the Council -

  "The public officers sitting on the Council of the HKPC primarily represent the Government's interests in priority over those of the HKPC."

- Paragraph 6.8 on the Government's subvention to the HKPC: adding the following clause to the end of the original text -

  "The CIT will endeavour to advise the HKPC on the block grant draft estimate at least two months before the date specified by the CIT (paragraph 6.4) for the submission of the HKPC's Annual Programme and Estimates."

- Paragraph 11.1 on the conditions of service for staff of the HKPC: removing the requirement in the original text that the terms and conditions of service of the HKPC's staff might not be superior to those provided by the Government to comparable grades in the civil service, and changing the clause to read as follows -

  "The HKPC shall determine its staffing structure and appoint its staff on terms and conditions of service subject to the Council's endorsement, and the approval pursuant to Section 6(1) of the HKPCO."

- Paragraph 17: adding a new clause to set out the non-legally binding effect of the MAA.

(b) Government's subvention to the HKPC

Recurrent subvention

According to the MAA, the Government provides recurrent subvention to the HKPC in the form of annual block grant. The level of annual block grant is determined in advance in accordance with the Government's overall financial policy and guidelines prevailing from time to time. Since 2010-11, the annual draft estimate of recurrent subvention was equivalent to the draft estimate of recurrent subvention of the preceding financial year plus the subvention provided to the HKPC for salary adjustment in the course of the preceding financial year.

The Commissioner for Innovation and Technology (CIT) will advise the HKPC in the middle of the financial year the draft estimate of recurrent subvention for the following financial year, so that the HKPC can compile its Annual Programme and Estimates. Upon approval by the Council, the HKPC will submit the Annual Programme and Estimates to the Government for approval. After review by the Secretary for Financial Services and the Treasury, the Secretary for Innovation and Technology, with the authority delegated to him, will grant approval of the Annual Programme and Estimates of the HKPC in accordance with section 16(1) of the Hong Kong Productivity Council Ordinance. The Innovation and Technology Commission (ITC) will then release the annual block grant to the HKPC monthly in equal instalments. During the year, in accordance with the civil service salary adjustment rate of the subject financial year, the Government will release additional subvention to the HKPC for salary adjustment of its staff.

One-off Subvention

Apart from recurrent subvention, the Government may also allocate one-off subvention to the HKPC for specific non-recurrent purposes. The HKPC is required to provide a detailed proposal and a budget to the ITC. Upon completion of the review, the ITC may apply for additional funding for the HKPC in accordance with the established mechanism. In 2017-18 and 2018-19, the ITC disbursed $14.01 million and $3.75 million to the HKPC respectively for the setting up of the Inno Space and the financing of its operation for the first two years.

Funding provided to the Automotive Platforms and Application Systems R&D Centre

The Automotive Platforms and Application Systems Research and Development Centre (APAS) is one of the five research and development centres established by the Government in 2006. Since its merger with the HKPC in November 2012, the APAS is now a division of the HKPC. The Government regularly applies for funding from the Legislative Council to support the operating expenditure of the APAS, which is separately funded by the Innovation and Technology Fund. The APAS is required to compile a work plan and a budget every year, and submit it to the CIT for approval after endorsement by the Business Development Committee under the Council of the HKPC. The HKPC has set up a separate account for the APAS, and the funding provided to the HKPC and the APAS must be handled separately and no cross-subsidisation is allowed. The HKPC and the APAS are required to submit to the ITC their respective annual audited accounts.

Yours sincerely,



(Ms Rebecca Pun)
Commissioner for Innovation and Technology

c.c. Secretary for Innovation and Technology
Secretary for Financial Services and the Treasury
Chairman, Hong Kong Productivity Council
Executive Director, Hong Kong Productivity Council
Director of Audit

Memorandum of Administrative Arrangements between the Government of the Hong Kong Special Administrative Region and the Hong Kong Productivity Council on the Administration of the Subvention for the Hong Kong Productivity Council

1. Preamble

1.1 It is the intention of the parties that, save as otherwise provided in this Memorandum of Administrative Arrangements ("MAA"), this MAA replaces the previous Memorandum of Administrative Arrangements entered into between the Government and the Hong Kong Productivity Council ("HKPC") on 22 March 2003.

1.2 This MAA sets out the understanding reached between the Commissioner for Innovation and Technology ("CIT") and the HKPC in consultation with the Secretary for Financial Services and the Treasury ("SFST"). It provides the framework for the relationship between the Government of Hong Kong Special Administrative Region ("the Government") and the HKPC and sets out in detail the responsibilities of each party.

1.3 The provisions of this MAA are founded on the principle that the HKPC should have autonomy and flexibility in utilising its funds and resources insofar as it is not inconsistent with the provisions of the Hong Kong Productivity Council Ordinance ("HKPCO"), Cap. 1116, Laws of Hong Kong Special Administrative Region.

1.4 In the event of any inconsistency between the provisions set out in this MAA and the provisions of the HKPCO, the latter will prevail.

1.5 For subject matters not specifically covered in this MAA, the HKPC undertakes to observe the Government's overall subvention policy and guidelines prevailing from time to time.

1.6 Both the CIT and the HKPC may propose amendments to this MAA. Any amendments agreed by both parties in writing following consultation, where relevant, with the SFST, will form part of this MAA.

1.7 This MAA does not preclude the Chief Executive in Council from issuing directions to the HKPC as provided for in the HKPCO.

2. Objectives of the HKPC

2.1 The HKPC promotes productivity excellence through the provision of integrated support across the value chain of Hong Kong firms, in order to achieve a more effective utilisation of resources, to enhance the value added content of products and services, and to increase international competitiveness.

2.2 In achieving these objectives, the HKPC undertakes to be flexible and proactive in response to the changing demands of the economy.

3. Service Focus

3.1 The service focus of the HKPC is to provide integrated support to innovative and growth oriented Hong Kong firms across the value chain, with the sectoral focus on manufacturing, particularly in Hong Kong's foundation industries, and related service activities, and the main geographical focus on Hong Kong and the Pearl River Delta in Mainland China.

4. Functions of the HKPC

4.1 The functions of the HKPC as defined in Section 4 of the HKPCO are:

(a) to promote the increased productivity of industry in Hong Kong and to encourage the more efficient utilisation of resources therein;

(b) to consider matters affecting productivity of industry in Hong Kong;

(c) to advise the Chief Executive concerning the productivity of industry in Hong Kong and measures designed to increase it;

(d) to consult with, co-ordinate and assist the activities of persons or organisations, either in Hong Kong or elsewhere, engaged in the study, development or dissemination of programmes, methods or techniques designed to increase productivity in industry; and

(e) to take on productivity related assignments elsewhere than in Hong Kong provided that:

(i) the assignment carried out is without prejudice to the performance by the HKPC of the functions referred to in para. 4.1(a) to (d) above; and

(ii) the minimum rate charged by the HKPC for the assignment is sufficient to recover all costs incurred in carrying out that work, which costs shall include direct costs (recurrent and capital) and overhead costs.

5. Relationship between the Government and the HKPC

5.1 The HKPC will be autonomous in the management and control of its activities and resources as provided for under the HKPCO and this MAA.

5.2 The Government will partly fund the operation of the HKPC having due regard to the overall government budgetary position and specific performance indicators of the HKPC as agreed between the CIT and the HKPC (please see para. 7.1 below).

Role of the CIT

5.3 The CIT is the designated Controlling Officer of the subvention from the Government granted to the HKPC and will act as the focal point of contact between the Government and the HKPC.

5.4 As the Controlling Officer, the CIT will ensure that the HKPC's activities accord with its objectives and relevant public policies and priorities, are properly and effectively planned, delivered and evaluated and its subvention is properly used and disbursed. The CIT will ensure that the HKPC's policy

objectives are appropriate, and that they remain so in the light of changing circumstances. The CIT may advise the HKPC of the need to review these objectives in the light of changes in the economic environment.

5.5 Where it appears to the CIT that any activity of the HKPC duplicates/overlaps with or is substantially the same as any activity of any other agency, he/she may ask the HKPC to justify the provision of public funds to support its conduct of that activity.

Role of the HKPC

5.6 The HKPC is responsible for the administration of those activities for which it has statutory executive authority. It is also responsible for advising the Government on the productivity issues concerning Hong Kong and the measures designed to increase productivity.

5.7 The HKPC is accountable to the Government for the effective and efficient delivery of its objectives within its service focus and undertaking of its functions and proper use and disbursement of the subvention from the Government.

5.8 The HKPC shall produce to the CIT within six months after the end of each financial year a report on its activities and audited statements of accounts. It shall also produce any other reports as may be required for perusal of the CIT in relation to the fulfilling of his/her functions as the Controlling Officer. The HKPC shall respond promptly to the CIT on questions relating to its accounting, financial and day-to-day operation matters raised by him/her; take the advice given by the CIT and take such remedial actions as appropriate.

Role of the Government's Representatives in the Council

5.9 In accordance with the provisions of the HKPCO, the Chief Executive may appoint public officers to sit on the Council of the HKPC ("the Council"). The public officers enjoy the same status as other Council members. The public officers sitting on the Council of the HKPC primarily represent the Government's interests in priority over those of the HKPC. Their main role is to provide input from the Government's perspective, explain the Government policies and practices, and advise whether any proposals put to

the Council are consistent with the prevailing Government policies and procedures.

5.10 On important matters involving deviations from the established Government policies or having significant financial implications for the Government, the HKPC undertakes to consult the CIT who will determine whether the matters require formal approval from the Government.

6. Three-year Forecast and the Annual Programme and Estimates

6.1 The HKPC shall submit to the CIT in each financial year, before the submission of its Annual Programme and Estimates referred to in para. 6.2 below, a Three-year Forecast. The Forecast shall set out the strategic targets of the HKPC, the plans to be adopted in achieving those targets, and an assessment of their resource implications. It shall be updated and rolled forward on an annual basis. The HKPC acknowledges that the Forecast is submitted to the CIT for planning purpose only and the Government or the CIT's acceptance of it does not commit the Government to funding other than those funding for the coming year as subsequently approved by the Government in the Annual Programme and Estimates.

6.2 In each financial year, the HKPC shall produce the Annual Programme and Estimates, which contains proposed activities categorised in different programme areas and estimates of income and expenditure for the forthcoming financial year for the Government's approval. The HKPC shall, through a standing mechanism, consult the industry, relevant government departments and other concerned government organisations as appropriate when developing activities for inclusion into each programme area.

6.3 Subject to CIT's advice on the format and timetable from time to time, the HKPC shall provide in its Annual Programme and Estimates, inter alia, the information set out in the Annex.

Financial Arrangements

6.4 The Annual Programme and Estimates, together with a report on the HKPC's achievement with regard to the performance indicators (please see para. 7.3

below), must be submitted to the CIT by a date specified by him/her to tie in with the Government's Draft Annual Estimates Exercise. The HKPC's financial year shall cover the same period as that of the financial year of the Government.

6.5 The Annual Programme and Estimates proposed by the HKPC must be fully justified by reference to its objectives and the results that the HKPC is aiming to achieve in the period to which the Annual Programme and Estimates relate. The Annual Programme and Estimates will be included in the Government's draft Annual Estimates for approval by the Finance Committee of the Legislative Council after they have been accepted by the CIT and the SFST.

6.6 The principal officers of the HKPC may be invited to attend meetings of the Finance Committee and its sub-committees, the Public Accounts Committee or other committees/panels of the Legislative Council to explain the estimates and the activities of the HKPC.

6.7 Recurrent subventions from the Government for the HKPC are provided in the form of a cash-limited annual block grant which the HKPC may deploy for purposes including but not limited to the following:

(a) Staff Emolument, i.e. salary, allowances, contribution to retirement schemes, gratuity and personnel-related expenses (including fringe benefits whether in cash or in kind) for the staff of the HKPC; and

(b) Operating Expenses, i.e. expenses other than staff emoluments, such as administration expenses, rent, stores and equipment, building maintenance, repair, and re-furnishing etc.

6.8 The level of annual block grant is usually determined in advance in accordance with the Government's overall financial policy and guidelines prevailing from time to time. It is cash-limited in nature and adjustments will not normally be approved, except for unforeseen contingencies beyond the control of the HKPC and the financial responsibility for which has been accepted by the Government. The CIT will endeavour to advise the HKPC on the block grant draft estimate at least two months before the date specified by the CIT (paragraph 6.4) for the submission of the HKPC's Annual Programme and Estimates.

6.9 The annual block grant will be released by the Government monthly in advance in equal instalments. The HKPC is also in receipt of an annual capital subvention from the Government for repayment to the Loan Fund for the HKPC Building[Note 1]. The capital subvention will be released in accordance with the repayment terms and conditions as set out in the loan agreement dated 2 August 1990 and the supplemental agreement dated 25 June 2002 signed between the HKPC and the Government. The Government may also allocate one-off funds to the HKPC for specific non-recurrent purposes. Such non-recurrent subvention must be used for the specific non-recurrent purposes and not to be vired to the annual recurrent subvention.

7. Performance Indicators

7.1 To ensure that the subventions from the Government are used in a cost-effective manner for the provision of services, the HKPC shall propose for the CIT's approval a set of performance indicators for measuring the progress of the HKPC's activities. Such performance indicators shall fall under but not limited to the following dimensions of performance:

(a) service delivery;

(b) operating efficiency;

(c) financial results; and

(d) effectiveness.

7.2 The performance indicators and targets may be reviewed from time to time and amended as agreed in writing by both the HKPC and the CIT.

Note 1 On 18 May 1988, the Finance Committee approved a commitment of $156,100,000 from the Loan Fund to provide a loan to the HKPC for constructing a special-purpose building to house its facilities. On 31 May 1989, the Finance Committee approved an additional commitment of $110,870,000 to the HKPC, thus bringing the total approved commitment from the Loan Fund to $266,970,000. The HKPC had drawn a total of $249,425,000. A loan agreement and a supplemental loan agreement governing the repayment of loan to the Loan Fund were signed between the HKPC and the Government on 2 August 1990 and 25 June 2002 respectively.

7.3 The HKPC shall submit to the CIT, together with the Annual Programme and Estimates, a report on its achievements with regard to the performance indicators. These indicators provide important reference for planning and measuring the progress of the activities undertaken by the HKPC and for facilitating the assessment and approval of the HKPC's Annual Programme and Estimates by the Government.

7.4 If the HKPC fails to achieve agreed performance targets, the HKPC shall provide explanations for such failures to the satisfaction of the CIT.

8. Reserves

8.1 The HKPC may keep as reserves any savings from its annual block grant arising from any reasons other than a curtailment or cessation of activity stated in its Annual Programme and Estimates, or reduction in remuneration for its staff as a consequence of any civil service's pay adjustment.

8.2 At any one point in time the level of reserves within the meaning of para. 8.1 above shall not exceed 15% of the HKPC's annual block grant in the current financial year. Amount in excess of the limit shall be returned to the Government in the following financial year, unless the ceiling of reserves is raised by the CIT in accordance with para. 8.3 below.

8.3 The HKPC may propose and the CIT may raise the ceiling of reserves following consultation with the SFST.

8.4 The HKPC may freely use its reserves for any activities lawfully permitted under the HKPCO and in furtherance of the HKPC's objectives within its service focus.

8.5 The HKPC will absorb all financial consequences arising from the use of its reserves.

8.6 The ceiling of reserves set out in para. 8.2 above does not apply to surplus funds arising from the privatisation of HKPC's subsidiary companies or mature services where there are strong private sector presence.

9. Pricing Policy

9.1 Within the framework of the HKPCO and this MAA, the Council has autonomy in determining its pricing policy.

9.2 The Council shall review its pricing policy where appropriate to take account of changes in the market and any relevant Government policy prevailing at the material time.

10. Organisation and Management

10.1 The HKPC shall keep its organisational structure under regular review, and shall develop plans for any changes necessary to ensure that the objectives set out in para. 2 above are pursued as effectively and efficiently as possible. The HKPC shall ensure that its executive has a standing capacity to conduct internal review of management effectiveness, productivity and value for money.

10.2 The HKPC shall, on its own initiative or advice of the CIT, conduct management reviews as and when necessary. The purpose of the management review is, broadly, to ascertain that the organisation structure, decision-making and planning process, management and use of resources, delivery of services and the contribution of these services to the developing needs of Hong Kong are appropriate to the changing demands placed upon the HKPC.

11. Conditions of Service for Staff of the HKPC

11.1 The HKPC shall determine its staffing structure and appoint its staff on terms and conditions of service subject to the Council's endorsement, and the approval pursuant to Section 6(1) of the HKPCO.

12. Access to Records and Accounts

12.1 The CIT, or any other officers authorised by him/her, shall have access to the records and accounts of the HKPC for the purposes of fulfilling his/her functions as the Controlling Officer. The HKPC shall be obliged to explain to the CIT, or any officers authorised by him/her, any matters relating to the income, expenditure or custody of any money derived from the subventions. The HKPC shall give and procure that the CIT and any officers authorised by him/her shall be given all such information relating to the HKPC and such access to the premises and all books, deeds, records, accounts and other documentation of the HKPC, and the CIT may request and be permitted to take copies of any such books, deeds, records, accounts and other documentation. The HKPC shall ensure that its officers and employees give all assistance as may be requested by the CIT or other authorised officers and give promptly all such information and explanation to any such persons as aforesaid as may be requested by him/her or them.

12.2 The Director of Audit may examine the HKPC's accounts and the economy, efficiency and effectiveness with which the HKPC has expended its resources in performing its functions and exercising its powers. The Director of Audit may also require any officer of the HKPC to give such explanation, or to furnish such information, as he/she considers reasonably necessary for the purpose of the examination.

12.3 The HKPC shall provide the Director of Audit or any other officers authorised by him/her with unhindered access to the HKPC's accounting records and all such documents as he/she may reasonably require for conducting such an examination.

12.4 The Director of Audit may report the findings of his/her examination to the CIT and/or the President of the Legislative Council as he/she considers necessary.

13. Donation

13.1 The Government will not provide the HKPC with any funds to meet recurrent commitments arising from the conditions attached to any donations to the

HKPC unless the HKPC has obtained the prior approval of the CIT to accept the donations and the conditions attached to the donations.

13.2 The HKPC shall identify the donations and income derived from the donations separately in the accounts of the HKPC.

14. Insurance

14.1 The HKPC shall at its own expense take out all necessary insurance, including insurance for its own premises.

15. Regulations and Procedures

15.1 The HKPC shall draw up its own rules for matters such as regulations and control of its finances, personnel and procurement procedures, having regard to the prevailing practices of the Government.

16. Anti-corruption Procedures

16.1 The Commissioner of the Independent Commission Against Corruption may examine the practices and procedures of the HKPC with a view to advising on any measures necessary to minimise opportunities for corruption.

16.2 The HKPC shall ensure its staff conform with the requirements of the Prevention of Bribery Ordinance, Cap. 201, Laws of Hong Kong Special Administrative Region.

17. Non-legally binding effect

17.1 Notwithstanding anything provided in this MAA or any other documents, this MAA:

(a) is not binding in law or equity;

(b) is not intended to give rise to any rights or obligations or expectations on the part of any party to this MAA or any other person; and

(c) shall not fetter the powers, discretions and duties of any Government departments or officers under the law to the extent that such departments or officers are to act in a governmental capacity or as a competent authority.

SIGNED for and on behalf of the Government of the Hong Kong Special Administrative Region by

Eddy Chan
Commissioner for
Innovation and Technology

in the presence of

Dated: 22 June 2009

SIGNED for and on behalf of the Hong Kong Productivity Council by

Andrew Leung
Chairman
Hong Kong Productivity Council

in the presence of

Dated: 22 June 2009

Annex

Hong Kong Productivity Council (HKPC)
Information to be contained in the Annual Programmes and Estimates

1. In its Annual Programme and Estimates, the HKPC shall categorise its activities into different programme areas.

2. The HKPC shall provide information in respect of each programme area. The information shall include, but not limited to, the following:

   (i) the aim of the programme area, i.e. the strategic objective of the programme area and how it fits into the Government priorities and HKPC mission;

   (ii) a brief description of the activities to be covered by the programme area;

   (iii) achievements made in the previous year and activities in the coming year which merit special attention;

   (iv) the total financial provision required for the programme area, with breakdown on the amount of subvention required from the Government and the expected income arising from fees and services charges collected from conducting these activities.

3. The HKPC shall provide information on the activities to be undertaken under each programme area. The information shall include, but not limited to, the following:

   (i) the expected deliverables such as:

      (a) the types of activities to be organised such as training classes, consultancy studies, exhibitions etc;

      (b) the number of projects to be organised under different types of activities; and

      (c) the targeted participants and the expected number of participants.

(ii) performance indicators (please see para. 7.1 of the MAA for details) for measuring the efficacy and progress of the activities; and

(iii) the estimated funding provision required of each type of activities, with breakdown on the amount of subvention required from the Government and the amount of expected income arising from fees and services charges collected from conducting these activities.

4. The HKPC shall include all its activities in the Annual Programme and Estimates, irrespective of whether such activities are to be covered by subvention from the Government or not.

Ref: ED-2019022

16 December 2019

Mr Anthony Chu
Clerk, Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr Chu,

Public Accounts Committee
Consideration of Chapter 2 of the Director of Audit's Report No. 73
Provision of consultancy, research and development and training services by the Hong Kong Productivity Council

As required under your letter with reference "CB4/PAC/R73" dated 13 December 2019, the following three sets of files are attached:

a) **File A: Tables setting out the required project details for the period from 2014-2015 to 2018-2019**, please note that:

In the process of preparing the project details on the "Consultancy – Professional Manufacturing Support Service" type on 13 December (after first PAC Hearing), all 141 projects under this type were checked to ensure the accuracy. However, 55 projects were found not to meet the eligibility as decided in the management meeting in July 2018 to include projects "if service amount exceeds $5,000". It was believed that the erroneous counting was due to insufficient cascading to frontline staff, and the failure in updating such information timely in Standard Practice – which was a primary guideline for frontline staff to categorize project types. Based on such finding, a rectification will be immediately carried out to revoke the number of "Consultancy – Professional Manufacturing Support Service" from 141 to 86, deducting the 55 wrongfully included projects. Hence, the total "Number of consultancy projects accepted" will be adjusted from 944 to 889.

The above situation was reported immediately to ITC and the Council Chairman upon discovery. As effort to avoid similar situations from happening again, the Standard Practice will be updated during the upcoming KPI revamp, in consultation with ITC and the Council. The exercise to define new KPIs and targets is expected to complete by March 2020, and new KPIs will be submitted to ITC and Council for approval.

b) **File B (B1,B2 & B3): A copy of the management meeting minutes chaired by the Executive Director of HKPC in July 2018** *(English only, with sensitive information masked)*;

c) **File C (C1 & C2):** A copy of guidelines for HKPC staff in classifying what constitute consultancy projects and manufacturing support projects as consultancy projects, and the vetting and monitoring mechanism put in place by HKPC to ensure proper classification of such projects.

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香港九龍達之路78號生產力大樓

Please feel free to contact me if you have any question about the information provided.

Yours sincerely,



Mohamed D. Butt
Executive Director
Hong Kong Productivity Council

c.c. Secretary for Innovation and Technology
Commissioner for Innovation and Technology
Secretary for Financial Services and the Treasury
Director of Audit (Attention: Mr. Anthony Lo, Senior Auditor)

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(a) **Number of manufacturing support projects with service fees over $5,000:**

	Manufacturing support projects - without consultancy	Consultancy – Professional Manufacturing Supporting Service	Total Manufacturing support projects
	No. of Project	No. of Project	No. of Project
2014-15	51	-	51
2015-16	44	-	44
2016-17	40	4	44
2017-18	51	20	71
2018-19	36	86	122
	222	**110**	**332**

File A

Number of consultancy projects accepted with breakdown by size, average service fees, and staff-related expense:

	$5,000 or below				$5,001 to $100,000				$100,001 to $500,000				$500,001 to $1,000,000				Over $1,000,000				Total			
	No. of Project	Project Value	Staff related expense	Average Value	No. of Project	Project Value	Staff related expense	Average Value	No. of Project	Project Value	Staff related expense	Average Value	No. of Project	Project Value	Staff related expense	Average Value	No. of Project	Project Value	Staff related expense	Average Value	No. of Project	Project Value	Staff related expense	Average Value
		$'M	$'M	$'M		$'M	$'M	$'M		$'M	$'M	$'M		$'M	$'M	$'M		$'M	$'M	$'M		$'M	$'M	$'M
2014-15	10	0.0	0.0	0.003	455	20.2	14.6	0.044	383	88.7	43.6	0.232	62	43.8	23.1	0.706	60	141.1	69.8	2.351	970	293.8	151.2	0.303
2015-16	9	0.0	0.0	0.003	409	20.0	14.4	0.049	366	85.5	43.5	0.234	59	42.4	25.7	0.718	74	271.8	230.8	3.674	917	419.8	314.5	0.458
2016-17	11	0.0	0.0	0.003	406	18.7	13.8	0.046	376	88.2	44.0	0.235	66	48.9	27.5	0.741	89	250.8	99.4	2.818	948	406.7	184.7	0.429
2017-18	18	0.1	0.2	0.004	343	16.1	12.7	0.047	198	51.7	31.1	0.261	62	44.6	24.3	0.720	78	203.7	177.4	2.611	699	316.1	245.6	0.452
2018-19	124	0.4	0.3	0.003	531	22.2	19.2	0.042	166	38.5	26.8	0.232	42	31.7	20.9	0.754	81	238.0	124.1	2.938	944	330.7	191.3	0.350
	172	**0.6**	**0.5**	**0.003**	**2,144**	**97.2**	**74.6**	**0.045**	**1,489**	**352.6**	**189.0**	**0.237**	**291**	**211.3**	**121.6**	**0.726**	**382**	**1,105.4**	**701.4**	**2.894**	**4,478**	**1,767.0**	**1,087.2**	**0.395**

Note:

1. *In 2018-19, the 944 consultancy projects accepted includes 141 manufacturing support project, with consultancy element.*
2. *Among 141 projects, 118 (83.7%) were related to testing services, 8 (5.7%) were related to design and machining services, and 15 (10.6%) were related to professional services.*
3. *For project size group $5,000 or below, the number of projects increased significantly from 18 projects in 2017/18 to 124 projects in 2018/19 due to the inclusion of some new IT related consultancy projects and projects for the set up and testing of new safety systems for tail lift trucks. As a government initiative in May 2018 to increase the safety of tail lift truck, HKPC provided a newly designed safety system for each individual truck. The installation and testing works were started in July 2018.*

Action List for Monthly Management Meeting

Date: 19 July 2018 (9.30 am – 12.30 pm)

Venue: Board Room, 2/F

Present: ED, BDs, GMs, H/AR, DGM/RAU, DGM/I4U, G. Luk, R. Ko (agenda items 2-4), K. Suen (agenda item 12), J. Chow (agenda item 15-17)

The meeting received presentations/verbal reports on the following items by the responsible parties as set out in the agenda. The actions to be taken are recorded below.

Actions to be Taken	Action Party
(1) Matters Arising Annual Dinner (a)	
(2) Financial Performance Review June 2018 (for HKPC) (MMM 48/2018) (a) (b) (c)	

Actions to be Taken	Action Party
(d)	
(3) <u>WFOE Financial Report June 2018</u> (MMM 49/2018) (a)	
(4) <u>2019/20 Budget Assumptions</u> (a) (b)	
(5) <u>Q1 Scorecard</u> (MMM 50/2018)	
(6) <u>Cross Selling and Cross-divisional Collaboration Initiatives</u> (MMM 51/2018) (a) (b)	

Actions to be Taken	Action Party
(c)	
(7) <u>Business List for New Opportunities Business Development</u> (MMM 52/2018) (a) (b)	
(8) <u>KPI Catch up Plan</u> (MMM 53/2018) (a) To further consider the proposed catch up measures as to whether any inconsistencies would be created among the related KPIs and the potential impact on other KPIs before implementation. [Post meeting notes: 1. The morning prayer on 25/7/2018 agreed that as a measure to improve our performance under the KPI of "newly accepted consultancy projects", divisions could consider opening CG-type project (i.e. consultancy – professional manufacturing supporting service) for manufacturing support service of consultancy nature and with value of over $5,000. Such CG-type projects would be counted under the said KPI with a remark indicating their number in future reports (ref: GM/SM's email of 25/7/2018). 2. The morning prayer on 7/8/2018 supported that, for the KPI of "income from training", divisions could consider opening TA-type project for public seminars or training courses with income from a single source, as in the case of a company or	GM/SM, GM/MC

Actions to be Taken	Action Party
organization providing the total fee and collaborating with HKPC to organize such seminar or training course to the public.]	
(9) <u>Updates on Annual Leave Days – Old Entitlement</u> (a)	
(10) <u>Verbal Report by Simplification Taskforce</u>	
(11) <u>Information Security Awareness Programme Result</u> (MMM 54/2018)	
(12) <u>Monthly Safety Report</u> (MMM 55/2018) (a)	
(13) <u>Tracking of Government Funding Proposals Supported at Internal Vetting</u> (MMM 56/2018) (a) (b)	
(14) <u>Division Highlights - Verbal Report by Business</u>	

Actions to be Taken	Action Party
Divisions	
(15) Corporate Calendar (MMM 57/2018) (a) (b) (b)	
(16) Marketing Action Plan (MMM 58/2018)	
(17) Verbal Report on Major Upcoming Events in Jul-Sep 2018	
(18) Any Other Business 華南理工 (a) Per Diem (b) Report on Projects with Potential Overspending/Delay	

Actions to be Taken	Action Party
(c)	

12/8/2018

KPIs Performance Improvement Task – No. of Consultancy Projects

MMM 53/2018

Issue: 2017/18 Target – 968, Actual – 699 *(shortfall by 269)*

Status: 2018/19 Target – 935, Actual (YTD) ~ 145

Proposed Action: Open a separate CG Type Project for a potential client of a SA Type Project if the service amount exceeds $5,000

Note:

CG Type Project: Consultancy – Professional Manufacturing Supporting Service such as testing, machining, professional supporting services, etc., with consultancy advisory to a client

SA Type Project – Professional Manufacturing Supporting Services such as testing, machine, professional supporting services to a client or multiple clients

HKPC

1

From: K. Lee
Subject: Re: KPI on No. of Consultancy Projects
Date: 25 July 2018 at 10:37 AM
To: A. Ng, M. Chau, A. Wong, K. Fung, K. Liu, P. Pang, H. Lee, J. Chan, T. Choy, B. Chan, W. Lo
Cc: G. Lo, L. Cheung, E. Lai, R. Mun, S. Suen, F. Lai, C. Fung, Y. Ko, W. Wong, R. Shan, R. Fong, M. Ge, L. Poon, C. Li, V. Lin, G. Luk, K. Cheng

TL

Dear all,

After today's Morning Prayer Meeting, it was resolved that all of us have to try our best to achieve the KPI on No. of Consultancy Projects with the following measure to be implemented:

- Try to open a separate CG type project for a potential client of a SA type project if the service amount exceeds $5,000 (note that if the service amount is less than $5,000, it will not be justified to open a separate CG project because of the additional project admin work)

Note:
The above measure can increase the total no. of consultancy projects but will not affect another KPI – Income from Manufacturing Support Projects

For a CG type project with amount less than $100K and service duration less than 3 months, you may:
- Follow a simplified SAP project open route
- Replace the Standard Agreement with a client-signed quotation (please send your sample of quotation to our In-house Legal Counsel, Mr. Ken Cheng for review first and you may ask Ruby to obtain some samples of quotation from SMD for reference)
- Ask your respective GM to waive for deposit payment if necessary

I would update the Number of Acceptance Project, similar as follow, for your quick reference on the discrepancy of the targets to be achieved on a monthly-basis.

Division - Number of Acceptance Project 1/4/18-19/6/18

Division	KPI Target 18/19	Unit	CA	CB	CE	CF	CG
CDD	0	1502	1		1		
EMD	160	0713	1				
		4101	7		2	7	
		4103	7				6
		4104	3				
I4U	50	0711	2	1		2	
ITD	135	5001	6	1			

		5006	2					
		1605	1					
		2215	2					
MCD	400	2202	43					
		2211	2		1	5		
		2213	7			1		
		3803	4		1			
AED	80	3804	5					
		3805	2				3	
		3807	4					
RAU	50	0715	6	3				
SMD	60	0714	1					
		3808				5		
Total :	935		106	5	5	20	9	

Should you have any query or need any further support, please contact me directly or via my secretary, Ruby.

Best Regards,

K. Lee
General Manager 總經理
Smart Machinery & Surface Technology Division 智能機械及表面處理科技部

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Extract from HKPC Standard Practice F3 on Project Management and Guideline Notes

HKPC staff select the most appropriate project type based on the Guideline Notes in the HKPC Standard Practice.

STANDARD PRACTICE

Standard Practice No.:	F3
Subject:	Project Management
Prepared by:	Finance and Procurement Division
Date issued: (dd/mm/yyyy)	11/01/2017
Supersedes that issued on:	21/12/2015

Policy

1. The Council strives to exhibit quality project management meeting the expectation of corporate governance and management efficiency.

Objective

2. The Standard Practice depicts the principle and guidelines on project management so as to ensure the project initiation, planning, execution, controlling and completion processes are properly carried out.

3. Timely and accurate project management in a transparent and documented manner help alert project managers and the management to the Council's business operations and financial performance.

Principle

4. As the Council engages in projects of very diverse nature, the system and process stipulated herewith on project management serves to provide broad guidance only. Staff, particularly project managers, should exercise their professionalism and due judgment reasonably in managing details connected with overall project management even if those details are not explicitly stated in the Standard Practice.

5. Project managers (who must be at Consultant rank or Senior Project Officer rank or above) are responsible for the overall relevance, accuracy and timeliness of the project activities related information contained in the Council's enterprise resources planning (ERP) system.

Regulations

6. Details required for project management are set out in the "Guidance Notes on Project Management".

Guidance Notes on Project Management

Classification of Project Type

1. HKPC has a duty to report on the kinds of activity it engaged and so project is classified according to its nature. Project has to be set up according to its Type, or Business Area, in ERP system.

2. Definitions and details reference on Business Areas are listed in Appendix A ("Project Definition") of this Guidance Notes.

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee	Income Recognition
CA	Consultancy - Advisory Service	Project relied on the domain knowledge of consultant(s) to provide professional help and advice to the client	- Project master plan preparation - Consultancy team formation - Onsite visit / Client interview - Information collection / Fact finding - Situation analysis / Problem diagnosis - Improvement areas identification - Advice / Solution recommendation - Consultancy report submission / Presentation to client	Subject expert / Consultancy team	Charged by fixed amount as per agreement	Based on billing and percentage of completion
CG	Consultancy – Professional Manufacturing Supporting Service	Project providing multiple testing / machining / professional supporting services with consultancy advisory to a client	- Service scope and schedule confirmation - Service team formation / booking - Design, engineering and precision fabrication - Laboratory / Equipment booking and setup - Service provision and delivery - Post-service evaluation - Deliveries include analysis report / consultancy advice	- Service team - Laboratory assistant	Charged by service fee or fixed amount as per agreement	Based on billing and percentage of completion

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee	Income Recognition
SA	Professional Manufacturing Supporting Service (without Consultancy Element)	Project providing testing / machining / professional supporting services to a client or multiple clients	- Service scope and schedule confirmation - Service team formation / booking - Laboratory / Equipment booking and setup - Service provision and delivery - Post-service evaluation	- Service team - Laboratory assistant	Entire Amount Booked As Income	Based on billing and project deliverables

The vetting and monitoring mechanism put in place by HKPC to ensure proper classification of such projects.

Under the HKPC Standard Practice of HKPC, there is guideline on the definition of consultancy project and manufacturing support project as consultancy project. The relevant sections of the Standard Practice is included.

According to the Standard Practice F3, HKPC has a duty to report on the kinds of activity it engaged and so project is classified according to its nature. Project has to be set up according to its Type, or Business Area, in an ERP system, making reference to the definition in the Standard Practice. Project Manager has responsibility on the project management and maintenance of project information in ERP including the project type or Business Area. Project Manager enters the preliminary project financial information into the quotation summary with General Manager or above for approval (as per Project Approval Authority) and Finance and Procurement Division validates the related financial information in the ERP system such as project sum, project costs, etc.

If the client accepts the proposal, Project Manager is required to upload and input information in ERP including signed agreement, project work breakdown structure, billing schedule, staff cost and other cost. Then Project Manager should submit the project to General Manager or above for acceptance and Finance and Procurement Division validation in ERP.

Ref: ED-2019025

2 January 2020

Mr Anthony Chu
Clerk, Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr Chu,

Public Accounts Committee
Consideration of Chapter 2 of the Director of Audit's Report No. 73
Provision of consultancy, research and development and training services by the Hong Kong Productivity Council

As required under your letter with reference (CB4/PAC/R73) dated 19 December 2019, the relevant information and attachments relating to **Case 1 in Paragraph 2.24** are provided as below:

In Case 1, HKPC was commissioned to develop a new type of portable water vaporised air conditioner by a client. It was hoped that this project will help to further enhance HKPC's capabilities and build up the track record in provision of one-stop solution for clients in value-added new product development from feasibility study, prototyping to engineering sample as well as whole manufacturing process, tooling and equipment development. Due to the lack of precedence for developing this type of new product, both parties were unable to define the specifications of the new product in the agreement, and later whilst the product was developed according to the client's requirements, the project became more complicated than HKPC's original anticipation. As a result, the project progress was unsatisfactory to the client. HKPC finally proposed to the client to terminate the project and provided a full refund with mutual agreement. HKPC acknowledged that the arrangement under this case was not ideal, and will learn from it to improve the project risk management in future.

(a) For the copy of the project agreement signed between HKPC and the client, please refer to attachments "a1", "a2", and "a3".

There was no specific clause in the project agreement governing variations in the client's request.

Under normal circumstances, if the client proposed changes to project requirements, this will be considered as a modification to the agreement, and HKPC will charge the client for any additional costs.

However, in Case 1, HKPC's project proposal did not clearly define the specifications of the product but only listed out the "Tentative/TBC" specifications. Multiple product design changes proposed by the client were made before the confirmation of the final specifications, but the proposed design changes did not go beyond the scope listed in the tentative specification in the proposal, therefore their suggestions and requests could not be considered as variations to the agreement.

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Note by Clerk, PAC:
Attachments a2 and a3 not attached.

(b) Prior to signing the agreement with the client, the project team carried out relevant feasibility study, including the analysis as below:

- Benefits to HKPC from this project: Project background document (attachment "b1") illustrated the background and justifications for the Director of HKPC to approve this project. In attachment "b1", Paragraph 7 explained that: "This project will support local startup company to develop a new type portable water vaporized air conditioner that can reduce energy consumption during summer" and the project "will also help to further enhance HKPC capabilities and build up our track record in provision of one-stop solution for manufacturers in value-added new product development from feasibility study, prototyping to engineering sample as well as whole manufacturing process, tooling and equipment development".

- Project risk assessment: Project team completed the project risk assessment table (attachment "b2") which provided analysis to the Director of HKPC on the level of project risk. In the project risk assessment, out of a total of 4 risk criteria, Resource Risk and Schedule Risk were rated with a risk score of 3 (scale from 1 to 4 with 4 representing the highest risk); Technical Risk and External Risk were rated with a risk score of 2. A risk score of 2 and 3 are classified as moderate risk. Justifications/mitigations were mentioned in the project risk assessment for the two criteria with a risk score of 3.

- Project cost: Cost calculation was done by the project team (attachment "b3"). The total amount charged by HKPC in this project was equal to the sum estimated in the costing sheet.

(c) The document submitted by the project team to the Director of Digital Branch seeking approval to terminate the project is listed in attachment "c1". That document had been reviewed, approved and signed by the Director of Digital Branch (the signature on document "c1" has been redacted). The settlement agreement (see attachment "c2") prepared by HKPC's internal legal department, with arrangement to refund HK$400,000 and the semi-finished deliverables to the client, and was mutually agreed with signature from both the Director of Digital Branch and the client.

(d) The requests from the client to change the product design (as described in point (a) above, within the scope of the agreement) increased the technical difficulties to develop the product, resulting in the overrun of the estimated man-hour. In October 2018, at the time when the project team suggested to terminate the project, a total cost of HK$254,286 had been incurred, in which man-hour cost was HK$230,992 (which accounted for 58% of the total budgeted man-hour cost in this project). The entire project was planned to be completed within 12 months and was divided into four stages. Stage 1 was planned to be completed in the middle of May 2018. However, as the project team required additional time to implement the client's requests to change the product design, as of October 2018, Stage 1 of the project was still not completed yet, which meant the project was severely delayed for 5 months.

During the implementation of the first stage, the project team provided semi-finished deliverables in batches, including 3D printed mock up parts, design drafts, and control circuit board size drawings for seeking client's acceptance, in accordance with the requirement of the project agreement.

By the time the project was terminated, the mock up parts still needed to be radically modified before any of them could actually function, and the corresponding design drafts also could not be used without significant modifications. These mock up parts and their corresponding design drafts were the "semi-finished deliverables" mentioned in the settlement agreement between HKPC and the client, and they could not be assembled into a prototype.

As explained in point (a) above, the project proposal did not clearly define the technical specifications of the product, and the deliverables by HKPC project team must satisfy the technical specifications to be finally accepted and agreed by the client. Therefore, it allowed the client to request for multiple changes in the product design within the scope of the agreement, resulting in the increase of technical difficulties in the project (see attachment “d” for details on the technical difficulties). In addition, some of the technical challenges might not be resolvable directly which meant identifying alternative approach would be necessary, and in either case led to extra time and man-hour. Given that the project's cumulative man-hour cost had already accounted for 58% of the total estimated man-hour cost and the first stage had not yet been completed, the project's potential overrun costs were likely to significantly exceed HK$254,000.

Furthermore, the client (via WhatsApp and/or email) repeatedly expressed concerns to the project management staff on the progress of the project execution in April 2018, July 2018, August 2018, and September 2018, emphasising that the development time of this electric device was very critical to them because this electric device is a product for the summer season. It was very difficult for a startup SME to survive with product development cost only but no sales for two years. Another reason for the client to be very concerned about the project schedule (as illustrated by the client’s email to HKPC on 26 September 2018) was because the client obtained the approval to showcase this product in the Consumer Electronic Show (CES) in USA in January 2019. CES is one of the most prominent consumer electronic equipment show in the world, and the target market of this product is USA. Furthermore, in the email on 26 October 2018 from the client to HKPC project team, the client stated their intention to claim a liability of HK$400,000 in addition to the refund of HK$400,000 to compensate for the loss of time in this product development.

To minimise the cost impact on HKPC, and considering the project execution schedule could not meet the client’s requirement, HKPC project team decided to propose to terminate the project. The Director of the Digital Branch eventually approved the project team’s request to terminate the project, and invited the internal legal counsel of HKPC to provide legal advices on the settlement agreement. Considering HKPC could not meet the requirements of the client and the potential litigation risk, therefore it was decided to provide a full refund of HK$400,000 to the client and handover the semi-finished deliverables.

(e) Please refer to attachments “e1” and “e2” for the files related to communication with the client. The relevant personal privacy information has been redacted.

(f) Please refer to attachment “f” for the other difficulties expected by the project team.

(g) According to HKPC Standard Practice No F3 (attachment “g1”), the Director of the Digital Branch has the approval authority on project management of any project with value up to HK$1,500,000 which is higher than the project value of HK$1,050,000 of Case 1. Project management authority including quotation, project approval, revision of project budget,

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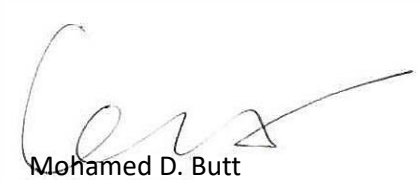
Note by Clerk, PAC:
Attachments e1 and e2 not attached.

project completion, project termination (by client or HKPC), etc. The Standard Practice did not specify the approval authority of the detail arrangement of project termination (such as whether to refund to the client or to allow the client to keep the semi-finished deliverables). Normally, this kind of details would be listed under the settlement agreement after the negotiation with the client, and will be signed by the officer who had approved the project termination (same arrangement as in Case 1). HKPC believes this arrangement is reasonable.

In summary of the improvement areas as illustrated by Case 1: the project agreement did not clearly define the product technical specifications mutually acceptable to both parties; the absence of definite technical specifications significantly increased the potential technical risks; the project risk assessment carried out at the beginning significantly underestimated the technical risks, and thereby the potential extra costs and project execution time. Besides, the document submitted by the project team to the Director of Digital Branch seeking for approval to terminate the project did not clearly describe the details of the whole incident. HKPC will take this lesson learnt to improve project risk management.

Please feel free to contact me if you have any question about the information provided.

Yours sincerely,



Mohamed D. Butt
Executive Director
Hong Kong Productivity Council

c.c. Secretary for Innovation and Technology
Commissioner for Innovation and Technology
Secretary for Financial Services and the Treasury
Director of Audit (Attention: Mr. Anthony Lo, Senior Auditor)

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a1

HKPC Hong Kong Productivity Council 香港生產力促進局

Ref: 0711/006/01/18

Date: January 22, 2018

H

Dear

Re: Research and Development of an Eco-friendly Smart Portable Evaporation Air Conditioner for Personal Use

Thank you for inviting our Council to render the captioned R&D service to your company. I would like to inform you that our Council is pleased to offer this R&D service to your Company with the following details.

Background

In the recently decade, global warming is becoming a critical issue not only to environment, but also to people's daily life. Especially in summer, air conditioner is indispensable equipment for everyone in Hong Kong. However, traditional air conditioner normally causes high energy consumption and even harms to the environment due to the releasing of Freon. Moreover, since the large size scale and heavy weight, the traditional air conditioner only can be used in the certain place which cannot meet the need of mobile using for individual. Therefore, air conditioner is always looking for a smart method to save energy, minimize the size scale, and reduce the weight.

Our concept is to apply an eco-friendly water evaporation method to provide hydrated cooling, which could be much more powerful than water cooling without generates greenhouse gas. The power usage will be controlled to lower than 10 Watts, thus a standard, rechargeable battery could be used to provide sufficient power. Furthermore, by carefully controlling the size of water molecules, amount of water molecules and air flow, the water evaporation could reach the highest efficiency to

provide maximum cooling power. Therefore, this product, we believe, would be small enough to bring it to anywhere you want to and powerful enough to cool yourself.

Objective & Scope

The objective of the project is to assist H (hereinafter) to conduct an up- and down- stream research and development for eco-friendly smart portable evaporation air conditioner based on the proof of concept model provided by H . Water evaporation method will be studied to enhance the cooling efficiency of the smart portable evaporation air conditioner. The functional and reliability specification will be established. The weight and size of final product will be minimized. Specific moulds for each mechanical part will be designed and developed in this project. A mini membrane pump will be installed with the water tank to improve the ability of water evaporation. Meanwhile, 3D-printing will be adopted to build a prototype. All designed components will be fabricated and installed for testing the new concept in Hong Kong. The combination of the parameters, including power consumption, water evaporation rate, air flow speed, and relative cooling rate of the fan outlet compared with the atmosphere nearby will be studied and identified after the system have been installed. It is assumed that the minimum functional performance will not lower than the proof-of-concept model.

H will fine tune the process parameters of the others specific shape on their own after project completion and technology transfer. HKPC will assist H to prepare documents for applying certifications. The first target market would be the Unit State of America. In this project it will covers the most common test items including EMC and RoHS for low voltage consumer electronic product. If more test items are required, HKPC will suggest a 3rd party certify body to H to carry out the test in his own expense.

Based on our understanding, discussion and mutual consent after back and forth meetings, the following are the tentative specifications proposed for your reference:

Equipment Characteristics	**Parameter (Tentative)**
Voltage Input	5V DC, USB charging, TBC

Power	<10W, TBC
Overall Machine Size	25cmx 15cm x 15cm, TBC
Air flow rate	Equivalent or not lower than the proof of concept model. TBC
Water vaporized rate	Equivalent or not lower than the proof of concept model. TBC
Weight	<600g, TBC

Our service will include the following activities and deliverables:

Stage	Activity	Deliverable& Acceptance for Each Phase	Estimated Time
Initial Design and Engineering Drawings, Electronic circuit design, and Risk management	1. 3D model design 2. 3D assembly design 3. 2D drawing and dimensioning 4. Electronic circuit design 5. Functional and reliability specification 6. Safety consideration 7. Risk management	1. Device design input 2. 3D molding of the device and 2D drawings. 3. Electronic circuit design 4. Functional and reliability specification	3 months
Prototyping and design validation	1. Rapid Prototyping (RP) 2. Design validation and Engineering Change. 3. Repeat RP(s) until the product meet the specification defined at the first stage	1. Not more 10's Functional Prototype of the product	3 months

Mould Fabrication, Assembly, Testing	1. Mould fabrication 2. Parts fabrication 3. Parts assembly 4. Functional test of the engineering samples	1. 10's Smart portable air conditioner machine (Engineering Sample) 2. Experimental test report	3 months
Design transfer	1. Design transfer to H	1. Technical file (all design documents, findings and reports, etc.)	3 months

(Remark: HKPC will only assist H to apply Research and Development Cash Rebate Scheme under ITC (hereinafter "Cash Rebate") by filling the pre-registration form, provide necessary project information and submission of mid-term (if applicable) and final report. The final approval of the Cash Rebate is not guaranteed by ITC. H have to bear the risk of final granting approval.)

This is a R&D-based project with high technical risk. The performance of the developed water vaporized air conditioner cannot be guaranteed. HKPC is only responsible for providing technical support to improve the performance of the original proof of concept model provided by H

Methodology and Duration

The whole project will tentatively be divided into 4 implementation phases and the methodology is detailed in the attached proposed implementation plan. The project will last for around 12 months to complete depending on the overall progress, tentatively commence in January 2018. The consultancy service will include research and development of the eco-friendly smart portable evaporation air conditioner, functional specification establishing, prototyping, parts fabrication, parts assembly, testing and parameters fine tuning. The confirmed implementation schedule will be subjected to mutual agreement upon project confirmation. During the project implementation period, our responsible consultants will work closely with your

Company's staff for the project implementation.

Our consultants will visit your Company regularly to provide service and monitor the overall project progress. All the time being estimated is based on the assumption that the management of your Company will fully support the project and can commit adequate resources deemed necessary such as adherence to the project milestone, consultant advice, project team formation, delegation, required supplies, people, etc. for implementation and effort in working with our consultants throughout all stages of implementation. The tentative project duration may be extended according to actual situation with prior mutual consent from each party. However, the Council further reserves the right to claim your Company for any additional or incremental costs and expenses incurred arising out of, resulting from or in connection with any delay or extension of the project attributable to or caused by your Company.

The Council shall not be responsible or liable in any way for any delay or default in delivery of services or goods, or failure to perform any of its obligations under this Agreement if such delay, default or failure was caused by (i) any delay or fault by your Company or your selected contractors or suppliers, or (ii) any other unforeseeable events or circumstances beyond the Council's control, including but not limited to war, riots, fire, flood, typhoon, lightning, severe weather, earthquake, explosion, strikes, shortage of energy supplies, acts of state or governmental action or operational disruptions.

Project Team

A HKPC consultant will be assigned to serve as the project manager in this project to manage the entire development work and service delivery. We will arrange sufficient manpower such as an electronics expert, a mechanical expert or other relevant experts to handle the project according to the actual situation whenever necessary and consider appropriate.

Cost Estimate and Terms of Payment

The total service charge is **HK$1,050,000.** The project will commence after confirmation and receipt of deposit. The service charge will be payable to the Council based on the following tabulated payment schedule which are non-refundable after

confirmation.

Description	Payment Schedule	Service Cover	HK$
1st installment	Upon Project Acceptance	All activities and deliverable(s) mention in the Initial Design and Engineering Drawings, Electronic circuit design, and Risk management stage	400,000
2nd installment	Completion of Initial Design and Engineering Drawings, Electronic circuit design, and Risk management. And H accepts to move to next stage.	All activities and deliverable(s) mention in the Prototyping and design validation stage	150,000
3rd installment	Completion of Prototyping. H accepts the overall performance and agree to move to next stage.	- Mould Drawings - Production Failure Mode Effect and Analysis - BOM - Overall management of mould fabrication	200,000
4th installment	Completion of Mold Fabrication. H accepts the overall performance and agree to move to next stage.	All activities and deliverable(s) mention in the Mould Fabrication, Assembly, Testing stage	200,000
5th installment	After Design Transfer	All activities and deliverable(s) mention in the Design transfer stage	100,000

Remark:

1. *HKPC is only responsible for the purchase of hardware, software and external subcontracted services up to maximum amount of HK$650,000. H shall*

HKPC Hong Kong Productivity Council 香港生產力促進局

be responsible for paying the additional cost for any hardware, software and external subcontracted services if so required to complete the project due to whatever reasons.

The consultancy fee quoted does not include cost of certified material, equipment calibration, hardware and software investment cost, etc. necessary for carrying out the R&D process. The service charge does not also include the transportation and hotel accommodation for our staff working in the PRC if necessary. H is responsible for such logistic arrangements and bears the associated costs fully. If H cannot arrange the required logistics service to our staff, our staff will arrange by themselves and charge H directly for the logistic cost incurred. H will be required to settle the payment within 45 days from the date of the receipt. Otherwise, HKPC will suspend the service until all outstanding costs are settled by H . The Council further reserves the right to claim the H for any additional or incremental costs and expenses incurred arising out of, resulting from or in connection with any delay or extension of the project attributable to or caused by H .

This quotation remains valid for **two weeks** from the date of this letter. If you need further details, please do not hesitate to contact my colleague, Mr. A Consultant at (852) , Mr. R , Principal Consultant at (852) or directly to me at (852)

Thank you for your consideration and I am looking forward to your favorable reply soon.

Yours sincerely,

Mr. K
General Manager

Hong Kong Productivity Council

b1

File No. Page

10006528 1

M1

This is for prototyping service & it will be the first prototype procedure we for start-up.

BACKGROUND AND JUSTIFICATION

Background of the project

1. This is a consultancy project on "Research and Development of an Eco-friendly Smart Portable Evaporation Air Conditioner for Personal Use" for H (hereinafter), a local startup SME focusing on developing portable cooling device. This project has been pre-registered for R&D Rebate Scheme under ITC of HKSAR government.

2. This project aim to assist H (hereinafter) to conduct an up- and down- stream research and development for eco-friendly smart portable evaporation air conditioner based on the proof of concept model provided by Water evaporation method will be studied to enhance the cooling efficiency of the smart portable evaporation air conditioner. The functional and reliability specification will be established. The weight and size of final product will be minimized. Specific moulds for each mechanical part will be designed and developed in this project. A mini membrane pump will be installed with the water tank to improve the ability of water evaporation. Meanwhile, 3D-printing will be adopted to build a prototype. All designed components will be fabricated and installed for testing the new concept in Hong Kong. The combination of the parameters, including power consumption, water evaporation rate, air flow speed, and relative cooling rate of the fan outlet compared with the atmosphere nearby will be studied and identified after the system have been installed. It is assumed that the minimum functional performance will not lower than the proof-of-concept model.

3. will fine tune the process parameters of the others specific shape on their own after project completion and technology transfer. HKPC will assist to prepare documents for applying certifications. The first target market would be the Unit State of America. In this project it will covers the most common test items including EMC and RoHS for low voltage consumer electronic product. If more test items are required, HKPC will suggest a 3rd party certify body to H to carry out the test in his own expense.

Description of the project methodology, stage, work & duration

4. The consultancy service scope covers research and development of the device, prototype, engineering samples and testing.

5. This project will be divided into 4 implementation phases and tasks under each phase are as follows:
   i. Initial Design and Engineering Drawings, Electronic circuit design, and Risk management: Modify the current functional prototype provided by the Client, define specification and risk management, details 3D, 2D and circuit design;
   ii. Prototyping and design validation: construct the prototype by Rapid Prototyping (RP) and design validation;
   iii. Mould Fabrication, Assembly and Testing: fabricate the moulds, parts, and circuit board, carry out functional test;
   iv. Design transfer: Transfer the design and design documents to the Client for mass production.

6. This project will commence by mid of February 2018 upon client formal acceptance of project. Project duration is around 12 months.

Justifications for the project

7. This project will support local startup company to develop a new type portable water vaporized air conditioner that can reduce energy consumption during summer. It will also help to further enhance HKPC capabilities and built up our track record in provision of one-stop solution for manufacturers in value-added new product development from feasibility study, prototyping to engineering sample as well as whole manufacturing process, tooling and equipment development.

STAFFING AND FINANCIAL IMPLICATIONS

8. Budgeted estimation of this project are as below:

Income	Staff Cost	Other Cost	Recovery Rate %	Charging Rate
HKD1,050,000	HKD399,884	HKD650,000	100.00	C35

9. Project payment will be in 5 installments, 38.10% upon acceptance, 14.29%

upon completion of initial design and engineering drawings, electronic circuit design, and Risk management, 19.05% upon completion of prototype, 19.05% upon completion of mould fabrication, 9.52% balance after design transfer.

10. This project, if approved, will not create additional manpower or financial implications on SMD, and even if there are additional manpower and financial implications, they will be absorbed within the existing resource of SMD.

ADVICE SOUGHT

11. We would like to seek your approval for launching this consultancy project at value of HK$1,050,000 in accordance with Section 3 (a) of SP F3 "Approval Authorities for Project Management System".

Best regards,

R

12 February, 2018

b2

SMD Project Risk Assessment

(for the consultancy projects over HK$300K)

Project Title : Research and Development of an Eco-friendly Smart Portable Evaporation Air Conditioner for Personal Use

Project Code : 10006528

Using the scale below, please rate the risk level of the following areas.

Risk Level	Low	Moderate		High
Risk Score	1	2	3	4

Risk Area	Risk Score	Impacts and Measures
Technical Risk - *technical feasibility, viability*	2	The Client already got a proof of concept model
Resource Risk - *staff loading, staff expertise and equipment*	3	Our R&D team is busy, but still have capability to handle this project
Schedule Risk - *project schedule, delivery, procurement*	3	We have included 2 months buffer for the development
External Risk - *contractual issues, liability, IP*	2	No background IP found

Prepared by : A

Date : February 12, 2018

Additional comments or control action required *(if any)*
Click here to enter text
By GM/SM

b3

HKPC

Project Proposal / Quotation Cost Summary

Section I – Background Information	
Potential Client	H
Project Title /Brief Description	Research and Development of an Eco-friendly Smart Portable Evaporation Air Conditioner for Personal Use
Estimated Project Sum	HK$1,050,000
Estimated Project Duration	12 months

Section II – Income	
External	HK$1,050,000

Section III – Concession	
Concession Rate	C35
Justification	The Client is a start-up SME (from Inno Space) and the project nature is R&D

Section IV – Staff Cost				
Project Activity	Grade	Rate	Man Hours	Amount (HK$)
Initial Design and Engineering Drawings, Electronic circuit design, and Risk management	8	2,560	0	HK$0
	6	1,600	7.8	HK$12,480
	5	610	50	HK$30,500
	4	350	150	HK$52,500
	3	320	150	HK$48,000
	2	320	150	HK$48,000
Prototyping and design validation	8	2,560	0	HK$0
	6	1,600	7.8	HK$12,480
	5	610	46.8	HK$28,548
	4	350	70.2	HK$24,570
	3	320	78	HK$24,960
	2	320	78	HK$24,960
Mould Fabrication, Assembly, Testing	8	2,560	0	HK$0
	6	1,600	7.8	HK$12,480
	5	610	15.6	HK$9,516
	4	350	39	HK$13,650
	3	320	78	HK$24,960
	2	320	78	HK$24,960
Design transfer	5	610	12	HK$7,320
				HK$399,884

Section V – Project Other Costs & Expenses		
Project Other Costs	Mechanical components	HK$200,000
	Electrical/Electronic components	HK$85,000
	Mould, jig and fixture	HK$300,000
	Testing	HK$60,000
	Operation cost (eg. Transportation)	HK$5,000

	Total	HK$650,000

Section VI – Financial Highlight	
Value Added	HK$399,884
Operating Result	HK$116
Remark	Nil

Section VII – Prepared by		
	Signature	Date
Project Officer in charge, Division	R / A	24/1/2018

C1

HKPC

Memorandum
備忘錄

Date 日期: 26 OCT 2018

To 致: DBD via DGM/I4U

From 傳自: A /J

c.c. 副本抄送: GM/FP

Subject 題目: Project Termination for 10006528

Background

We are implementing a consultancy project entitled **"Research and Development of an Eco-friendly Smart portable Evaporation Air Conditioner for Personal Use"** (Project code: 10006528). The project actual commencement date was 20 March 2018 right after the settlement of down payment by the client and the proposed project duration is 12 months.

Justification

The project team has been preparing some ground works including the initial mechanical design and electronics design of the device based on requirement agreed at the proposal. During the project implementation and back and forth design review meeting held, the project team experienced that both parties cannot compromise on both mechanical and electronic design up to this stage. It is because the requirements have changed several times by the client and he also insisted to stick to his own design which our team doesn't agreed due to several risk, cost and functional factors. Our team therefore suggested with prior consent from the client to terminate this project at this stage due to the expected difficulty in further cooperation with each other.

We have received HK$400,000 down payment from the client out of which HK$254,286 has been used for engineering preparation work including some components purchased for initial testing. We therefore will refund the down payment of HK$400,000 to the client for mutual settlement. Our in-house legal has prepared a termination agreement to be signed by both parties to protect the Council from further negotiation by the client.

RECEIVED
29 OCT 2018
H.K.P.C. - BDR OFFICE

HKPC - A054

Recommendation

We would like to seek your prior approval to terminate this project due to the abovementioned reasons.

Thank you
Yours sincerely,

_____

A
Consultant/I4U

C2

THIS SETTLEMENT AGREEMENT ("**Agreement**") is made 29 October 2018

BETWEEN

(i) **Hong Kong Productivity Council** of HKPC Building, 78 Tat Chee Avenue, Kowloon, Hong Kong ("**HKPC**"); and

(ii) **H**

WHEREAS:

(A) On 15 February 2018, HKPC and H have entered into a consultancy services agreement (the "Contract") in relation to "Research and Development of an Eco-friendly Smart Portable Evaporation Air-Conditioner for Personal Use" (the "Project").

(B) Pursuant to the Contract, H has paid the 1st installment of HK$400,000 to HKPC upon its acceptance of the Project.

(C) However subsequently, both parties have certain disagreement on the technical specifications and function requirements of the project deliverables.

(D) Upon recent discussions and negotiations between the parties, HKPC and H have reached a mutual agreement to fully and amicably resolve and settle all disputes and outstanding matters arising out of and/or in connection with the Contract and the Project, subject to the terms and conditions as set forth hereunder.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, both parties hereby agree as follows:

1. HKPC and H shall terminate the Contract and abandon the Project with immediate effect.

2. Within 14 days after signing of this Agreement, HKPC will (a) refund the amount of HK$400,000 (the "Refund") to H by way of cheque, and (b) handover the semi-finished deliverables per the attached list on "as-is" condition without any warranty to H

3. Upon receipt of the Refund and semi-finished deliverables by H HKPC shall owe no further obligations and/or liabilities to H relating to the Project under the Contract.

4. Each party shall irrevocably forego and waive all its rights to claim against the other party as well as fully release and forever discharge the other party (including its members, directors, officers, employees, agents, subsidiaries and affiliates) from any and all claims, demands, complaints, actions, liabilities and causes of actions, of every kind, nature and character arising out of and/or in connection with the Contract and/or the Project.

5. Each party shall confirm and agree that neither this Agreement, nor any compromise made hereto, shall be taken or construed to be an admission or concession to any liability or fault by either party arising out of and/or in connection with the Contract and/or the Project.

6. Both parties shall keep confidential and not disclose to any third party the terms and conditions of this Agreement.

7. Both parties shall represent and warrant that it will not take any steps to publicize the contents of this Agreement, and will not undertake to aid or assist any third party in publicizing the contents of this Agreement.

8. This Agreement constitutes the entire agreement and understanding of the parties and supersedes all prior negotiations, understandings and agreements, proposed or otherwise, written or oral, concerning the subject matter hereof. Furthermore, no modification of this Agreement shall be binding unless in writing signed by each party.

9. Should any provision of this Agreement be declared illegal or unenforceable by any court of competent jurisdiction and if such provision cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

10. Each party shall use all reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all other things reasonably necessary, proper or advisable to consummate as promptly as practicable the transactions contemplated by this Agreement.

11. This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong. Each party irrevocably agrees to submit to the exclusive

List of semi-finished deliverables

1, mock up sample and

2, disc (including design content)

Recieved on Oct 29, 2018

jurisdiction of the courts of Hong Kong over any claim, dispute or matter arising under or in connection with this Agreement.

IN WITNESS WHEREOF, all the parties have executed this Agreement as of the day and year first above written.

SIGNED BY)
for and on behalf of)
Hong Kong Productivity Council)

SIGNED BY)
for and on behalf of)
H Limited)

d – 項目詳細技術困難

項目詳細技術困難

客戶需求：減少 40%產品重量

選擇更輕盈和堅固的物料

- 戶外使用產品，外殼需要具備以下機械強度 (拉伸強度 Tensile Strength > 400kg/cm^2 ，硬度 Hardness > R scale 100，衝擊強度 Impact Strength >15 J/m)
- 需要符合 ASTM D785, ASTM D638, ASTM D256 的強度要求
- 需要耐 UV，符合 ASTM G154 UV 燈照射測試標準
- 需要符合 ASTM D5276，8 個方向 2m 跌落測試標準
- 因此選擇材料會有一定限制

減少塑膠厚度

- 由於產品零件較為複雜，加上需要縮減產品外殼的厚度，以達致減重的目的因此對模具和注塑機有高要求
- 多個零件需要特殊的分模和多邊行位，為了避免零件出現毛口，飛邊等情況，注塑機需要有充足，而平均的合模壓力避免在注塑中出現漏膠的情況。
- 由於減少塑膠厚度容易令塑膠在填充時冷卻，因此塑膠需要在高溫高壓和高速的狀態下注射進模具內，以確保塑膠在冷卻前完成澆注。
- 為免高壓注射令產品內應力增加，引致產品工件在生產後爆裂，因此在冷卻後還需要使用退火處理，以確保產品的質量和尺寸。
- 縮減塑膠厚度容易令塑膠在冷卻時變形，因此需要先進隨形冷卻技術，才能確保塑膠能均勻冷卻。

取消重疊牆壁的設計

- 需要重新修正產品的氣道和水道，由於修正後一些氣道和水道會放在外殼的內則，一些扣模的部分需要分件製造，需要更複雜的模具處理內則結構，同時要考慮模具中的內行位抽離方向和距離，增加模具設計和製作的難度。
- 為使產品在戶內及戶外都能使用，產品不可以漏水，漏氣或入砂。產品需要根據 IP 67 的防水要求設計(完全防塵及在 1 米的水底抵禦 30 分鐘不進水)；但取消重疊牆壁，需要把氣道和水道分段製作，容易因為塑膠收縮而出現漏水，漏氣或入砂的問題。

d – 項目詳細技術困難

改善氣流率(Air Flow Rate)及水份蒸發率(Water Vaporised Rate)

水泵設計

- 客戶的水泵設計不能通過標準測試(HKPC Test)，需要開發新的泵設計。
- 需要考慮水泵的防水問題，需要根據 IP 67 或以上的標準設計水泵以防止水份(完全防塵及在 1 米的水底抵禦 30 分鐘不進水)進入馬達引發故障。
- 客戶要求水泵需要在 2,800 rpm 以上的速度連續使用 3,000 小時，因此對於馬達的設計難度和傳動部件負荷要求增加。
- 產品在不同方向擺放時水泵也需要正常運作，另外在戶外手提使用時，水流不是靜止的狀態，水流供應不穩定，為了霧化器有穩定的水份供應，水泵最少在每分鐘供應需要每分鐘 1 公升的水量。
- 由於產品是手提產品，水泵的尺寸需要設計在 30×30×30 mm 以內 (市面上的功能和價格相似的產品尺寸大約在 30X30X45mm)，這樣對於水泵的功能和設計有很大的障礙。
- 水泵需要放在水箱內，而且需要完全防水，零件和外殼不可生銹。
- 由於水泵的馬達需要長期運作，為防止水泵過熱影響運作，因此需要散熱的設計。

風扇馬達設計

- 風扇馬達需要在 2,900 rpm 以上的速度連續使用 3,000 小時。
- 馬達需要耐用、輕巧、尺寸小。
- 馬達需要通過 EMC 電磁測試，RoHS (The Restriction Of The Use Of Certain Hazardous Substances In Electrical And Electronic Equipment 危害性物質限制指令)測試。

模組化水箱及控制箱設計

- 需要重新設計產品的外殼，由於控制箱，外殼和水箱設計需要分離，其外殼連接的曲面需要在組裝後完全連貫，這對於模具製作和生產是一個很大的考驗，塑膠在注塑後，在冷卻時會有不同程度的收縮，零件的收縮會根據產品的結構，支撐和外殼的厚薄會有所不同。零件需要在注塑後放在特製的支架上冷卻。

d – 項目詳細技術困難

- 由於是戶外產品，設計需要考慮防水問題，根據 IP 67 或以上的防水標準(完全防塵及在 1 米的水底抵禦 30 分鐘不進水)，設計產品。防止水和塵在模組之間的隙罅滲入，影響產品的操作。
- 需要有防錯設計(Fool Proof design)，特別是水箱連接處，霧化器等的安裝，不能因為使用者安裝失誤而引發漏水。
- 產品設計需要穩定，尤其是信號傳輸的部份，不可以因為產品震動而發生號故障。
- 產品的生產時需要有嚴格的尺寸和公差，塑膠零件公差需要控制在 0.1 mm 內，工件配合不能過鬆或過緊。使用時會出現搖晃。
- 產品設計需要有清晰的指示和對位設計，以方便使用者準確地安裝。

產品可靠性

開發獨立的電池為風扇和其他設備充電

- 電池需要通過震動、熱衝擊、潮濕環境、物理撞擊、短路、過充過放等，根據 ISO 12405-1、-2、-3 的測試。
- 由於產品是戶外使用的產品，電池外殼設計需要防水，防止水分進入引致短路。
- 由於產品是戶外產品，電池外殼需要通過跌落測試，防止電池因為跌落和衝擊而損壞。
- 電池外殼需要以模組化的方法固定在產品上，產品設計需要有清晰的指示和對位設計，以及防錯提示(fool proof design)，以方便使用者準確地安裝電池。
- 由於電池需要獨立為其他電子產品充電，因此電池需要通過 universal serial bus（USB）標準的性能要求，同時具備保護線路，防止電池因為充放電引發故障。

Note by Clerk, PAC:** **Chinese version only.

f – 預期會遇到的其他技術困難

如項目需要繼續進行，必須先克服附件 d 所列出的所有詳細技術困難，方可進行此步驟。當中包括：

原型製造、設計驗證及工程樣板

- 即使所有零件能通過個別性能測試，也不能保證組裝成原型後能通過整體功能驗證，因此部分零件可能需要從新設計。
- 雖然設計圖能確保產品可以順利生產和安裝，但是產品為手提的戶外產品，因此需要製作多次的工程樣板讓客戶測試產品的重量、重心，和使用的手感。
- 根據設計圖紙以生產時的物料製作工程樣板，組裝工程樣板確保模組化的設計安裝正常；安裝後和客戶確認產品的重量、重心、和手感。
- 尋找多名非工程人員為產品模組安裝測試，以確保一般使用者能成功安裝模組化產品。

最終測試

- 為工程樣板進行 ASTM D5276，2m 跌落測試。
- 為工程樣板進行 ASTM G154，UV 測試。
- 在工程樣板進行產品耐用測試。
- 在工程樣板進行 EMC 電磁測試。
- 根據 ISO 12405-1,-2,-3 和 usb 標準為電池進行震動、熱衝激、潮濕環境、物理撞擊、短路、過充過放等測試。

模具生產

- 根據產品零件制定合適的模具生產方法。
- 根據每一件產品零件的特性和物料製作合適的模具，並決定合適的注塑機，由於外殼厚度較簿，為免外殼變形，產品需要以先進的隨形冷卻技術輔助冷卻。
- 由於部份零件十分複雜，部份的零件需要以注塑機加上急冷急熱系統進行生產，模腔內的溫度隨著產品的注射進度而改變，以確保產品的轉寫率。
- 透光的零件需要與光學零件的專用注塑機進行生產，並嚴格監控原材料，在原料的運輸和安裝過程中需要乾燥，防止氣紋和水紋的出現，以確保光學件的質素。

Note by Clerk, PAC:** **Chinese version only.

g1

Standard Practice No.:	F3
Subject:	Project Management
Prepared by:	Finance and Procurement Division
Date issued: (dd/mm/yyyy)	7/8/2018
Supersedes that issued on:	30/11/2017

Policy

1. The Council strives to exhibit quality project management meeting the expectation of corporate governance and management efficiency.

Objective

2. The Standard Practice depicts the principle and guidelines on project management so as to ensure the project initiation, planning, execution, controlling and completion processes are properly carried out.

3. Timely and accurate project management in a transparent and documented manner help alert project managers and the management to the Council's business operations and financial performance.

Principle

4. As the Council engages in projects of very diverse nature, the system and process stipulated herewith on project management serves to provide broad guidance only. Staff, particularly project managers, should exercise their professionalism and due judgment reasonably in managing details connected with overall project management even if those details are not explicitly stated in the Standard Practice.

5. Project managers (who must be at Consultant rank or Senior Project Officer rank or above) are responsible for the overall relevance, accuracy and timeliness of the project activities related information contained in the Council's enterprise resources planning (ERP) system.

Regulations

6. Details required for project management are set out in the "Guidance Notes on Project Management".

(a) project should be properly approved by management in accordance with internal approval matrix (paragraph 7 below); and

(b) Project details and milestones should be recorded in the ERP system in accordance with the agreed proposal with the client and the signed agreement with client.

Project Approval Authorities

7. Project approval authorities are in accordance with project value as listed in the table below.

Table of Project Approval Authorities

Project Value*	Approved By
Above HK$1,500,000	Executive Director
Up to HK$1,500,000	Branch Director
Up to HK$500,000	General Manager

* Project value refers to the estimated income or estimated cost, whichever is the higher.

Commencement Date

8. The Standard Practice will commence on the date of its promulgation.

Related Guidance Notes, Appendices and Forms

Guidance Notes on Project Management
Appendix A: Project Definition
Appendix B: Table of Credit Note Approval Authorities.
Appendix C: Table of Timesheet Approval Authorities.
Certificate of Project Completion (CPC) Template

Issued by: Executive Director Issued to: All Staff Member

Guidance Notes on Project Management

Classification of Project Type

1. HKPC has a duty to report on the kinds of activity it engaged and so project is classified according to its nature. Project has to be set up according to its Type, or Business Area, in ERP system.

2. Definitions and details reference on Business Areas are listed in Appendix A ("Project Definition") of this Guidance Notes.

Project Approval Authority

3. For each project, there are only one Project Manager (PM) and maximum two Deputy Project Managers (DPM). PM has responsibility on the project management and maintenance of project information in ERP. PM and DPM must be either Associate Consultant / Senior Project Officer Grade or above. If a project involves more than one unit, there should have one PM and not more than 2 DPMs in each unit.

4. Before releasing the project proposal to client, PM is required to upload and input the following to ERP:
   (a) Enter the preliminary project financial information into the quotation summary with management approval (as per Project Approval Authority)
   (b) attach a draft project proposal

   FPD will validate the above information in ERP.

5. If the client accepts the proposal, PM is required to upload and input the following to ERP:
   (a) Signed Agreement and other relevant documents
   (b) Project details (Work Breakdown Structure and Easy Cost Planning)
   (c) Billing Schedule (Billing Plan and Billing Request)
   (d) **Staff Cost and Other Cost** projected to end of project (Period Split)
   (e) Manpower planning (Capacity Planning and Personnel Assignment)

   Then PM should submit the project to management for acceptance and FPD validation in ERP.

6. For Low Value project with value up to HK$100,000 and project duration not exceeding 3 months, the project could be approved and accepted in one step with simplified project information:
   (a) Project details (Work Breakdown Structure and Easy Cost Planning)
   (b) Billing Schedule (Default at the beginning of the project)
   (c) Manpower planning (Personnel Assignment only)

   Then PM should upload signed agreement and submit the project to GM for acceptance and FPD validation in ERP.

7. If the project is cancelled or rejected by client, PM should obtain approval from management per Table of Project Approval Authorities and change the project status according to the approval workflow in ERP.

Billing plan and payment terms

8. Once billing plan is confirmed on project acceptance, PM cannot change the billing schedule in ERP without GM approval. Should the billing schedule be revised, either in billing amount or postpone in billing date, PM should provide supporting document in ERP to justify the revision with approval from GM. FPD will then **validate** the billing schedule in ERP accordingly.

9. Exception to paragraph 8 above is allowed for amendment in billing plan:
   (a) GA and CB type project, for internal monthly income recognition
   (b) Billing for Patent / Trademark application
   (c) CG, SA, SB, SC, and TA type project.

10. Invoice will be sent to client by FPD as per billing plan. Credit note can only be issued upon request from PM with justification and approval from management per Appendix B.

11. Payment terms and payment schedule must be included in the project plan in ERP. Deposit payment is required as per SP F1 (Deposit/Payment).

Project costs

12. For staff cost, PM applies standard staff cost rate as per Standard Practice (SP) F7 (Pricing) on estimated working hours for the staff.

13. Staff needs to fill out timesheet and submit to GM for approval. Timesheet submission and GM approval should be done at least once a week during the month and before weekly cut-off day. Timesheet submission and GM approval should be done no later than the **last day of**

the calendar month.

14. For Out of pocket project expenses such as travelling cost, this should be complied with SP A5 (Official Expenses).

15. As part of project opening validation, PM should declare on whereby assets purchased for a project will remain with HKPC and become HKPC's own fixed asset during or at the end of the project.

Amendment of project plan, budget, and project end date extension

16. PM and project members should execute the project as per project plan. If there is any foreseeable deviation, the project plan in ERP should be amended.

17. Project fee should be amended in ERP if the project scope is increased due to additional jobs.

18. If the actual outlay booked is more than the project budget, no further purchase requisition or purchase order can be processed. PM should provide justification and revise the project budget in ERP accordingly. In case the revision of the project budget will exceed 20% in each category at WBS Level (or as per the respective Government Funding Guideline, which may allow for a higher percentage) of the original budget, or result in higher total Project Cost, PM should obtain management approval per Table of Project Approval Authorities **(except for cross unit budget transfer under the same line item)**.

19. If the estimated end date of the project is required to be extended, PM should obtain management approval per Table of Project Approval Authorities with justification and client's consent to the extension of the project end date. Relevant supportive document should be attached to ERP.

20. Percentage Of Completion (POC%) indicates the portion of work completed. It is calculated automatically in ERP based on actual total cost incurred against estimated total cost of the project. The information is used for the calculation of deferred income.

Project completion

21. **CDD** coordinates with PM to issue a Project Satisfaction Poll and record the feedback in ERP **as per Standard Practice G9 PSP**.

22. As soon as the deliverables are performed, all other outstanding items such as outstanding purchase order and staff claim should be cleared and the project should be completed in ERP within 3 months (except for government funding scheme projects, within 12 months.)

23. PM should analyze and report income and cost variances during project execution. Post project review report should be prepared and uploaded to ERP if, the income or total cost variance is more than 5% or above HKD10,000 against budget, whichever is higher; or actual recovery is below 100%.

24. Upon project completion, PM should declare on whereby assets# purchased for a project will be delivered to client or remained at HKPC.

    #Assets include fixed assets (defined under SP A06/01) and low-value moveable items (defined under SP A06/05).

    PM should transfer assets declared in paragraph 15, or fixed assets come into existence incidental to project execution, to HKPC's own fixed asset pool upon project completion.

25. PM should attach a "Certificate of Project Completion" (CPC) confirmed and signed by client in ERP upon project completion. CPC should be obtained before the final billing as per the Agreement (except final billing will be issued before final project deliverables per Agreement). The CPC is not required in the following circumstances:

    (a) Project value not exceeding HK$50,000
    (b) Government Funded Project (e.g. GA, CB type and BUD project)
    (c) Projects from Hong Kong Government Departments
    (d) Project under PAG Scheme
    (e) Multi-client project (SA and TC)
    (f) Internal projects (IA, IB and IC)
    (g) In-Class Training (e.g. TA type)
    (h) Projects from WFOEs

26. When all outstanding items are cleared, PM submits the project for completion to management for approval per Table of Project Approval Authorities. Then FPD validates the project completion process.

Project termination

27. Project termination is defined as any on-going project being terminated by either the client or HKPC before its completion.

28. PM submits justification for termination request and management approves as per Table of Project Approval Authorities.

Value-added Content Consideration

29. HKPC provides value-added services to its clients through direct consulting services instead of by trading equipment and/or subcontracting its services to third parties. To maintain a reasonable level of staff contribution in each project, the staff cost assigned to a project should be no less than 30% of the total project cost.

30. Government Funded projects (GA, CB), Study Mission (TC) and Patent projects are exempted due to their inherent high third-party costs.

31. **If the above requirement is not met, approval is required as per table of project approval authorities**. The following factors may be considered before granting approval-

(i) to secure business from a new client;
(ii) the project concerned is considered a stepping stone to more consultancy projects;
(iii) the overall risks and opportunities trade-off to HKPC; and
(iv) any other valid justification.

Project Risk Assessment and Contingency Expense

32. As a prudent risk management measure, divisions should, if circumstances warrant, include contingency expenses within their project cost estimation to protect HKPC from any unnecessary exposure to financial loss. In so doing, divisions should take into account the following factors-

(i) the special nature of the product, for example, whether the project involves unpredictable level of novelty; whether HKPC has little or no prior exposure in such projects, etc.;

(ii) the scale of the project, for example, whether the overall project sum is of an inordinate scale and therefore certain margin of errors should be allowed;

(iii) the complexity of the project, for example, whether the project is highly complex whereby the satisfactory delivery of the project is beyond the control of HKPC (such as involving many different business partners and stakeholders);

(iv) the duration of the project, for example, whether the project lasts over an extended period of time; and/or

(v) other miscellaneous factors such as staff cost increment, fluctuation in inflation rate, currency exchange rate; or any other regional or global financial situation that poses unpredictable financial risks.

33. Should the risk factors determining the contingency expense do not eventuate at the end of the project, the contingency portion would be retained by HKPC for future development need.

34. PM should explicitly provide a statement at the inception of a project that he/she has assessed any expected risk, either financial or non-financial in nature, in engaging the project, and that measure, if applicable, has been built into the project to deal with the expected risk.

35. The level of contingency expenses should under no circumstances exceed 15% of the overall project cost.

Report to the Business Development Committee (BDC) of Council on projects funded by the Innovation and Technology Fund (ITF)

36. For completed ITF projects, except those with project funding below $1M each, a final performance review with detailed assessment of the impact created by individual projects should be conducted within one year after project completion for submission to the BDC of Council. This applies to ITF projects with HKPC as applicant/ co-applicant/ implementing organization. The review should cover target achievements, industry response and new service opportunities for HKPC.

Enquiry: Manager, Management Accounting (ext. 5875)

Issued to: All Staff Member

Reviewed by: General Manager, Finance and Procurement; and
Director, Corporate Services

Issue Date : 7 August 2018

Project Definition

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
CA	Consultancy - Advisory Service	Project relied on the domain knowledge of consultant(s) to provide professional help and advice to the client	- Project master plan preparation - Consultancy team formation - Onsite visit / Client interview - Information collection / Fact finding - Situation analysis / Problem diagnosis - Improvement areas identification - Advice / Solution recommendation - Consultancy report submission / Presentation to client	Subject expert / Consultancy team	Charged by fixed amount as per agreement
CB	Consultancy - Government Funding (Implementation Agent/Service Provider)	Project sponsored by government funding scheme in which HKPC is responsible for implementing the scheme or providing the service	- Project master plan preparation as per the schedule commitment in funding proposal - Financial accounting arrangement - Project team and committee formation (usually with representatives from external parties) - Equipment / Product / Service procurement - Vendor / Subcontractor management - Project task execution and delivery	- Project manager / Coordinator - Project team - Committee member	Charged by fixed amount as per agreement

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
			- Project committee meeting / Progress review meeting / report - Deliverables submission / propagation - Final report compilation - Project closing and audit -		
CC	Consultancy - Secretariat Service	Project relied on a service team to handle secretarial, clerical, administrative affairs for the client (usually a trade association or Government funding scheme); sometimes provide event management service as well	- Secretariat / Service team formation - Hotline / Enquiry support - Correspondence handling - Meeting (such as ExCo meeting and AGM) scheduling, facilitation, and support - Documentation and filing - Membership registration and support - Bookkeeping and basic accounting support (such as petty cash and cheque payment) - Regular event (such as annual dinner) planning and execution - Additional event (such as seminar) management and support	- Secretariat / Service team	Charged by basic annual / monthly service fee, plus extra charge on optional service
CD	Consultancy - Development /	Project relied on a technical team to design	- Overall planning and scheduling - Technical team formation	- Project manager - Technical team	Charged by fixed amount as per

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
	Implementation/ Turnkey Engineering Service	and/or develop a product / component / system and/or install / implement the deliverables for the client	- Requirement collection and analysis - Technical design / prototyping / machining / small batch production - System and feature customization - Vendor / Subcontractor engagement - Development and testing / fine tuning - Deliverables Implementation / Installation - Post-implementation review		agreement
CE	Consultancy – Award	Project relied on a service team to organize an award / competition	- Award programme design and planning - Judging and nomination criteria - Judges / Assessors invitation - Sponsors / Supporting organization engagement - Promotion and Entry recruitment - Assessment / Judging process - Trophy preparation and award booklet - Award ceremony and publicity - Post-programme evaluation	- Programme manager / Coordinator - Award secretariat - Assessment team	Charged by organizing fee (paid by award organizer) / sponsorship fee
CF	Training – In-Company Programme	Training programme for a particular company aiming to delivering	- Training requirement confirmation - Training venue / equipment booking and setup	- Programme / Course coordinator	Charged by fixed amount as per agreement

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
		knowledge / skill to employees	- Trainer engagement / Training team formation - Training programme / course design and material compilation - Training programme / course execution - Post-training evaluation	- Trainer / Training team - Logistics support staff	
CG	Consultancy – Professional Manufacturing Supporting Service	Project providing multiple testing / machining / professional supporting services with consultancy advisory to a client	- Service scope and schedule confirmation - Service team formation / booking - Design, engineering and precision fabrication - Laboratory / Equipment booking and setup - Service provision and delivery - Post-service evaluation - Deliveries include analysis report / consultancy advice	- Service team - Laboratory assistant	Charged by service fee or fixed amount as per agreement
IA	Internal Corporate Research and Development Project	Project initiated by a division regarding product / service development and project work, and approved by	- Project scoping and planning - Project team formation - Project task execution and progress monitoring - Deliverables submission / propagation	- Team members within the same division	Internal income from Corporate to the division who executed the project

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
	(i.e., CRD project)	top Management with funding under the Corporate budget	- Project closing and evaluation		
IB	Internal Project - Divisional Development, Maintenance and Support	Project initiated by a division regarding internal development, maintenance / support and project work undertaken by the same division	- Project scoping and planning - Project team formation - Project task execution and progress monitoring - Deliverables submission / propagation - Project closing and evaluation	- Team members within the same division	No project fee. Logging of internal labor hours only
IC	In-house Project - Inter Divisional Consultancy and Maintenance Service	Project initiated within HKPC and implemented by more than one divisions	- Project scoping and planning - Project team formation - Project task execution and progress monitoring - Deliverables submission / propagation - Project closing and evaluation	- Team members from the division who executed the project	Internal income transferred to the division who executed the project
GA	Government Funding - Applicant	Project sponsored by government funding scheme in which HKPC is either the applicant or co-applicant	- Project master plan preparation - Financial account arrangement - Project team and committee formation (including external parties, if needed) - Equipment / Product / Service	- Project manager / Coordinator - Project team - Committee member	Charged by actual manpower consumption as per project milestone

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
			procurement - Vendor / Subcontractor management - Project task execution and delivery - Project committee meeting / Progress review meeting / report - Deliverables submission / propagation - Final report compilation - Project closing and audit -		
MA	Miscellaneous	Project not belong to any of the above nature			
SA	Professional Manufacturing Supporting Service (without Consultancy Element)	Project providing testing / machining / professional supporting services to a client or multiple clients	- Service scope and schedule confirmation - Service team formation / booking - Laboratory / Equipment booking and setup - Service provision and delivery - Post-service evaluation	- Service team - Laboratory assistant	Entire Amount Booked As Income
SB	Exhibition	Programme designed with physical display booth for exhibitors (such as vendors /	- Programme theme, design and planning - Venue booking and decoration design - Floor plan and display booth design - VIP invitation and sponsor engagement	- Programme manager / Coordinator - On-stage official	Charged by exhibitor fee / sponsorship fee / entrance fee

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
		solution providers) to promote / demonstrate their products / services / messages to public / targeted participants	- Visitor promotion and exhibitor recruitment - Display booth setup and contractor coordination - Opening ceremony and media coverage - Move-in, registration and onsite logistics - Concurrent events - Post-programme evaluation	- Onsite logistics support staff	
SC	Publication	Project aiming to producing publications, in print or electronic format, as a major deliverable	- Conceptual design and planning - Editorial team formation - Writer and/or Interviewee identification and invitation - Interview, write-up proofreading and editing - Photo-shooting and processing - Production house engagement, coordination and management - Page layout and artwork design - Production and printing - Sales and circulation	- Editor in chief - Editor and/or Reporter - Designer - Production team - Marketing & circulation team	Charged by production fee / charges per copy
TA	Training – In-Class	Training programme for public aiming to	- Training venue / equipment booking and setup	- Programme / Course	Charged by tuition fee per head

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
	Programme	delivering knowledge / skill to participants	- Trainer engagement / Training team formation - Training programme / course design and material compilation - Training programme / course promotion and recruitment - Training programme / course execution - Post-training evaluation	coordinator - Trainer / Training team - Logistics support staff -	
TB	Conference	Programme presented by one or more subject experts to share their knowledge / skill / messages to public / targeted participants	- Programme theme, design and planning - Venue booking and decoration design - VIP invitation - Speaker and/or Sponsor engagement - Rundown design and confirmation - Promotion and attendee recruitment - Opening ceremony and media coverage - Registration and onsite logistics - Post-programme evaluation -	- Programme manager / Coordinator - On-stage official - MC - Speaker - Onsite logistics support staff -	Charged by sponsorship fee / conference fee
TC	Study Mission/ Overseas Training	Programme designed for participants to go outside of Hong Kong to have onsite exposure and experience to	- Programme design and itinerary planning - Site visit negotiation and arrangement - Travelling & Accommodation arrangement	- Programme manager / Coordinator - Guide - Supporting staff	Charged by trip fee per head

Code	Project Type	Project Nature	Major Activities	Core Resources	Project Fee
		diverse technological / business practices	- Promotion and delegate recruitment - Trip guidance, coordination and support - Post-programme evaluation		

Note: Income recognition is covered by Hong Kong Financial Reporting Standard 15 and Accounting Standard 20.

Appendix B

Table of Credit Note Approval Authorities

Credit Note Value	Approved By
Above HK$100,000	Branch Director & GM/FP
Up to HK$100,000	General Manager & GM/FP

Appendix C

Table of Timesheet Approval Authorities

Staff	Approved by
General Manager	Branch Director
Principal Consultant and Below	General Manager

CERTIFICATE OF PROJECT COMPLETION

Purpose: To ensure that the requirements and expectations of the Deliverables are met, approved and accepted. This form shall be used at the end of completion for the whole Project when all Deliverables are submitted, delivered or handed over to the Client.

Project Title	
Project Code	
Client	
Deliverables	

TO BE COMPLETED BY CLIENT

Date of Completion	

We certify and confirm that all the above Deliverables have been (i) duly delivered by HKPC in compliance with project requirements; and (ii) accepted by us to our satisfaction.

Accepted & Signed Off By

Client's Authorized Representative	Signature
	Name :
	Title :
	Date :

PREPARED BY

HKPC Officer-in-charge	Signature
	Name :
	Title :
	Date :

AF569 (06/2016)

Ref: ED-2020001

22 January 2020

Mr Anthony Chu
Clerk, Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr Chu,

Public Accounts Committee
Consideration of Chapter 2 of the Director of Audit's Report No. 73
Provision of consultancy, research and development and training services by the Hong Kong Productivity Council (HKPC)

The Hong Kong Productivity Council (HKPC) leverages technological inventions and applications to facilitate small and medium enterprises (SMEs), industry organisations and government departments to resolve technical difficulties. With the changing needs from the industry, HKPC has been evolving with time to fulfill the actual requirements of the market. Thanks to the audit on the work of HKPC carried out by the Audit Commission, as well as the inquiries from the Public Accounts Committee (PAC) of the Legislative Council, HKPC apprehends even better the importance of imposing more prudent project management guidelines to facilitate the development of local industries, making use of our unique advantages in the R&D regime to undertake the public missions.

As requested under your letter with reference (CB4/PAC/R73) dated 9 January 2020, the relevant information and attachments are listed as follows:

(a) Supplementary information on projects similar to Case 1 in paragraph 2.24:

During the five-year period from 2014-15 to 2018-19, HKPC carried out more than 4,000 consultancy projects (included both completed and terminated projects). Such number included Case 1 and three other projects that were terminated with refund due to technical difficulties, accounted for 0.1% of the total number of projects. Among these three other projects, HKPC provided full refunds respectively to the clients. Semi-finished deliverables were released to clients for one of the projects, while the other two were not released. (See Table A)

Table A

Project Number	Year of Termination	Contract amount (HKD)	Amount of loss (HKD)	Amount of refund (HKD)	Semi-finished deliverables released to clients
a1	2014-15	110,000	109,596	66,000	No
a2	2014-15	150,000	153,348	105,000	No
a3	2017-18	350,000	245,154	300,000	Yes

Project a1:
In project a1, HKPC was commissioned by a client to develop an "Interactive Door Interlocking System". The project was commenced in December 2010, with clear technical requirements listed in the project proposal, and an original schedule to complete the project by July 2011. Due to the change of project manager for two times, the project schedule was severely lagged behind for 29 months. The third

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project manager later re-examined the technical difficulties of the project, and discovered that the 2.4GHz wireless data transmission technology required under the technical specifications should reach a transmission distance of 10 metres. However, due to the design defects in the Printed Circuit Board (PCB), even after multiple amendments, the data transmission distance only reached about a metre, and was not able to meet the technical requirements under the project proposal. If HKPC was to amend the according product design, a huge cost might be induced, which would far exceed the budget under the project agreement. Hence, it was recommended to the management to terminate the project, and provide a full refund of HKD 66,000 to the client. The client also returned all semi-finished deliverables to HKPC.

Project a2:
In project a2, HKPC was commissioned by a client to develop a Time Accuracy Detection System for Mechanical Watches using Image Processing Methods. This project was commenced in August 2011. With a clear technical requirement listed in the project proposal, this project was originally scheduled to complete in August 2012. The original project manager underestimated the technical difficulty severely in the project, hence even the project team had paid the best efforts, the project was seriously delayed, with the system response, speed and accuracy far from acceptable to the technical requirements listed in the project proposal.

In February 2014, a new project manager re-examined the technical difficulty of the project, and evaluated that the cost for amending the system to perform righteously would far exceed the agreement budget. By that time, the project was already delayed for 18 months. Hence, it was recommended to the management to terminate the project, and provide a full refund of HKD 105,000 to the client. The client also returned all semi-finished deliverables to HKPC.

Project a3:
In project a3, HKPC was commissioned by a client to develop new materials for the pre-fabricated plastic panel for interior application. Such new materials should be able to mass produce in factories and use for interior decoration. The project was commenced in December 2015 and was expected to take 7 months to complete originally. However, as the project deliverable listed in the project proposal was seen as ambiguous, the client and HKPC shared adverse views on such project deliverables, including how would the new materials be seen as fully developed. The HKPC project team considered the materials being developed after the sample of new material was made; however, the description listed in the project proposal could be reasonably seen that the project would complete after a technical solution was found to produce the material in an economic manner inside a factory.

After several rounds of communications between the client and HKPC, it was recommended to terminate the project. The project team also sought advice from the internal legal counsel to the termination agreement. Considering the ambiguity on the project deliverables as listed in the project proposal, huge cost would be incurred if the team was to follow the client's interpretation, not to mention the litigation risks. Hence, HKPC provided a full refund on the received payment of HKD 300,000 together with the semi-finished deliverables. The client and HKPC reached the termination agreement in April 2017.

(b) Summarising the learnings from Case 1 in paragraph 2.24, HKPC will implement the following improvement measures to enhance the risk management of consultancy projects:

- General Managers of divisions should strengthen the review on project risk assessments, technical specifications and outlining project deliverables for consultancy projects, to ensure that project deliverables are mutually confirmed by both parties when endorsing the formal agreement. Moreover, both parties should share the same understanding of the project deliverables clearly as listed in the project proposal.
- External legal counsel will be engaged to evaluate the terms and conditions as listed in standard consultancy project proposals and standard contracts. Amendments will be made in case of potential

contradictory clauses or loopholes. For example, to supplement clauses related to the change of agreement scopes, project delays, or clients fail to cooperate with the execution of the project under reasonable timeframe, etc. Supplementary clause will also be added to the standard agreement, to stipulate that in case of inconsistency between project proposal and agreement, the agreement shall prevail.

- The HKPC management would strengthen the monitoring towards project management and execution, and add regular reviews for the reasons on projects lagging behind, as well as those with an accumulative cost almost reaching the estimated budget. These measures will help the management to identify high-risk projects and provide appropriate assistance to prevent the projects from failing.
- Should there be projects that require termination resulting from the failure by HKPC in fulfilling the agreement, and that could not achieve cost recovery, upon obtaining internal legal advice, HKPC would also consider to seek advice from external legal counsel on the project termination arrangement.

(c) Supplementary information on paragraph 3.3 and table 10:

(i) Since 2010-11, HKPC has implemented the framework and mechanism for Key Performance Indicators (KPIs). Two of the KPIs are "number of new R&D projects" and "number of on-going R&D projects", whose definitions have been in use since then till now.

The KPI of "number of new R&D projects" is defined as the number of Innovation and Technology Fund (ITF) projects with R&D elements; projects supported by the Corporate Fund for Commercial Research and Development (CRD), as well as R&D projects conducted by divisions with other funding sources (e.g. government funding schemes other than ITF, funding from external clients) which are accepted in the SAP during the year, excluding projects that are terminated.

The KPI of "number of on-going R&D projects" is defined as the number of ITF projects with R&D elements, projects supported by the Corporate CRD Fund, R&D projects conducted by divisions with other funding sources (e.g. government funding schemes other than ITF, funding from external clients) which are in progress during the year, according to SAP record, excluding projects that are terminated.

(ii) When setting annual targets for the KPIs of "number of new R&D projects" and "number of on-going R&D projects", reference will be made to the current year's target, taking into consideration also the actual performance of the previous year, plus the economic forecast of the coming year. When the targets for the two respective KPIs were set for 2019-20, reference was made to the adopted targets for 2018-19, the actual figures achieved in 2017-18, as well as the anticipated market conditions in 2019-20. The targets set for "number of new R&D projects" and "number of on-going R&D projects" were respectively 40 and 80 in 2019-20.

During 2014-15 to 2018-19, in view of a gloomy economic condition, and the uncertainties from the ITF project applications, those two KPI targets were made in a conservative principle.

(iii) Under the current KPI framework, "income from R&D projects" is not a KPI. HKPC and ITC will further evaluate and examine the suitability to include the income from R&D projects in the KPIs to reflect the performance of HKPC in R&D projects in a comprehensive and holistic manner.

Since the income from R&D projects is not one of the KPIs, HKPC did not set any budget target for this item during 2014-15 to 2018-19.

From 2014-15 to 2018-19, the total revenue of R&D projects is as follows:

Major Divisions	2014-15 HKD (m)	2015-16 HKD (m)	2016-17 HKD (m)	2017-18 HKD (m)	2018-19 HKD (m)
AED	29.1	33.2	21.3	30.5	31.6
EMD	14.5	13.2	11.5	15.4	13.2
SMD	15.6	25.5	43.4	45.7	55.1
Others	-	-	-	0.3	0.1
Total revenue of R&D projects	**59.2**	**71.9**	**76.2**	**91.9**	**100.0**

(d) Supplementary information on paragraph 3.4:

(i) Under the KPI framework, HKPC's performance is evaluated by KPIs under four performance measures, namely "service delivery", "operating efficiency", "financial results" and "effectiveness". The KPI of "number of consultant projects accepted" is a KPI under the performance measure of "service delivery" and the "number of new R & D projects" is a KPI under the performance measure of "effectiveness ". Hence these two KPIs are used to measure HKPC's performance in two different dimensions in the year. HKPC sees no special issue in counting projects under the two KPIs concurrently.

(ii) HKPC has drawn up clear guidelines on the classification of projects into consultancy projects and R&D projects and on the counting of projects for performance measurement against targets. To define more clearly what "R&D" elements are, the KPI guideline has been enhanced by including a statement that projects with "R&D elements" refer to:

projects that involve the development of new knowledge or application of existing knowledge in new areas, or both. Such projects are required to have the following elements: novelty, creativity and uncertainty.

As for definition on "consultancy projects", please refer to the Standard Practice F3, as in P.9 – 12 of attachment File 1. The same document was previously submitted to PAC (our ref: ED-2019026; attachment: Chap 2_e(vii))

The guidelines states clearly that only projects with the specified R&D elements, be they consultancy projects or other project types, are eligible for counting under the KPIs of "number of new R&D projects" and "number of on-going R&D projects" for performance measurement against targets.

(e) Supplementary information on the "number of on-going R&D Projects":

(i) According to the definition of the KPI of "on-going R&D projects", newly accepted projects with R&D elements which are completed or still in progress by end of the year will be counted under the KPI". The "number of on-going R&D projects" hence also includes "number of new R&D projects". The "number of new R&D projects" is a KPI that reflects HKPC's performance in supporting enterprises through new technologies or innovative applications. The "number of on-going R&D projects" serves as an indicator to measure resources contributed to R&D efforts. In summary, the two KPIs measure HKPC's performance in different dimensions. HKPC does not see any issue in counting eligible projects under the two KPIs concurrently in line with their definitions which have been in use since inception of the two KPIs.

Note by Clerk, PAC:* *See Appendix 22 of this Report for File 1.

(ii) In undertaking R&D projects for industry enterprises and SMEs, or R&D projects with ITF funding support, HKPC project teams always put their best efforts to honour the project timeframe committed to clients in the project agreements. Whenever there are project delays, there might be extra cost incurred, or even legal litigations. Hence, HKPC never considers delaying projects by intention for the purpose of meeting the target for the KPI of "number of on-going R&D projects".

(iii) Further to the recommendation from the Director of Audit and the inquiries from the public hearings of PAC, HKPC and ITC will review the full set of KPIs and their targets. It is planned to submit the revised KPIs and targets for 2020-21 to the Council for approval by March 2020. Upon obtaining the Council's approval, HKPC will formally seek the approval of the Commissioner for Innovation and Technology (CIT) by end March 2020, in line with the requirement in the Memorandum of Administrative Arrangements (MAA), with a view to implementing the new set of KPIs and targets in 2020-21.

(f) Supplementary information on paragraph 3.9 and 3.10:

In July 2018, in view that some projects might not be completed as committed, the HKPC management decided to step up the supervision and monitoring efforts by implementing a new mechanism. Under which, whenever a division foresees the potential delay of a project, project managers are required to report and elaborate to the management on a weekly basis. The HKPC management will then supervise the progress and instruct other experts in HKPC to provide technical solution, with aim to accelerate project completion. HKPC is gradually seeing the effectiveness of such measure. Project managers are also constantly reminded to complete the relevant project documents and reports, to avoid delays in the project execution process.

(g) During 2019-20 (as of December 2019), a total of 4 R&D projects were delayed, accounting for about 10% of R&D projects completed during the same period, which was a significant improvement from 37% in 2018-19.

(h) Supplementary information on patents owned by HKPC:

(i) The patents that HKPC has applied for are generally used to develop new projects and thus provide services to industries. Moreover, those are made to protect intellectual property rights and prevent plagiarism, instead of making it as an income generator.

HKPC will make use of the patents to develop new projects, providing services to the industries. For example, if there are R&D projects that required automated production line or production process, HKPC will apply related technology to the development of machinery R&D or assembly of production line to complete the entire R&D project.

In the past five years (2014-15 to 2018-19), HKPC has completed a number of R&D projects through the above operating model, which had generated a revenue of HKD 140 million. This proves HKPC's contribution to fulfill the R&D needs of the industries.

(ii) As of December 2019, HKPC registered a total of 131 patents and has submitted 45 patent applications which are in progress.

Nation/Region	Patent type	Patented	Application submitted
Hong Kong	Short-term	46	2
	Standard	12	7
Mainland China	Invention	30	29
	Utility model	35	6
Singapore	Invention	2	0
US	Invention	3	1
Macau	Invention	2	0
Malaysia	Invention	1	0
	Total	**131**	**45**

(iii) Patents are accounted in accordance with Hong Kong Accounting Standard 38 Intangible Assets. Under the Hong Kong Accounting Standard 38, internally generated patent usually lacks sufficient ground to be capitalised because of the difficulty in proofing the future economic inflows that it may generate, as well as the reliability in measuring the costs. According to paragraph 72 of such Accounting Standard, patents can only be revalued if they can be traded in an active market. The policy should be applied to the whole of a class of patents and not merely to individual patent, unless there is no active market for an individual patent. In this aspect, HKPC did not capitalise patents as intangible assets and has not included valuation for its patents in its accounts.

(i) Supplementary information on HKPC follow-up measures:

- Further to the recommendation from the Director of Audit and the inquiries from the public hearings of PAC, HKPC and ITC will review the full set of KPIs and their targets. It is planned to submit the revised KPIs and targets for 2020-21 to the Council for approval by March 2020. Upon obtaining the Council's approval, HKPC will formally seek approval from CIT by end March 2020, in line with the requirement in the MAA, with a view to implementing the new KPIs and targets in 2020-21. The KPI will cover the two KPIs of "Number of patent/licence/royalty" and "Number of products/ technologies commercialised". In an effort to reflect the R&D contribution and results on commercialisation, HKPC will also establish some internal projects to record R&D projects done at division levels. These eventually will be reflected through product or technology commercialisation.

- On 19 December 2019, HKPC organised the TechDive seminar to promote the latest technological development and trend, and also our patent and applied solutions for the industry. With use of video conferencing technologies, such event was also live-broadcasted to the Greater Bay Area to spread across the patent related information. After the seminar, HKPC has been proactively following up with interested parties on the potential clients for the relevant patents.

(j) Supplementary information on HKPC Academy:

At end 2018, HKPC management began the planning and preparation to transform the entire training business. With a market-centric focus, the transformation also refreshed the marketing strategies and structures, as well as the frameworks of the training courses, as efforts to reflect the actual market needs. The relevant strategy has been implemented in April 2019.

Since April 2019, HKPC has implemented a new training business strategy, and established a new management team for the HKPC Academy. Through regular meetings, communications among business divisions and HKPC Academy have been largely uplifted, with more understanding to the

market's new needs too. Moreover, HKPC has also improved market research, with more emphasis on market-oriented curriculum structure, added more marketing channels, plus improved the system for better records and created greater synergies. All these are done to prepare the organisation of courses that can meet market needs.

Previously, most of the public training courses were organised by the HKPC Academy, with only a small portion being held by divisions due to the niche technological knowhow, of which the programme contents and post-courses follow up were all done by the respective divisions. From April 2019 onwards, all training courses were centrally coordinated by HKPC Academy to ensure the training courses can maximise the synergies. Through the Public Training Administration (PTA) system, divisions would be able to standardise and follow the new workflow, including the strengthened market analysis requirement, recording justifications for courses with small recruitment number, reminder to course organising team the cost-recovery principle, and leveraging these items to approve the course organisations. HKPC Academy has also integrated the process forms for better records management. As for existing workflows, the number of working forms was consolidated from nine to five, with four of them now an electronic form. The head of HKPC Academy will host regular review meetings with the HKPC management to review the performance of the training courses.

Starting from June 2019, a course management team is set up. Through the new management model, the team is hoping to put best efforts in driving the delivery of the training course. The management centralisation and review of the training courses helps HKPC to ensure the training courses being organised can match with the industry needs. The management team will host regular meeting to review and monitor the actual activities of the training business on a quarterly basis and report to the management every week.

The new strategy implemented by HKPC is taking effects. In 2019-20 (as of end December 2019), the revenue of training courses has increased by more than 40% as compared to the same period last year.

Establishment and strength in HKPC Academy are as below:

As of end December 2019	Establishment	Strength
Head	1	1
Consultant /Assistant Consultant	9	7
Project officer / Assistant Project Officer	14	11
Total	24	19

(k) Supplementary information on training courses:

(i) Courses that attained Qualifications Framework (QF)**:**

Name of Qualifications	QF Levels	QF Credits
Information Technology Management Professional Certification	4	27
Professional Certificate in Manufacturing Process Development and Management for Metal Stamping Industry Course	5	18

(ii) Courses that attained Continuing Professional Development (CPD) or Continuing Education Fund (CEF):

	Authorised Organisers or Co-organisers	**Name of Courses**	**Qualifications**
1	The HK Institution of Facilities Engineers	Professional Diploma in Plant Operation and Maintenance Engineering	CPD
2	The HK Institution of Facilities Engineers	Professional Diploma (Advanced Level) in Electrical & Mechanical Facilities Engineering	CPD
3	The HK Institution of Facilities Engineers	Professional Diploma in Facilities, Maintenance and Property Management	CPD
4	The HK Institution of Facilities Engineers	Professional Certificate in Green Facilities Management and Energy Audit	CPD
5	The HK Institution of Facilities Engineers	Professional Certificate in Engineering Law, Contract Management and Claim	CPD
6	Hong Kong Institute of Patent Attorneys Limited	Certificate of IP Laws and Practice	CPD
7	Insurance Authority	Corporate sustainability trends and its application to the insurance industry	CPD (Application in progress)
8	Insurance Authority	Effective insurance selling skills (Five-dimensional risk management)	CPD (Application in progress)
9	Insurance Authority	Sustainable and Responsible Investment: The Rising Star	CPD (Application in progress)
10	Insurance Authority	Effective Team Management	CPD (Application in progress)
11	Insurance Authority	Financial Planning Experience Design (Integration of Behavioural Finance and Investment Psychology)	CPD (Application in progress)
12	Insurance Authority	Practical Application of Behavioral Finance to Financial Planning & Investment Portfolio Building	CPD (Application in progress)
13	The Institute of Purchasing & Supply of Hong Kong	Professional Diploma In Strategic Purchasing And Supply Chain Management	CEF
14	Hong Kong Logistics Association	Professional Diploma in Logistics and Supply Chain Management	CEF

15	Worldwide Association of Business Coaches	Corporate Coach Program – Leading to Registered Corporate Coach Designation of WABC	CEF
16	International Institute of Professional NLP	Business NLP Practitioner Certificate And Business NLP Coach Accreditation Program	CEF

(l) Supplementary information on paragraph 4.9:

(i) In the past, there were quite a number of free training courses for environmental protection technology related areas, leading to fierce competition, and that HKPC did not organise courses of such similar topic. Also, during the past few years, the awareness level of high-end manufacturing technology such as Industry 4.0 was low. Hence, not many courses on such topic were organised. Entering the year 2019-20, there was a higher awareness level of high-end manufacturing knowhow gradually. More participants were recruited for such relevant courses. In 2020-21, HKPC will adjust the target number for courses related to environmental protection technologies, in order to better reflect the market demands. For details, please see item (ii).

(ii) **Programme area details – Estimates Vs Actual**

Programme areas	2019-20 Estimates (In proportion of April to December)	2019-20 Actual (No. of courses in April to December)	Target Percentage (%)
Environmental Technology	17	10	58%
Information Technology	48	67	140%
Management Systems	26	57	217%
Manufacturing Technology	59	66	113%
Total	**150**	**200**	

(m) Supplementary information on training course income:

(i) During 2018-19, the total operating income of HKPC Academy was HKD$22.5 million; the total operating expense was HKD$26.5 million; and a loss for the year was HKD$4 million. The reason for the loss is that the total operating income of HKPC Academy is not sufficient to offset the total operating expense (e.g. labour cost), resulting the loss. HKPC's training income was largely generated from HKPC Academy. However, this KPI had not been met in the past few years.

In general, HKPC Academy's operating income included both public and corporate training programmes, venue and facilities fees. Its operating expenses included HKPC venue rental (on or before March 2019), expenses for certified qualification applications and teaching materials, marketing and promotion costs, training material printing costs, labour costs, bank transaction fees, examination fees (if applicable) etc.

(ii) 2018-19 Details of HKPC Academy Operating Breakdown are as follows:

	HKD (Million)
Total Operating Income	22.5
Project-related Expenses	(5.3)
Labour Cost	(15.4)
Other Expenses	(5.8)
Loss for the year	**(4.0)**

In regard to the transformation of HKPC's training business, please see item (j) for details. Apart from transforming the training business, HKPC has also increased the level of promotional efforts through social media campaigns and HKPC Academy's new website, organising different events to interact with professional institutions and human resources professionals, as well as participating in relevant exhibitions to showcase training courses. These measures have effectively contributed to the increase in training revenue in 2019-20.

(iii) Details of Public Training Courses Income (in HKD, million)

	2018-19 (April to December)	**2019-20 (April to December)**	**Year-on-Year Comparison**
Total	5.12	7.36	+44%

(n) Supplementary information on the number of applicants for public training courses:

(i) At present, each training course is required to set a minimum number of applicants; in general, the establishment of a minimum number of applicants is based on the principle of cost recovery.

(ii) HKPC currently adopts a two-tier monitoring mechanism. The business unit will hold regular meeting with HKPC Academy to review the enrolment rate of training courses. At the same time, the management will also hold regular meeting to review the performance of training programs.

(o) Supplementary information in paragraph 4.18:

(i) In the past, most of HKPC's public training courses were delivered by HKPC Academy. However, a small number of courses that involved a large amount of technical expertise, were required to be developed by individual professional divisions such as manufacturing or information technology. Therefore, divisions recruited and ran the courses on its own. They were not able to follow the guidelines to list out the number of estimated participants, but only to follow the cost recovery principle.

Beginning in 2019-20, HKPC management has made the latest revisions to it. All public training courses must be coordinated and ran by HKPC Academy. The course plan must also specify the expected number of participants and the minimum number of participants.

(ii) Among the 38 public training courses mentioned in paragraph 4.18, 36 of them achieved cost recovery; while 2 of them could not recover the full cost (with a deficit of HKD$ 281 in total). Upcoming, the HKPC will improve project management for training courses and will adjust the contingency budget appropriately when planning for the budget to cater unexpected costs.

Course	No. of pax	Fee (HKD)	Total Income (HKD)	Total Costs (HKD)	Cost Recovery %	Net Gain/Loss
Blockchain Technical Program	3	$18,000	54,000	54,239	99.6%	-239.00
Workshop 2 - Threat Hunting Workshop	5	$3,700	16,400	16,442	99.7%	-42.00

(iii) All public training courses need to be recorded in the PTA system while HKPC Academy is responsible to integrate and supervise accordingly. In the system, expected enrolment rate must be mentioned in the course budget.

(p) Supplementary information on HKPC's written reply on 11 December 2019:

(i) Referring to Standard Practices F3 "Project Management", project approval authorities are in accordance with project value as listed in the table below. (For details, please see attachment 1, which is the same as another attachment submitted to PAC on 3 Jan 2020 (Our ref: ED-2019026; attachment Chap 2_e(vii)).

Table of Project Approval Authorities

Project Value*	Approved By
Above HK$1,500,000	Executive Director
Up to HK$1,500,000	Branch Director
Up to HK$500,000	General Manager

* Project value refers to the estimated income or estimated cost, whichever is the higher.

(ii) HKPC has started to enhance the workflow of organising course since April 2019 and upgraded its facilities gradually. Despite the launch of electronic approval process, HKPC Academy also integrates and monitors the approval process of all courses via PTA system.

(iii) According to HKPC Academy's work flow, if a course was rejected, it will not be recorded through the PTA system. Hence, no information of this item can be provided further.

(iv) The major costs of public training course are tutor fee, course development fee, HKPC venue rental (on or before March 2019), expenses for certified qualification applications and teaching materials, marketing and promotion costs, training material printing costs, labour costs, bank transaction fees, examination fees (if applicable) etc.

(v) Of the 120 public training programmes, the range of minimum enrolment numbers varied from 3 to 66; and the range of programme fees were HK$50 to HK$29,500 per person.

(vi) Participants who attended the training courses must meet the minimum attendance rate (75%) and complete the assessment requirements specified in each course (if applicable).

Criteria	Certificate	Professional Certificate	Diploma	Professional Diploma
Duration of program (min. no. of contact hours)	12 to 60 hours	12 to 60 hours	60 hours or above	60 hours or above
Minimum Admission Requirements	No minimum admission requirement	Subject to the requirement of professional body or association	• Certificate Holder in related areas or equivalent; or • 5 grade E in HKCEE or equivalent ; or • 5 passes at Level 2 in HKCEE or equivalent; or • 5 HKDSE subjects at Level 2 or equivalent; or • mature student (a)	• Diploma Holder in related areas or equivalent; or • 5 grade E in HKCEE or equivalent; or • 5 passes at Level 2 in HKCEE or equivalent; or • 5 HKDSE subjects at Level 2 or equivalent; or • mature student (b)
Recognition of Professional body or association	Not Necessary	Accepted by the relevant professional body or association (c)	Not Necessary	Accepted by the relevant professional body or association (c)
Assessment method	• Assignment, project, test and/or exam; plus • 75% attendance rate (d)	• Assignment, project, test and/or exam; plus • 75% attendance rate (d)	• Assignment, project, test and/or exam; plus • 75% attendance rate (d)	• Assignment, project, test and/or exam; plus • 75% attendance rate (d)

(vii) As listed inside the "Guidebook for Organising Public Training Programme", the procedures of engaging external trainers include nomination, evaluation, appointment and assessment.

Whenever there is a need to hire an external trainer for training courses, the relevant trainer should first fill out a registration form to enlist his/her background details, such as education background, working experience or previous training experience etc. The programme team will then evaluate according to the designated criteria on the suitability of the trainer. If the trainer is thought to be suitable, the programme team will recommend to the management to add the trainer to HKPC's "Speakers Pool". Upon getting management's endorsement, the trainer is required to sign a training service agreement with HKPC. Whenever there is a new trainer, the programme team will be sitting in the first class to observe and assess the performance of the trainer, and record all observation. Moreover, the programme team will collect post course feedback forms from the course participants to evaluate the performance and quality of the trainer.

(viii) From November 2019, all new public training course should follow the new workflow to perform market research and competitor analysis, fulfilling designated criteria with adequate justifications, with details as listed in below.

According to the new market research criterial, all public training course should meet at least one of the below six requirements before its launch, to justify its value and importance to the industry:

1) Facilitate the advocacy of a government policy or initiative
2) In response to the inquiry or requirement of client
3) In response to the inquiry or requirement of trade association or professional body
4) In accordance to the professional analysis from trainer
5) In accordance to market survey or industry consultation
6) In accordance to industry trends

Programme team staff are required to indicate completion of competitor analysis to prevent the courses from being organised in competition with other existing training services provider in the market. If similar courses will be held by other training service providers, programme team should add the unique and innovative elements offered by HKPC to the relevant courses to differentiate in the market.

(ix) On or before the year of 2018-19, divisions of HKPC needed to bear relevant venue cost when they occupied HKPC venue for work purpose. For the questioned case, the project team needed to compare the pricing when formulating the "Food Safety and Hygiene Manager Training Course". Finally, the Ngau Chi Wan Civic Centre was being chose.

(x) HKPC has been proactively promoting the use of digital manufacturing among the industry sector, encouraging the industry to gradually achieve Industry 4.0. It is HKPC's mission to organise courses of specific technology and knowhow to nurture technological talents in the regime. One of the courses was a 2-day training course to Wu Xi (Programme no. 37), with visits to local factories for examining the technology of automated artificial intelligence applications. The programme included lecture, factory tour, interactive discussion with local experts, and introduction of local specialised technical applications. The total income of the project was around HKD $35,000, which covered relevant expenses for 5 participants and HKPC staff, and achieved full cost recovery. The details of the programme proposal and promotion pamphlet can be seen in attachment File 2.

(q) Supplementary information on follow-ups of improvement of market assessments:

Since 11 November 2019, HKPC Academy has already updated the workflow process for organising public training courses. All courses are required to complete market analysis, and are required to record all important correspondence in a proper manner, including government policies, client inquiries, post event or industry association feedbacks.

Moreover, HKPC is dedicated to uplift the communications among industry practitioners. Through regular exchanges and meetings with local quangos, industry associations, or with training representatives from corporations, HKPC will be able to collect more feedback from the industry and understand market needs better. Some of the enhanced promotions are as below:

Between June and November 2019	Organised promotional events: three "Industry Connect"; two Training Series Promotion and one HR Experience Day
From November 2019 onwards	Invited major industry associations to promote the "Reindustrialisation and Technology Training Programme"
26-27 November 2019	Participated in the HKIHRM Annual Conference and Exhibition 2019

(r) Supplementary information on updated guideline:

The most updated "Guidebook for Organising Public Training Programme" will be available in March 2020. A copy will be submitted to PAC by then.

(s) Supplementary information on training venues:

(i) On or before March 2019, the cost calculation of training projects included venue cost at HKPC. For example, the total project cost of a diploma course in creation and culture picture book held from April 2018 to March 2019 (50 sessions in total) was approximately HKD $390,000, in which the venue cost at HKPC of about $100,000 was included.

After reviewing the above arrangement, venue cost was considered as "Notional Cost". Hence, starting from 1 April 2019, to streamline the administrative management, the venue cost at HKPC was no longer included in the cost of training course.

(ii) Generally speaking, venue rental pricing is set by referencing to similar venues while it would be reviewed from time to time when needed. The most recent review of this item by HKPC was in August 2018, concluding that the current pricing mechanism reasonable. A copy of the venue rental cost is attached as File 3.

Please feel free to contact me if you have any question about the information provided.

Yours sincerely,

Dr Lawrence Cheung
Executive Director (Acting)
Hong Kong Productivity Council

c.c. Secretary for Innovation and Technology
Commissioner for Innovation and Technology
Secretary for Financial Services and the Treasury
Director of Audit (Attention: Mr Anthony Lo, Senior Auditor)

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香港九龍達之路78號生產力大樓

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10007691

M1

24 October 2018

D

1. The training project titled "Training on Intelligent Automation in Wuxi" is TA-type project to be held in PRC from 30 – 31 October 2018

2. The training is to be conducted by HKPC consultant in R and the target participants are people who are from manufacturing industry in Wuxi.

3. The training fee is HK$7,000, the estimated income is HK$35,000 based on 5 participants with the below cost breakdown:

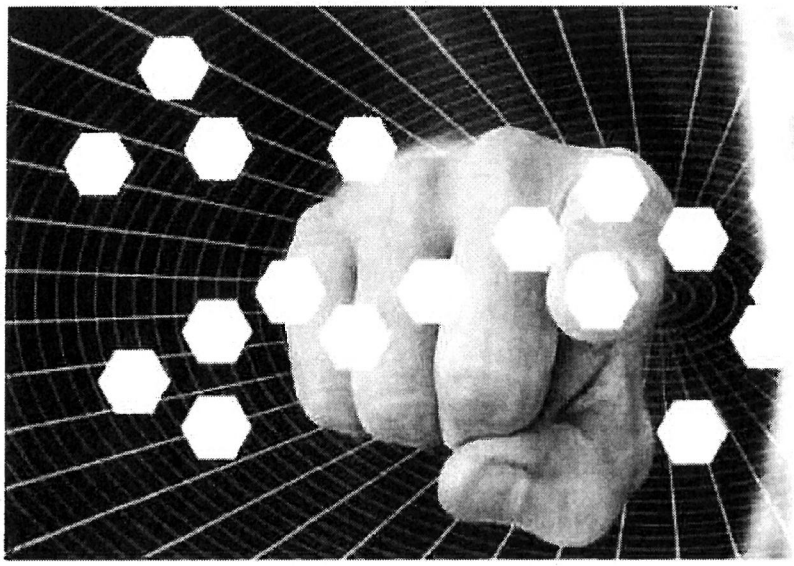
Income	HK$
Training Fee x 5 participants	**35,000**
Expenditures	
Staff Cost	33,400
Speaker expenses (travelling and per diem)	1,000
Contingency	500
Total Expenditures	**34,900**

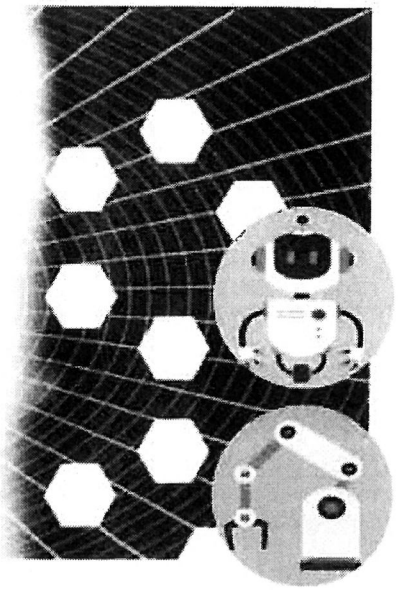
4. The project is 100% recovery at C00 rate

5. Grateful for your approval.

H H
T O R
Encl.
- Cost Summary
- Course Pamphlet

HKPC-A026-AL





2018.10.30~31

兩天培訓課程（中國無錫）：智能自動化

2-Day Training in WuXi, China : Intelligent Automation

The immerse of new technologies, professionals proof that traditional business model no longer suit you. Every business leader knows that in order to stay relevant and profitable in their particular industry, it is important for their companies to adapt to changing practices, technologies and business models. Intelligent Automation can help your business growth with cutting-edge technologies by getting ahead of your competitors; solve problems of all magnitudes at cost effective and a short period of time.

Hong Kong Productivity council organizes a two-days training course, aims to introduce the application of intelligent automation in industrial environment. This training course helps candidates understand the potential application and benefit of intelligent automation.

新技術的浸入，專業人士證明傳統的商業模式不再適合您。 業務負責人都明白，為了保持其在行業中的價值和盈利性，公司必須適應不斷變化的運作，技術和業務模式。 智能自動化利用尖端技術幫助您的業務增長，在眾多的競爭對手中領先; 並以經濟有效和短時間內解決各種問題。

香港生產力促進局舉辦為期兩天的培訓課程，旨在介紹智能自動化在工業界的應用。 該培訓課程幫助學員了解智能自動化的潛在應用和優勢。

課程簡介

日期 Date	2018.10.10 ~11
時間 Time	14:00 – 17:00 (第一天 Day 1) 09:00 – 17:00 (第二天 Day 2)
地點 Venue	Wuxi
語言 Language	普通話 Mandarin
費用 Admission Fee	HK$7,000 *只含培訓費用，收費並不包括交通、住宿或膳食安排 Includes training fee only, no travel, accommodation and meals are included
截止報名日期 Application Deadline	2018.10.28

培訓內容

Date 日期		Time 時間	Training Programme 培訓內容
Day 1	30~10~2018	下午 Afternoon	智能自動化簡介 Introduction to Intelligent Automation 應用例子和個案分享 Case Study and Sharing
Day 2	31~10~2018	上午 Morning	現場廠房考察 Factory Visit and Assessment
		下午 Afternoon	培訓總結和討論 Summary and Discussion 發展藍圖分享 Roadmap discussion and sharing

備註 Remarks

參加者必須自行安排交通、住宿、膳食及所需的保險。

Travel, accommodation, meals and insurance have to be arranged by participants himself/herself.

參加者需要遵守培訓場地的規則，未經誰許可，不得進行任何拍攝。

Participants have to comply with the regulation of the training venue. Photo or video taking is prohibited.

請填妥報名表格，連同公司名片電郵至 @hkpc.org 或傳真+852 31874579 登記留位。

PRODUCTIVITY
生產力培訓學院 training institute
Your partner in human capital development

Enrolment Form
報名表

由本院填寫 For HKPC Internal Use		
Academic	Experience	Others
Checked By:	Date:	

請以正楷填寫此表格 Please complete this form in BLOCK LETTERS

課程編號 Programme Code：	課程名稱 Programme Title：	學費 Programme Fee:
10007691	兩天培訓課程 (中國無錫)：智能自動化	☐ 培訓費 HK$7000.-

甲部 (Part A) 申請者資料 Applicant Information：

中文姓名 (先生/小姐/太太/女士*)：
Chinese Name (Mr./Miss/Mrs./Ms*)： (必須與香港身份證/護照相同 Must be the same as shown on ID card/Passport)

英文姓名：
Name in English： 姓 Last Name 名 First Name (必須與香港身份證/護照相同 Must be the same as shown on ID

公司名稱：
Company Name：

職位：
Position：

辦事處電話：
Office Telephone：

手提電話：
Mobile Number：

旅遊證件類型：
Travel Document Type:

證件號碼：
Travel Document Number:

電郵地址：
E-mail Address：

通訊地址：
Correspondence Address： 室 Room/Flat 樓 Floor 座，大廈 Block, Building

屋苑，街道 Estate, Street/Road 地區 District

乙部(Part B) 繳費方法 Method of Payment：

請選擇一項 Please select one only *請刪去不適用者/Please delete whichever is inappropriate

☐ 課程費用由僱主贊助？ Is the programme fee sponsored by your employer? ☐ 是 YES ☐ 否 NO

☐ 現金 Cash / 易辦事 EPS / 信用卡 Credit Card** (Visa/MasterCard)* 請親臨本局辦理 Must be made in person at enrolment counter

☐ 支票號碼 Cheque No.：_____，(公司 Company / 私人 Private*)。
(支票請劃線，抬頭人為「香港生產力促進局」。The cheque has to be crossed and made payable to the "Hong Kong Productivity Council.")

**可授權本局轉賬，請向職員查詢 You may authorize HKPC to handle money transfer. For details, please contact our staff

聲明 Declaration：

本人聲明在此報名表格及隨附文件所載的資料，依本人所知均屬完整、真實及準確。本人已細閱並接受報名表內的所有條款及細則。

I declare that all information provided in this enrolment form and the accompanying documents are, to the best of my knowledge, true, accurate and complete. I have read and accepted all the terms and conditions of this enrolment form.

☐ 本人反對香港生產力促進局使用本人的個人資料，包括但不限於姓名、年齡、性別、電話號碼、傳真號碼、職位、會員身份、繳費資料包括信用卡資料 (如適用)、學術及專業資格、通訊地址及電郵地址 ("個人資料") 於推介本局最新發展、工業支援服務、顧問服務、培訓課程及相關的活動及其他由生產力局的推廣活動的用途。I object to the proposed use of my personal data including, without limitation, name, age, gender, phone number, fax number, job title, member status, payment details including credit card information (where applicable), academic and professional qualification, correspondence address and email address ("**Personal Data**") for the purpose of sending me information relating to HKPC's latest developments, industry support services, consultancy services, training courses and related events, and other marketing activities as may be organized by HKPC.

申請者簽名 Applicant's Signature：_____ 日期 Date：_____

內部(Part C) 問卷調查 Survey

請問閣下如何得悉本院的課程資料？(可選多於一項) Where did you get the information about this programme? (May choose more than one option)

☐ 香港生產力大樓 HKPC Building
☐ 香港生產力促進局網頁 HKPC website
☐ 互聯網 Internet
☐ 生產力專訊 HKPC News Flash
☐ 雜誌 Magazine
  ☐ e-zone
  ☐ 電腦廣場 PC Market
  ☐ Recruit
  ☐ 招職 Jiu Jik
  ☐ Others 其他：_____
☐ 報紙 Newspaper
  ☐ 蘋果日報 Apple Daily
  ☐ 東方日報 Oriental Daily
  ☐ 經濟日報 HK Economy Times
  ☐ 星島日報 Sing Tao Daily
  ☐ 明報 Ming Pao
  ☐ 都市日報 Metro Hong Kong
  ☐ 頭條日報 Headline
  ☐ AM730
☐ 專業學會刊物 Journals/Publications of Professional Institutes：_____
☐ 推廣電郵 Promotion e-mail
☐ 公司推介 Company Referrals
☐ 傳真 Fax
☐ 親友推介 Referrals
☐ Others 其他：_____

請選擇閣下最希望接收本局哪個範疇的資訊 (可選多於一項) Please indicate which area(s) of information you would like to get from HKPC the most

☐ 先進製造科技 Advanced Manufacturing Technology
☐ 自動化服務 Automation Services
☐ 品牌管理 Brand Management
☐ 企業流程管理 Business Process Management
☐ 顧客服務提升 Customer Service Enhancement
☐ 環境管理 Environmental Management
☐ 資訊及通訊科技 Information and Communications Technology
☐ 知識產權及專利 IP and Patent
☐ 生產力局最新資訊 Latest News of HKPC
☐ 製造流程管理 Manufacturing Process Management
☐ 產品設計與開發 Product Design and Development
☐ 講座及活動 Seminar and Activities
☐ 軟件測試 Software Testing
☐ 檢測及認證服務 Testing and Certification Services
☐ 培訓及人力資源發展 Training and HR Development

PRODUCTIVITY
生產力培訓學院 Training Institute
Your partner in human capital development

Enrolment Form
報名表

受僱公司規模及業務性質 Size and Nature of Organization：

公司僱員總人數 Total number of employees

☐ Under 50 (50以下)　☐ 50 - 99　☐ 100 – 199　☐ 200 – 499　☐ 500 and over (500及以上)

公司主要業務性質 (可選多於一項) Primary Industry Type of your Company (May choose more than one option)

☐ 行政及支援服務（例如：廣告、展覽、公共關係、物業管理等）Administrative and Support Services (e.g. Advertising, Exhibitions, Public Relations, Property Management, etc.)
☐ 汽車零部件 Automotive Component
☐ 航空 Aviation
☐ 建造 Construction
☐ 創意產業 Creative Industry
☐ 教育及培訓 Education and Training
☐ 電器 Electrical Appliances
☐ 電子 Electronics
☐ 環保服務 Environmental Services
☐ 政府/非牟利組織/商會 Government/NGOs/Trade Associations
☐ 餐飲及款待 Hospitality, Food and Beverage
☐ 進出口貿易 Import and Export Trade
☐ 資訊科技及電訊 Information Technology and Telecommunications
☐ 機械、五金及模具 Machinery, Metals and Tooling
☐ 化學原料、原材料製造 Manufacture of Chemicals and Raw Materials
☐ 媒體、印刷及出版 Media, Printing and Publishing
☐ 醫療及保健器材 Medical Device and Healthcare
☐ 光學產品 Optical Products
☐ 塑膠 Plastics
☐ 專業服務（例如：會計、建築、法律等）Professional Services (e.g. Accounting, architecture, legal, etc.)
☐ 零售 Retail
☐ 紡織及服裝 Textile and Apparel
☐ 玩具 Toys
☐ 運輸及物流 Transportation and Logistics
☐ 鐘錶珠寶 Watch, Clock and Jewelry

報名程序

請填妥報名表、連同相關課程需要的文件及費用，親身或以郵遞方式遞交。

郵寄地址：九龍達之路 78 號生產力大樓香港生產力促進局生產力 5 樓 RAU Hilary **(請於信封面註明報讀課程名稱及編號。)**

條款及細則:

1. 學費必須連同報名表(可用影印本)於開課前一併繳交，否則報名無效。
2. 所收集的個人資料將會作入學申請、登記、學術、行政、研究、統計及市場分析及用於推介本局最新發展、工業支援服務、顧問服務、活動和培訓課程的用途。個人資料會嚴格保密處理。除非獲得閣下的同意，本局不會將個人資料轉移予第三者。本局已制定收集、使用及保留個人資料的政策，於報名處供索閱，閣下亦可向本局個人資料管理主任查詢。
3. 閣下可以信用卡、易辦事或支票繳交學費。學費收據以本局機印方為有效，收據上會列明已繳交的金額。如申請人以支票繳費，所繳交款項須經過銀行結算後方可作實。
4. 除非本局於以下期限前收到申請者書面通知退學，否則已繳學費（不論全費或部份）概不退還：
   - 由本地講師教授的課程，最少於開課前五個工作天通知
   - 由外地講師教授的課程，最少於開課前十五個工作天通知

   閣下申請退還學費需繳交手續費二百元正。如申請者以信用卡繳交學費，則需額外支付學費約 4%作銀行手續費用。
5. 閣下可提名他人代替其本人出席課程，惟事先須得本局同意。閣下不可轉換其他課程。
6. 生產力局保留在任何情況下及以任何原因拒絕任何入學申請的權利。閣下繳付學費後，仍須符合入學的所有條件，其申請方可獲得接納。
7. 生產力局保留在有需要的情況下更改講師及/或課程內容、授課地點、日期及/或時間的權利。
8. 颱風及黑雨警告：如課堂時間是在早上(09:00-13:00)、下午(14:00-17:00)或晚間(18:30-22:00)，將在下列情況下取消：(一)八號或以上颱風訊號或黑色暴雨警告訊號在早上 6:00、11:00 或下午 4:00 仍然懸掛；或(二)香港天文台在早上 6:00、11:00 或下午 4:00 或之後，宣佈將懸掛八號或以上颱風訊號或黑色暴雨警告訊號。本局將盡早通知閣下補課的日期及時間。
9. 本局保留更改以上“條款及細則”的權利。以上“條款及細則”內容均以本院課程單張及網頁公佈之最後更新版本為依歸。

ENROLMENT PROCEDURE

Please complete and send this enrolment form with requisite documents and fee to the Institute in person or by mail.

Mailing Address: Hilary, RAU, 5/F, Hong Kong Productivity Council, HKPC Building, 78 Tat Chee Avenue, Kowloon. **(Please mark the programme title and programme code on envelope.)**

Terms and Conditions:

Programme fee must be submitted together with this form (or photocopy of this form) before programme commencement, otherwise enrolment will be rejected.

Personal Data collected will be used for processing your application for admission, registration, academic, administrative, research and statistical purposes and will also be used for marketing purposes, specifically for the purpose of sending you information relating to HKPC's latest developments, industry support services, consultancy services, events and training programmes. Personal Data will be treated in strict confidence. Unless otherwise agreed by you, HKPC will not transfer Personal Data to any third parties. HKPC implements a policy governing the collection, use and retention of Personal Data, which is made available at the enrolment counter. You may also contact Personal Data Controlling Officer of HKPC for further details.

You may make payment by credit cards, EPS or cheques. Amount received will be imprinted on the official receipt. Only receipt printed with receipt printers at HKPC is valid. Receipt of cheque payment is subject to bank clearance.

Enrolment fee (in full or in part) is not refundable except if HKPC is notified in writing of your withdrawal:

- **at least 5 working days** before the programme commencement for training program run by **local speaker**
- **at least 15 working days** before the programme commencement for training program run by **overseas speaker**

A handling charge of **HK$200** will be levied. For payment made by credit card, an additional **bank charge of around 4%** of the enrolment fee will be imposed.

You may, subject to the prior approval of HKPC, nominate a person to attend the programme on your behalf. Programme switching request will not be accepted.

HKPC reserves the right to reject any application in any circumstances and for whatever reasons. Payment of fees should only be construed as conditional acceptance of application. To be accepted for any application, you are required to fulfill the admission requirements.

HKPC reserves the right to replace the speaker and/ or change the contents, venue and/or time as may be necessary.

Classes in the morning (09:00-13:00), afternoon (14:00-17:00) or evening (18:30-22:00) will be cancelled if:

(1) Tropical Cyclone Signal No.8 or above OR Black Rainstorm Warning remains hoisted after 6:00 a.m., 11:00 a.m. and 4:00 p.m. respectively; **OR**

(2) Tropical Cyclone Signal No.8 or above OR Black Rainstorm Warning is announced by the Hong Kong Observatory to be hoisted at/after 6:00 a.m., 11:00 a.m. and 4:00 p.m. respectively.

You will be notified of the re-scheduling arrangement as soon as possible.

These terms and conditions are subject to revisions as may be set out in the programme pamphlets and the latest updates in the Institute's website.

HKPC Venues & Facilities Rate Card

Special offer to SME 30% off !#

Venue	Capacity	Approx. Area Sq. ft.	Hourly Rate (HK$) (Office Hours / Non-Office Hours)	Location	TV Wall	Wireless Microphone(s)	Layout
Conference Hall	300	5048	$3500 / $4100	4/F	84:9 aspect ratio	4	Chairs

Venue	Capacity	Approx. Area Sq. ft.	Hourly Rate (HK$) (Office Hours / Non-Office Hours)	Location	LCD Projector(s)	Wireless Microphone(s)	Layout
Inno Network	120	2880	$2520 / $3000	1/F	2 (with 2 TVs)	2	Tables & Chairs
Theatre 2	100	2155	$2205 / $2625	1/F	TV Wall	2	Chairs
SME One – Foyer	100	1287	$1330	G/F	1	2	Chairs
Theatre 1	100	1382	$1660 / $1990	1/F	TV Wall	2	Sofa Benches
SME One – Multi-function Room A + B	60	1066	$900	G/F	2	2	Classroom
Digital Gallery	60	797	$2950 / $3300	LG1	TV Wall	2	Chairs
Living Gallery	60	3361	$2950 / $3300	LG1	1	2	Chairs
The Terrace	30	2335	$1980 / $2380	4/F	1	2	Chairs

Venue	Capacity	Approx. Area Sq. ft.	Hourly Rate (HK$) (Office Hours / Non-Office Hours)	Location	LCD Projector(s)	Wireless Microphone(s)	Layout
Classroom 126	42	926	$720 / $860	1/F	1	1	Classroom
Classroom 106	30	624	$590 / $705	1/F	1	1	Classroom
Classroom 107	30	896	$915 / $1100	1/F	1	1	Classroom
Classroom 121	30	738	$590 / $705	1/F	1	1	Classroom
Classroom 122	30	621	$590 / $705	1/F	1	1	Classroom
Computer Room 112	30	720	$870 / $1040	1/F	1	1	Computer Classroom
Computer Room 125	30	717	$870 / $1040	1/F	1	1	Computer Classroom
Executive Room - 119*	28	907	$880 / $1050	1/F	86" Display Panel	1	Tables and Chairs
Executive Room - 120*	20	641	$720 / $860	1/F	86" Display Panel	1	Chairs
Classroom 102	20	410	$530 / $665	1/F	1	1	Classroom
Classroom 123	20	414	$530 / $665	1/F	1	1	Classroom
Classroom 101	19	389	$530 / $665	1/F	1	1	Classroom
Classroom 103	19	402	$530 / $665	1/F	1	1	Classroom
Curation	12	320	$550 / $690	1/F	TV	N/A	Meeting

Enquiry Hotlines: 2788 5027 / 2788 5923 / 2788 6266 HKPC Building, 78 Tat Chee Avenue, Kowloon Tong, Kowloon **Email:** venue@hkpc.org

Remarks:

1. **The rate listed is on hourly basis and there is a minimum charge of 3 hours for Conference Hall, Theatre 2, Inno Network, SME One, Living and Digital.**
2. **For NGO rate, please contact us for detailed information.**
3. **The rate includes the use of equipment inside the venue.**
4. **Office hours: Monday to Friday (9:00 am – 6:00 pm).**
5. **Non-office hours: Monday to Friday (6:00 pm – 10:00pm), Saturday (9:00 am – 5:00 pm).**
6. **Setup and removal time: 20 minutes before and after the booking.**

 # For SME offer, application and usage dates are valid on or before 31 March 2020.

** Inclusive of event concierge, refreshment corner, movable 86" interactive display panel.*

Effective on 20200115

For more information

Ref: ED-2019021

11 December 2019

Mr. Anthony Chu
Clerk, Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr. Chu,

Public Accounts Committee
Consideration of Chapter 2 of the Director of Audit's Report No. 73
Provision of consultancy, research and development and training services by the Hong Kong Productivity Council

As required under your letter with reference "CB4/PAC/R73" dated 3 December 2019, the following six files are attached:

a) File A – Chinese / File A – English: Details of the 123 patents registered with the Hong Kong Productivity Council ("HKPC");

b) File B – Chinese / File B – English: Details of the 120 public training programmes organized by HKPC in 2018-2019;

c) File C – Chinese / File C – English: A flow chart showing the procedures in proposing and approving the launching of new public training programmes. The number of new programmes launched in 2018-2019 was 37 as indicated in File B – Chinese/English. The vetting/approving of these programmes is performed by a programme management team which consists of Division Head, Head of HKPC Academy and programme managers.

Please feel free to contact me if you have any question about the information provided.

Yours sincerely,

Mohamed D. Butt
Executive Director
Hong Kong Productivity Council

c.c. Secretary for Innovation and Technology (fax no. 2530 0736)
Commissioner for Innovation and Technology (fax no. 2317 6915)
Chairman, Hong Kong Productivity Council (fax no. 2788 5900)
Secretary for Financial Services and the Treasury (fax no. 2147 5239)
Director of Audit (Attention: Mr. Anthony Lo, Senior Auditor)

+852 2788 5678
+852 2788 5900
www.hkpc.org
Hong Kong Productivity Council
香港生產力促進局
HKPC Building, 78 Tat Chee Avenue, Kowloon, Hong Kong
香港九龍達之路78號生產力大樓

Detail Information on 123 Patents Owned by HKPC

Item No.	Patent Title	Place of Patent Registration	Licence/royalty income generated since registration (HK$)
1	MOLD FOR PRODUCING POLYMER MATRIX COMPOSITE MATERIAL	Hong Kong	0
2	High pressure food sterilization apparatus	Mainland China	0
3	Intelligence polishing machine ware people system for glasses manufacturing trade	Mainland China	0
4	Horseshoe completely laminated with horse's hoof face and manufacturing method therefor	Macao	0
5	Shock-proof and easily-replaceable horseshoe and manufacturing method thereof	Macao	0
6	High pressure food germicidal treatment system	Mainland China	0
7	Mold with shape follow-up temperature control pipeline and manufacturing method thereof	Mainland China	0
8	A HIGH PRESSURE DEVICE FOR FOOD STERILIZATION	Hong Kong	0
9	3D printing device and method	Mainland China	0
10	A CONFIGURABLE BATTERY SIMULATOR FOR FUNCTIONAL VERIFICATION OF BMS AND A METHOD THEREOF	Hong Kong	0
11	Lamination powder compression moulding technology based die and manufacturing method thereof	Mainland China	0
12	Automobile tail light free -form surface light guide plate	Mainland China	0
13	Array LED intelligent automobile headlight	Mainland China	0
14	A BIODEGRADABLE ANTI-TAMPERING CARGO WRAPPING FILM	Hong Kong	0
15	A DEVICE AND A METHOD FOR CLAMPING LONG-COLUMN AND	Hong Kong	0

Item No.	Patent Title	Place of Patent Registration	Licence/royalty income generated
	LONG-CONE OBJECTS		
16	Part manufacture equipment that combines welding of laser cutting and electromagnetism	Mainland China	0
17	A SMART STREET LAMP SYSTEM	Hong Kong	0
18	Metal part with electronic component implanted by adopting metal additive manufacturing technology and manufacturing method of metal part	Mainland China	0
19	A DEVICE AND A METHOD COMBINING LASER CUTTING AND ELECTROMAGNETIC WELDING FOR PARTS MANUFACTURING	Hong Kong	0
20	A DEVICE AND A METHOD FOR METAL FOAM MANUFACTURING BASED ON POWDER METALLURGY AND EXTRUSION TECHNOLOGY	Hong Kong	0
21	Organic garbage treatment system with automatic classification function	Mainland China	0
22	Horseshoe completely laminated with horse's hoof face and manufacturing method therefor	Mainland China	0
23	Shock-proof and easily-replaceable horseshoe and manufacturing method thereof	Mainland China	0
24	INTELLIGENT GRINDING AND POLISHING ROBOTICS SYSTEM FOR EYEWEAR INDUSTRY	Hong Kong	0
25	A HIGH PRESSURE PROCESSING SYSTEM FOR FOOD STERILIZATION	Hong Kong	0
26	Foamed metal manufacturing installation based on powder metallurgy and extrusion processing	Mainland China	0
27	TECHNOLOGICAL PLATFORM FOR TRAFFIC INFORMATION COLLECTION AND INTEGRATION	Hong Kong	0

Item No.	Patent Title	Place of Patent Registration	Licence/royalty income generated
28	A DETACHABLE HEAT EXCHANGER FOR HEAT EXCHANGE BETWEEN AIR AND COOLING/HEATING MEDIUM	Hong Kong	0
29	A 3D PRINTING APPARATUS AND METHODOLOGY	Hong Kong	0
30	A WEARABLE SEMICONDUCTOR COOLING AND AIR CONDITIONING CLOTHES	Hong Kong	0
31	3D printing device	Mainland China	0
32	Automatic stone mounting system	Mainland China	0
33	A LORA-BASED LIGHTING SYSTEM WITH ADAPTIVE REMOTE CONTROL AND COVERAGE EXTENSION AND ITS USAGE THEREOF	Hong Kong	0
34	A GRAPHENE INFRARED SENSOR BASED ON THE RESPONSE ENHANCEMENT TECHNIQUE OF PHOTONIC CRYSTAL OPTICAL AND THE PREPARATION METHOD THEREOF	Hong Kong	0
35	Liquid refrigeration system	Mainland China	0
36	Mould that has conformal cooling water route based on direct metal laser sintering and casting forming technique	Mainland China	0
37	A MOULD WITH CONFORMAL COOLING CHANNEL BASED ON DIRECT METAL LASER SINTERING AND CASTING TECHNOLOGIES AND ITS MANUFACTURING METHOD	Hong Kong	0
38	A METAL-CERAMIC-BONDED PART BASED ON DIRECT METAL LASER SINTERING TECHNOLOGY AND ITS METHOD	Hong Kong	0
39	AN INTELLIGENT ILLEGAL PARKING PROSECUTION SYSTEM AND ITS METHODOLOGY	Hong Kong	0
40	A HYBRID ENERGY STORAGE SYSTEM FOR NEW ENERGY VEHICLE BASED ON DSPACE AND MOTOR DYNO SYSTEM	Hong Kong	0

Item No.	Patent Title	Place of Patent Registration	Licence/royalty income generated
41	Accessory automatic stone inlaying device and method	Mainland China	0
42	AUTOMATIC TRIPPING SYSTEM FOR TAIL LIFT SYSTEM	Hong Kong	0
43	Part based on direct metal laser sintering technique is made metal and is combined with pottery	Mainland China	0
44	Multi-source traffic data fusion method	Mainland China	0
45	Graphite alkene infrared sensor based on photonic crystal photoresponse reinforcing technique	Mainland China	0
46	A optical fiber sensor for chemistry and bioanalysis	Mainland China	0
47	Graphite alkene infrared sensor based on photonic crystal photoresponse reinforcing technique	Mainland China	0
48	Vehicle-mounted MOST (Media Oriented Systems Transport) network system	Mainland China	0
49	Organic rubbish resource recycling system	Mainland China	0
50	Security system for transporting and storing foods	Mainland China	0
51	HYBRID INDUCTION- AND LASER-HEATED METAL STAMPING METHOD AND ITS APPARATUS	Hong Kong	0
52	THE PLASTIC WRAPPED METAL INSERT PARTS USING HOT-MELT CURING BASED 3D PRINTING TECHNOLOGY AND ITS PREPARATION METHOD	Hong Kong	0
53	AUTOMATIC ELECTRIC GROUND SERVICE EQUIPMENT PARKING BAY MONITORING SYSTEM	Hong Kong	0
54	MBBR CARRIERS FOR HIGH LOADING APPLICATIONS	Hong Kong	0
55	Degradable polymer composition and preparation method thereof	Mainland China	0

Item No.	Patent Title	Place of Patent Registration	Licence/royalty income generated
56	Stamping device who mixes electromagnetic induction and laser heating	Mainland China	0
57	A injection device that what was used for pharmaceutical transfer has a hollow metal micropin array	Mainland China	0
58	Device of supplementary punching press high strength of laser and lightweight spare part	Mainland China	0
59	A METHOD AND SYSTEM FOR EQUALIZING A BATTERY PACK	Hong Kong	0
60	A LASER-ASSISTED STAMPING PROCESS OF MAKING HIGH STRENGTH AND LIGHTWEIGHT PARTS AND ITS APPARATUS DESIGN	Hong Kong	0
61	AN INJECTION DEVICE HAVING ARRAY OF HOLLOW METAL MICRONEEDLES FOR DRUG DELIVERY	Hong Kong	0
62	A METHOD OF ALIGNING CONTROL OF ELECTRIC STEERING SYSTEM FOR VEHICLES	Hong Kong	0
63	MULTI-STANDARD SMART EV MOBILIZED CHARGER	Hong Kong	0
64	Mould based on lamination powder compacting forming technology makes	Mainland China	0
65	A POWDER LAYER COMPACTED TOOLING AND ITS MANUFACTURING PROCESS	Hong Kong	0
66	Use metal vibration material disk technique and implant electronic component's metal part	Mainland China	0
67	THE MANUFACTURING METAL PART WITH AN ELECTRONIC COMPONENT USING METAL ADDITIVE MANUFACTURING TECHNIQUE AND ITS PREPARATION METHOD	Hong Kong	0
68	Operation smog controlling means and peritoneoscope subassembly suitable for peritoneoscope	Mainland China	0

Item No.	Patent Title	Place of Patent Registration	Licence/royalty income generated
69	A DEVICE FOR NITRIDING PISTON RINGS USING PLASMA IMMERSION ION IMPLANTATION (PIII)	Hong Kong	0
70	3D orthopedics filler print system	Mainland China	0
71	A MANUFACTURE METHOD OF A MOULD WITH COOLING WATER PATH BUILT-IN	Hong Kong	0
72	Device for nitriding piston rings by using plasma-immersion ion implantation (PIII)	Mainland China	0
73	A METHOD AND A DEVICE FOR DETECTING MOVING OBJECT	Hong Kong	0
74	Manufacturing method of die of built-in conformal cooling water channel	Mainland China	0
75	Image-based vehicle anti-collision early warning method	Mainland China	0
76	Front -projection formula bore hole 3D display system	Mainland China	0
77	Method for aligning control of electric power steering system for vehicle	Mainland China	0
78	Mould provided with shape-adaptive temperature control pipeline	Mainland China	0
79	A MOULD WITH CONFORMAL COOLING CHANNEL AND ITS MANUFACTURING METHODS	Hong Kong	0
80	Back sight image cognition based on-vehicle blind area early warning system and method	Mainland China	0
81	Horseshoe for completely fitting horse hoof surface	Mainland China	0
82	Suspension horseshoe easy to replace	Mainland China	0
83	Pedestrian detection method for preventing pedestrian collision	Mainland China	0
84	A TAILOR-MADE HORSESHOE AND ITS MANUFACTURING METHOD	Hong Kong	0

Item No.	Patent Title	Place of Patent Registration	Licence/royalty income generated
85	A CUSHIONED AND EASILY REPLACED HORSESHOE AND ITS MANUFACTURING METHOD	Hong Kong	0
86	AN INTELLIGENT LOAD MANAGEMENT SYSTEM AND METHOD FOR ELECTRIC VEHICLE CHARGING SYSTEM AND CHARGING STATION SYSTEM	Hong Kong	0
87	AN INTELLIGENT LOAD MANAGEMENT SYSTEM AND METHOD FOR ELECTRIC VEHICLE CHARGING SYSTEM AND CHARGING STATION SYSTEM	Hong Kong	0
88	ELECTRIC VEHICLE CHARGING MANAGEMENT AND FAKE CARD DETECTION SYSTEM AND METHOD	Hong Kong	0
89	Electrophoretic deposition device for conductive surface	Mainland China	0
90	Driver sound localization system and method for automobile	Mainland China	0
91	A PART CLEANING MACHINE	Hong Kong	0
92	ACTIVE SUSPENSION SYSTEM AND METHOD	United States	0
93	Pedestrian detection method based on machine vision and pedestrian anti-collision warning system based on machine vision	Mainland China	0
94	Three-axis three-dimensional cutting control system applied to bra cup	Mainland China	0
95	Radio frequency magnetron sputtering device	Mainland China	0
96	Collision Severity Determination System And Method	United States	0
97	Waterfree treatment device for textile material of supercutical fluid	Mainland China	0
98	Method and system for balancing battery pack	Mainland China	0
99	Battery pack for electric vehicle	Mainland China	0
100	Charging and motor-driven hybrid device for electric vehicle and	Mainland China	0

Item No.	Patent Title	Place of Patent Registration	Licence/royalty income generated
	electric vehicle		
101	A HIGH POWER PULSED MAGNETRON SPUTTERING METHOD AND A MAGNETRON SPUTTERING APPARATUS	Hong Kong	0
102	Method and system for designing vehicle-mounted TFT (Thin Film Transistor) electronic instrument	Mainland China	0
103	A MANUFACTURING METHOD FOR LOW-TRAUMA METALLIC NEEDLE ARRAY FOR DRUG DELIVERY	Hong Kong	0
104	AN OPTIMIZATION SYSTEM FOR RFID TAG READING AREA AND ITS USAGE	Hong Kong	0
105	A MOBILE SMOKE CONTROL HOOD	Hong Kong	0
106	Paper Artifact Burning System with Air Pollution Control	Mainland China	0
107	ANTIBACTERIAL COMPOSITE FILMS SUITABLE FOR SURFACE OF METAL, PLASTIC	Hong Kong	0
108	A SMOKE ABATEMENT SYSTEM FOR PAPER ARTIFACTS FURNACE	Hong Kong	150,000
109	Vehicle parking idling and air conditioner control system	Mainland China	0
110	Converter Circuit	United States	0
111	Vacuum-type physical and chemical mixed gas deposition equipment	Mainland China	0
112	A CASTING DEVICE FOR WHEELS AND DISCS AND THE CASTING METHOD THEREOF	Hong Kong	0
113	AN IDLING VEHICLE ENGINE-OFF AND SUPPLEMENTARY AIR-CONDITIONING CONTROL SYSTEM FOR A VEHICLE	Hong Kong	0
114	Head light and method for controlling deflection of illumination direction thereof	Mainland China	0
115	Supercritical CO2 anhydrous yarn warp dyeing system and dyeing	Mainland China	0

Item No.	Patent Title	Place of Patent Registration	Licence/royalty income generated
	method thereof		
116	Optical imaging equipment applied on skins	Mainland China	1,150,000
117	DISTRIBUTED LIVE MULTIMEDIA MONETIZATION MECHANISM AND NETWORK	Hong Kong	0
118	Manifold branch of hydraulic loop and sealing component mounted in manifold branch	Mainland China	0
119	LED head lamp	Mainland China	0
120	Heat radiation device for LED (light-emitting diode) automobile headlight	Mainland China	0
121	HKPC-Aquased	Malaysia	203,930
122	Independent treatment system employing an integrated reaction and sedimentation tank	Singapore	Income included in item 121
123	HKPC-Aquased (Independent Treatment System for Treating the Waste Water of the Construction Site with the Chemical Coagulation Technology)	Singapore	0

1,503,930

Details of 120 Public Training Courses Organised by HKPC in 2018-19

No.	Programme Name	Duration (hours)	Venue	New Programme (Y or N)
1	Cybersecurity Risk Management: A practical approach	15	Classroom, HKPC Building	N
2	Blockchain Technical Program	16	Classroom, HKPC Building	N
3	Advanced Business Analytics Workshop	12	Classroom, HKPC Building	N
4	Certificate Course in IATF 16949:2016 Internal Auditor Training	12	Classroom, HKPC Building	Y
5	Certificate in Business Systems Analysis	38	Classroom, HKPC Building	N
6	Certificate in Information Security Management	24	Classroom, HKPC Building	N
7	Workshop 2 - Threat Hunting Workshop	6.5	Classroom, HKPC Building	N
8	Artificial Intelligence - Essential and Application	12	Classroom, HKPC Building	Y
9	Big Data Ayalytic: High Speed Searching and Micro-Services	12	Classroom, HKPC Building	N
10	Artificial Intelligence – Basic Data Science in Python	12	Classroom, HKPC Building	Y
11	Hands-On Master Workshop in Endpoint & Infrastructure Security(2 days)	16	Classroom, HKPC Building	N
12	Data Centre System and Design for Engineers	6	Classroom, HKPC Building	N

Details of 120 Public Training Courses Organised by HKPC in 2018-19

No.	Programme Name	Duration (hours)	Venue	New Programme (Y or N)
13	FinTech Training Series: Payment and Blockchain Technologies	12	Classroom, HKPC Building	Y
14	Artificial Intelligence – Infrastructure Architect	12	Classroom, HKPC Building	Y
15	Artificial Intelligence –Advanced Reinforcement Learning, GAN and Textual Analytic	12	Classroom, HKPC Building	Y
16	FinTech Training Series: Digital Transformation, Chatbot & Robotic Automation	12	Classroom, HKPC Building	Y
17	Big Data Analytics: Essentials for Smart-City	12	Classroom, HKPC Building	N
18	Big Data Analytic: Internet of Things Sensor Data and Time Series Analysis	12	Classroom, HKPC Building	N
19	Situational Leadership: Managerial and Supervisory Workshop	6.5	Classroom, HKPC Building	N
20	Business Process Improvement	6.5	Classroom, HKPC Building	N
21	Team Exercise for Change: Critical Thinking, Analytical and Problem Solving	6.5	Classroom, HKPC Building	Y
22	Smart Talent Management Workshop Series: Workshop 1: Powerful working memory	3	Classroom, HKPC Building	N
23	Smart Talent Management Workshop Series: Workshop 2: How to read body language	3	Classroom, HKPC Building	N
24	Employment Ordinance: Legal Issues Relating to Termination of Employee Relations and a Case Study in Hong Kong	6	Classroom, HKPC Building	Y

Details of 120 Public Training Courses Organised by HKPC in 2018-19

No.	Programme Name	Duration (hours)	Venue	New Programme (Y or N)
25	Certificate of IP Laws (6th Intake) - Module 1: International Patent Law and Practice	54	Classroom, HKPC Building	N
26	Change Management	3	Classroom, HKPC Building	N
27	Smart Talent Management Workshop Series: Workshop 3:Creative Thinking	3	Classroom, HKPC Building	N
28	Certificate of IP Laws (6th Intake) - Module 2: Hong Kong Patent Law and Practice	12	Classroom, HKPC Building	N
29	Certificate of IP Laws (6th Intake) - Module 4: HK & PRC Trade Mark Law and Practice	12	Classroom, HKPC Building	N
30	Certificate of IP Laws (6th Intake) - Module 3: Hong Kong Design and Copyright Law	12	Classroom, HKPC Building	N
31	Reverse Engineer Business Decisions	7	Classroom, HKPC Building	N
32	LEGO® SERIOUS PLAY® Experiential Learning Workshop	3	Classroom, HKPC Building	Y
33	LEGO® SERIOUS PLAY®：Design thinking and Innovation	6	Classroom, HKPC Building	Y
34	CPBA & CPMA (DISC & Motivators) Certification Programme	16	Classroom, HKPC Building	N
35	Get Essential Knowledge on Marketing 4.0 in the Digital Age (Session 1: Welcome to Marketing 4.0)	1	Classroom, HKPC Building	Y
36	Get Essential Knowledge on Marketing 4.0 in the Digital Age (Session 2: Future of Marketing - Marketing automation)	1	Classroom, HKPC Building	Y

Details of 120 Public Training Courses Organised by HKPC in 2018-19

No.	Programme Name	Duration (hours)	Venue	New Programme (Y or N)
37	2-Day Training on Intelligent Automation in Wuxi (13 - 14 Nov 2018)	16	Wuxi, Mainland China	Y
38	Industry 4.0 - Digital Lean Process Optimization (Garment Industry)	6	Classroom, HKPC Building	N
39	Workshop on Carbon Pricing	3	Classroom, HKPC Building	Y
40	Training Course on Management of Indoor Mould	13	Classroom, HKPC Building	Y
41	Training Course on Management of Indoor Mould	13	Classroom, HKPC Building	N
42	Certificate Course in Radiation Protection	18	Classroom, HKPC Building	N
43	Certificate Course in Radiation Protection	18	Classroom, HKPC Building	N
44	Training Course on Odour Assessment and Control 1-2/11/2018	13	Classroom, HKPC Building	Y
45	Certificate Course in Radiation Protection	18	Classroom, HKPC Building	N
46	Training Course on Indoor Mould and the New IAQ Objectives	13	Classroom, HKPC Building	N
47	Mechanism and Methodologies of Certified Carbon Reduction	6	Classroom, HKPC Building	Y
48	Certificate Course in Radiation Protection	18	Classroom, HKPC Building	N

Details of 120 Public Training Courses Organised by HKPC in 2018-19

No.	Programme Name	Duration (hours)	Venue	New Programme (Y or N)
49	Big Data Artificial Intelligence: Deep Learning and Application	12	Classroom, HKPC Building	N
50	Big Data Analytic: Functional Programming and Application	12	Classroom, HKPC Building	N
51	Big Data Analytic: Internet of Things Sensor Data and Time Series Analysis	12	Classroom, HKPC Building	N
52	Big Data Artificial Intelligence: Deep Learning and Application	12	Classroom, HKPC Building	N
53	Cyber Security Log Analytics using Open Source Tools	15	Classroom, HKPC Building	N
54	Big Data Analytic Essential for Smart-City	12	Classroom, HKPC Building	N
55	Pentest Kungfu	15	Classroom, HKPC Building	N
56	Training on Certified Cloud Security Professional	40	Classroom, HKPC Building	N
57	O2O Training Programme: "R Level 1: Data Analytics with R" Integrated with "Big Data Analytics: Data Science by R for Business and Internet+"	12	Classroom, HKPC Building	Y
58	Workshop for Cyber Security Corporate Trainer	8	Classroom, HKPC Building	N
59	Certificate Course in Data Centre Design & Management for Engineers	18	Classroom, HKPC Building	N

Details of 120 Public Training Courses Organised by HKPC in 2018-19

No.	Programme Name	Duration (hours)	Venue	New Programme (Y or N)
60	Artificial Intelligence – Programming in Tensorflow	12	Classroom, HKPC Building	Y
61	Workshop on Quality Assurance on Training Courses	15	Classroom, HKPC Building	N
62	FinTech Training Series: Blockchain for International Trade, Supply Chain, Logistics, Government Executive	6	Classroom, HKPC Building	Y
63	Certificate in Big Data, AI and Predictive Analytics	30	Classroom, HKPC Building	Y
64	Professional Certificate in Engineering Law, Contract Management and Claim	30	Classroom, HKPC Building	N
65	CCSP Training	40	Classroom, HKPC Building	N
66	Big Data Artificial Intelligence: Deep Learning and Application	12	Classroom, HKPC Building	N
67	Professional Certificate in Property and Facilities Management	30	Classroom, HKPC Building	N
68	Big Data Analytic Intelligence: Deep Learning and Application	12	Classroom, HKPC Building	N
69	Coaching Clinic® Certification Programme	17	Classroom, HKPC Building	N
70	Professional Diploma (Advanced Level) in Electrical & Mechanical Facilities Engineering-Module 2: Advanced Fire Services, Security & Lift Engineering	15	Classroom, HKPC Building	N

Details of 120 Public Training Courses Organised by HKPC in 2018-19

No.	Programme Name	Duration (hours)	Venue	New Programme (Y or N)
71	Professional Certificate in Water Leakage Management	12	Classroom, HKPC Building	N
72	Qualified Personality Dimensions Facilitator (Level 1) Qualifying Program	21	Classroom, HKPC Building	N
73	Schematic Thinker	10	Classroom, HKPC Building	Y
74	Data Centre Operation and Maintenance for Engineers	6	Classroom, HKPC Building	N
75	Diploma in Creation & Culture of Picture Book	150	Classroom, HKPC Building	N
76	Successful brand experience innovation: TEAWOOD	1.5	Classroom, HKPC Building	Y
77	Professional Diploma in Plant Operation and Maintenance Engineering- M1: Plant Electrical Engineering	15	Classroom, HKPC Building	N
78	Qualified personality Dimensions Facilitator (Level 1) Qualifying Program	21	Classroom, HKPC Building	N
79	Coaching Clinic® Certification Programme	17	Classroom, HKPC Building	N
80	Corporate Coach Program - Leading to Registered Corporate Coach Designation of WABC	44	Classroom, HKPC Building	N
81	Understanding of Apology Ordinance & Crisis Management & Technique for Complaint Handling	6	Classroom, HKPC Building	Y
82	Professional Diploma in Plant Operation and Maintenance Engineering-M2: Plant Mechanical Engineering	15	Classroom, HKPC Building	N

Details of 120 Public Training Courses Organised by HKPC in 2018-19

No.	Programme Name	Duration (hours)	Venue	New Programme (Y or N)
83	Introduction of Trademark Search Training Workshop (2nd Intake)	3	Classroom, HKPC Building	N
84	Disruptive Innovation on Traditional Branding	1.5	Classroom, HKPC Building	Y
85	Becoming a high EQ management in 5 steps	6	Classroom, HKPC Building	N
86	Creating new business opportunities: DayDayCook	1.5	Classroom, HKPC Building	Y
87	Professional Diploma in Plant Operation and Maintenance Engineering- M3: Plant Fire & Plumbing Engineering	15	Classroom, HKPC Building	N
88	Qualified Personality Dimensions Facilitator (Level 1) Qualifying Program	21	Classroom, HKPC Building	N
89	Achieving Consistent Success: Project Management Essentials	3	Classroom, HKPC Building	N
90	Professional Diploma in Strategic Purchasing and Supply Chain Management	117	Classroom, HKPC Building	N
91	Diploma in Creative Illustration	138	Classroom, HKPC Building	Y
92	Professional Diploma in Plant Operation and Maintenance Engineering- M4: Plant Maintenance Engineering	15	Classroom, HKPC Building	N
93	Advanced patent series - “Right-To-Use search” & the blockchain applications in patent	3	Classroom, HKPC Building	Y
94	Coaching Clinic® Certification Programme	17	Classroom, HKPC Building	N

Details of 120 Public Training Courses Organised by HKPC in 2018-19

No.	Programme Name	Duration (hours)	Venue	New Programme (Y or N)
95	Introducation of Trademark Search Training Workshop (3rd intake)	3	Classroom, HKPC Building	N
96	LEGO® SERIOUS PLAY®：Breaking Barriers, Building Teams	6	Classroom, HKPC Building	Y
97	LEGO® SERIOUS PLAY® Methods Facilitator Certification Programme	26	Classroom, HKPC Building	Y
98	LEGO® SERIOUS PLAY®：Business Strategy Development	6	Classroom, HKPC Building	Y
99	Industry 4.0 Key Facilitator Training	36	Classroom, HKPC Building	Y
100	Prevention & Trouble Shooting on Common Garment Quality Problem	7	Classroom, HKPC Building	N
101	Multilayer Flexible PCB Printing and Smart Product Research and Development Lunch Seminar	2	Classroom, HKPC Building	N
102	Diploma of Lingerie Body Shapewear Making and Prototyping Technologies	63	Classroom, HKPC Building	N
103	Laser Safety Officer Training	26	Classroom, HKPC Building	N
104	Training on Industry 4.0 Awareness	3	Classroom, HKPC Building	N
105	Hygiene Manager Training Course	18	The Ngau Chi Wan Civic Centre	N
106	Hygiene Manager Training Course	18	The Ngau Chi Wan Civic Centre	N

Details of 120 Public Training Courses Organised by HKPC in 2018-19

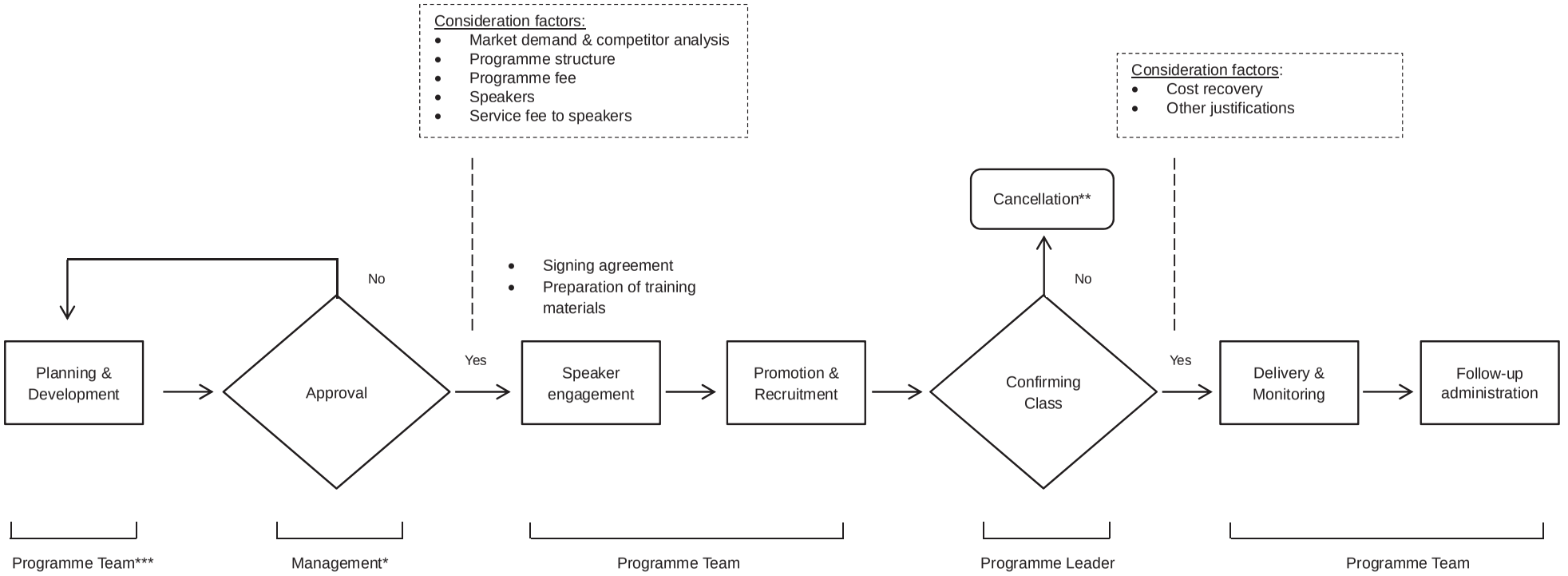
No.	Programme Name	Duration (hours)	Venue	New Programme (Y or N)
107	Effective Patent Search Training Workshop (7th Intake)	3	Classroom, HKPC Building	N
108	Hygiene Manager Training Course	18	The Ngau Chi Wan Civic Centre	N
109	Advanced manipulator sanding and polishing (provincial mold) training course	7.5	Classroom, HKPC Building	N
110	Hygiene Manager Training Course	18	The Ngau Chi Wan Civic Centre	N
111	ROS (Robot Operating System) Training for Professional	36	Classroom, HKPC Building	Y
112	Effective Patent Search Training Workshop (8th Intake)	3	Classroom, HKPC Building	N
113	Training of AI and Big Data	8	Classroom, HKPC Building	Y
114	Industry 4.0 - Digital Lean Process Optimization (Printing Industry)	6	Classroom, HKPC Building	N
115	Hygiene Manager Training Course	18	The Ngau Chi Wan Civic Centre	N
116	Certificate Training of Fashion Accessories 3D Printing Technology	43	Classroom, HKPC Building	Y
117	Industry 4.0 Real-time Factory Energy Management System Public Training	3	Classroom, HKPC Building	N
118	Professional Diploma of Lingerie Fitting Technologist	70	Classroom, HKPC Building	Y

Details of 120 Public Training Courses Organised by HKPC in 2018-19

No.	Programme Name	Duration (hours)	Venue	New Programme (Y or N)
119	Hygiene Manager Training Course	18	The Ngau Chi Wan Civic Centre	N
120	Workshop on Sandwich Hybrid Metal-Plastic/Fiber Sheet Forming and Hot Gas Forming	12	Classroom, HKPC Building	N

2018-19 Total number of new programmes: 37

Overall Workflow for Organising a Training Programme



* Depending on approval authority stated in HKPC's Standard Practices
** Review by management at Strategic Plan Meeting (The Strategic Plan Meeting is composed of the head of HKPC Academy, heads of the subject divisions and the programme officers. Meeting is held annually.)
*** Programme Team (composed of subject division's programme officers and HKPC Academy's officers)

Ref: ED-2020004

13 February 2020

Mr Anthony Chu
Clerk, Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr Chu,

Public Accounts Committee
Consideration of Chapter 3 of the Director of Audit's Report No. 73
Governance and Administrative Issues of the Hong Kong Productivity Council

As per the request from the letter dated 19 December 2019 (Your Ref: CB4/PAC/R73), the Hong Kong Productivity Council shall provide the relevant details of Part (I) of Appendix. Hong Kong Productivity Council provided a written reply with the relevant details and attachments via email on 2 January 2020 in response to the letter. An email dated 7 February 2020 was then received, which requested the written reply shall list out all corresponding questions. Please see the updated details and attachments herein below:

Part 2：Corporate governance and performance reporting

1) According to paragraphs 1.3 to 1.6 and 2.13 to 2.18, the Hong Kong Productivity Council ("HKPC") had commissioned a Consultancy Study in 2002 to review its role.

The Consultancy Study recommended HKPC's service focus in 2002 over the following five years (i.e. up to 2007). The Memorandum of Administrative Arrangements ("MAA") was also reviewed in 2009 but no change was made to HKPC's service focus. There was no documentary evidence showing that the service focus was considered during the review. Since the 2002 Consultancy Study, HKPC's service focus stated in MAA has not been reviewed to ensure that it remains relevant in the context of Hong Kong's economic development. According to paragraph 2.17, after the Consultancy Study conducted in 2002, there had been changes in Hong Kong's economic development as well as HKPC's strategic themes and service focus.

Supplementary information about HKPC's Memorandum of Administrative Arrangements (MAA):

(a) Why did HKPC not review the service focus stated in MAA when MAA was reviewed in 2009? Is the service focus stated in MAA still relevant in the context of Hong Kong's latest economic development?

The MAA was reviewed in 2009 with focus on the relationship between the Innovation and Technology Commission (ITC) and HKPC, Three-year Forecast, and the Annual Programme and Estimates.

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With the changes in Hong Kong's economic development in the recent years, the Service Focus clause in the MAA generally remains relevant in such context. The HKPC Council held two Strategic Planning Meetings respectively on 4 May 2011 and 27 February 2016, attended by the Council Members, public officers and senior management, to evaluate the industry condition, service needs, as well as formulating the future strategic direction for HKPC.

Since 2011, the HKPC Council has reviewed the Three-year Strategic Plan, Three-Year Forecast, and the Annual Programme and Estimates on an annual basis. The business programmes and focus of HKPC set out in these papers are the results from industry consultation and market trends analysis. In the 2016 Strategic Planning Meeting, the HKPC Council agreed to the amendment of HKPC's vision, mission, values and overarching strategic themes; this also led to the re-organisation of HKPC on 1 April of the same year to facilitate implementation of relevant strategies.

HKPC works and advances with the industry over the years, in provision of relevant assistance and support to the market. The HKPC Council oversights the strategic framework and positioning of HKPC, leading the strategy and initiatives formulation, to enable HKPC to fulfil demands from the wider industry sector in Hong Kong.

(b) Has HKPC completed the review and update of the relevant sections of MAA with the Innovation and Technology Commission ("ITC") according to paragraph 2.20(d)? If no, what is the progress of the review? Does HKPC have any directions and timetable for the review?

HKPC agrees with the recommendations made by the Audit Commission in this regard. A review on the MAA will be conducted between ITC and HKPC, which will include the Service Focus clause. The parties have agreed for HKPC to propose revisions to the relevant section by end January 2020 to ITC for review and comment in order that the proposed revisions shall be submitted for the Council's consideration in March 2020.

2) According to paragraph 2.10, from 2015 to 2019, 12 (13%) of the 95 annual declarations of interest forms were submitted by Council members after the required submission dates. The delays ranged from 1 to 55 days, averaging 15 days. According to paragraph 2.11, Audit noted that there was a case where a member submitted his annual declaration of interest form after the Staffing Committee papers and Council papers had been circulated to him.

Supplementary information about the submission process of declaration of interests by Council Members:

(a) Is it unsatisfactory that the late declaration would have made it impossible for the HKPC Council ("the Council") Secretariat to withhold circulation of sensitive information in the relevant papers to the member concerned if he had declared a known direct pecuniary interest?

HKPC agrees that the submission process of Council Members' declaration of interests was inadequate, with room for improvement. Concerning the case of delayed

submission of declaration forms stated in paragraph 2.11, according to our knowledge, there were no potential conflicts of interests involved in the relevant meeting agenda.

(b) Have any measures been implemented to remind members to submit declaration of interest? Are they effective?

At the special Council meeting in October 2019, Council Members were briefed that further measures would be taken to remind Members to submit declaration of interest in a timely manner. Starting from the next round annual invitation for Members to update their interest records in January 2020, Council Secretariat will issue reminders 7 days prior, as well as on the date of submission deadline. Individual follow-up calls will be made to ensure Members' timeliness in submission. Members who have not submitted their declarations of interests shall not receive meeting papers, in order to avoid conflicts of interest.

Council Secretariat will also encourage submission of electronic copy of the declaration form, followed by the original signed copy. In addition, starting from the next round Council meetings, HKPC will table declaration forms for Members who have not returned the forms to sign before commencement of respective meetings.

In fact, started from July 2019, Council Secretariat has taken the measure of reminding Members, when circulating the meeting papers, to declare any interests observed in the meeting agenda. In addition, before the start of each meeting, Chairman of the meeting will remind Members to declare interest so as to avoid potential conflicts of interest.

It is believed that the above measures will be of help to the situation.

3) Pursuant to paragraph 2.17 (b), the Council formulated a future development strategy and 10 strategic themes in 2016. According to paragraph 2.17 (c), Audit noted that HKPC has expanded its service focus to industries other than manufacturing to match the different industries covered by the 10 strategic themes.

Supplementary information about strategic themes of HKPC:

(a) Has HKPC set any goals similar to 10 strategic themes before 2016? If so, what are the results?

Earlier before 2016, HKPC set similar goals under strategic themes in the form of new business initiatives and development goals. In the 2011 Strategic Planning Meeting, Council Members, public officers and the Management formulated the long-term goals and future strategic directions of HKPC after considering the industry situation and needs. Based on the agreed strategic directions, the Three-Year Strategic Plans for ensuing years were developed with a list of business initiatives and development goals for implementation in respective years. The results of work done had been reported to the Council since 2013, including new R&D projects, enhanced services, new industry support measures, new testing services, technology commercialisation etc.

(b) At present, the annual and financial reports of HKPC do not provide separate reports to show the performance of specific industries, including information such as the number of projects or income. Does HKPC have any objective figures or indicators to assess the relevant work for each of the 10 strategic themes? Do these figures or indicators need to be reviewed regularly by the Council, and are there any monitoring or review mechanisms?

There were no quantitative indicators adopted to evaluate the work done under the strategic themes. Every year in July, HKPC reports to the Council the result of such work, with explanation of the natures of application, scope, and service target, supported by quantitative data, e.g. the number of participants in promotion events of particular initiatives, the number of new technologies and patents, the number of new strategic business partners etc. Qualitative achievements are presented in an objective manner for the Council to review the effectiveness of HKPC's work in supporting the industry.

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4) According to paragraph 2.22, HKPC's performance was reported with reference to 23 key performance indicators ("KPIs") in 2018-2019, including 13 "Core KPIs" and 10 "Other KPIs". Please tabulate the targets and actual performance of each KPI in the past five years.

Supplementary information on HKPC's Key Performance Indicators (KPIs) are as follows:
Numbers of KPIs: 30 KPIs in 2014-15; 22 KPIs in 2015-16; 23 KPIs from 2016-17 to 2018-19.

Table 4.1: KPIs in 2014-15 (Number: 30)

KPIs in 2014-15	2014-15 Target	2014-15 Actual
(1) Key Performance Measure : Service Delivery		
(a) Number of consultancy projects accepted	1,250	970
(b) Number of fee-charging training courses	300	180
(c) Number of people attended fee-charging training courses	5,800	3,041
(d) Number of exhibitions/fee-charging study missions/conferences	50	57
(e) Number of people attended exhibitions/fee-charging study missions/conferences	2,900	3,969
(2) Key Performance Measure: Operating Efficiency		
(a) Percentage of employee hours charged to billable projects	68.0%	62.0%
(3) Key Performance Measure: Financial Result (HK$M)		
(a) Overall income/expenditure ratio	67.4%	71.1%
(b) Income from consultancy projects	290.675	265.44
(c) Income from training courses	19.81	12.898
(d) Income from exhibitions/study missions/conferences	5.506	9.386
(e) Income from manufacturing support projects	33.103	26.027
(f) Overall income per employee	0.58	0.637
(g) Income from each consultancy project in progress	0.15	0.129
(4) Key Performance Measure: Effectiveness		
(a) (i) Number of theme-based industry consultation organized: Hong Kong Industry Network Cluster (HK-INC)	6	6
(ii) Number of theme-based industry consultation organised: non HK-INC	31	36
(b) Number of people attended events/networking activities for associations/non-fee charging seminars	200	310
	18,160	23,531
(c) Number of new services and products introduced	29	30
(d) Number of and approved funding for commercial R&D projects (HK$M)	8	10
	2	2.1
(e) Number of patent/licence/royalty	8	19
(f) Number and approved funding of new government-funded projects (HK$M)	35	28
	64.7	49
(g) Number and contract value of products/ technologies commercialised (HK$M)	13	15
	12	14.0
(h) (i) Number of new R&D projects	29	31
(ii) Number of R&D projects in progress	43	67
(i) Percentage of customers reporting productivity increase	95%	100%
(j) Customer satisfaction index	8.7	8.9
(k) Training participants satisfaction index	7.7	8.1

Table 4.2: KPIs in 2015-16 (Number: 22)

KPIs in 2015-16	2015-16 Target	2015-16 Actual
(1) Key Performance Measure : Service Delivery		
(a) Number of consultancy projects accepted	1,070	917
(b) Number of fee-charging training courses	285	196
(c) Number of people attended fee-charging training courses	5,370	4,248
(d) Number of people attended exhibitions/fee-charging study missions/conferences	2,180	2,221
(2) Key Performance Measure: Operating Efficiency		
(a) Percentage of business employee hours charged to billable projects	87.0%	92.8%
(3) Key Performance Measure: Financial Result (SM)		
(a) Overall income/expenditure ratio	68.4%	70.7%
(b) Income from consultancy projects	300	307.716
(c) Income from training courses	19	8.91
(d) Income from exhibitions/study missions/conferences	3.9	4.844
(e) Income from manufacturing support projects	34	23.602
(f) Overall income per employee	0.62	0.676
(g) Income per consultancy project in progress	0.15	0.152
(4) Key Performance Measure: Effectiveness		
(a) Number of theme-based industry consultation organised: Hong Kong Industry Network Cluster (HK-INC) and non HK-INC	40	51
(b) Number of people attended events/networking activities for associations/non-fee charging seminars	18,430	20,620
(c) Number of new services and products introduced	24	30
(d) Number of patent/licence/royalty	8	13
(e) Number of products/ technologies commercialised	14	21
(f) (i) Number of new R&D projects	29	38
(ii) Number of R&D projects in progress	52	99
(g) Percentage of customers reporting productivity increase	95%	100%
(h) Customer satisfaction index	8.8	8.92
(i) Training participants satisfaction index	8	8.4

Table 4.3: KPIs from 2016-17 to 2018-19 (Number: 23)

KPIs from 2016-17 to 2018-19	2016-17 Target	**2016-17 Actual**	2017-18 Target	**2017-18 Actual**	2018-19 Target	**2018-19 Actual**
Part I Core KPIs						
(1) Key Performance Measure: Operating Efficiency						
(a) Percentage of business employee hours charged to billable projects	87.50%	**96.4%**	90%	**96.6%**	92%	**95.2%**
(2) Key Performance Measure: Financial Result (HK$M)						
(a) Overall income/expenditure ratio	69%	**74.1%**	69.60%	**76.4%**	67.60%	**77.5%**
(b) Overall income per employee	0.65	**0.76**	0.68	**0.82**	0.74	**0.81**
(c) Total external income	429.4	**447.3**	449.8	**471.7**	433.9	**464.5**
(3) Key Performance Measure: Effectiveness						
(a) Number of theme-based industry consultation organised: Hong Kong Industry Network Cluster (HK-INC) and non HK-INC	40	**42**	40	**50**	40	**65**
(b) Number of people attended events/networking activities for associations/non-fee charging seminars	22,000	**22,093**	22,000	**24,187**	22,000	**28,396**
(c) Number of new services and products introduced	24	**28**	26	**35**	27	**27**
(d) Number of patent/licence/royalty	8	**18**	10	**14**	10	**22**
(e) Number of products/ technologies commercialised	14	**19**	18	**24**	18	**18**
(f) Number of new R&D projects	30	**46**	35	**45**	35	**43**
(g) Percentage of customers giving a score of 7.5 or above out of 10 in terms of productivity gain	75%	**87%**	80%	**87%**	82%	**90%**
(h) Customer satisfaction index	8.8	**9**	8.8	**9.0**	8.8	**9.1**
(i) Training participants satisfaction index	8	**8.4**	8.2	**8.4**	8.2	**8.6**
Part II Other KPIs						
(1) Key Performance Measure : Service Delivery						
(a) Number of consultancy projects accepted	1020	**948**	968	**699**	935	**889***
(b) Number of fee-charging training courses launched	226	**203**	200	**267**	200	**233**
(c) Number of people attended fee-charging training courses	3390	**4198**	3000	**6196**	3000	**6079**
(d) Number of people attended exhibitions/fee-charging study missions/conferences organised	4000	**4293**	4000	**4425**	4000	**4039**
(2) Key Performance Measure: Financial Result ($M)						
(a) Income from consultancy projects	312.6	**342.4**	346.6	**362.6**	322.8	**340.9**
(b) Income from training courses	17.6	**9.4**	14	**8**	12.6	**7.6**
(c) Income from exhibitions/study missions/conferences	3.9	**9.4**	7.2	**8.1**	5.5	**6.2**
(d) Income from manufacturing support projects	36.6	**25.2**	33.7	**26.7**	26.1	**30.0**
(e) Income per consultancy project in progress	0.15	**0.14**	0.155	**0.166**	0.15	**0.16**
(3) Key Performance Measure: Effectiveness						
(a) Number of on-going R&D projects	49	**99**	65	**127**	65	**132**

*After the PAC meeting on 13 December 2019, in the process of preparing the project details on the "Consultancy – Professional Manufacturing Support Service" type, all 141 projects under this type were checked to ensure the accuracy. However, 55 projects were found not to meet the criteria for counting under the KPI of "number of consultancy projects accepted" as decided at the monthly management meeting in July 2018 to include manufacturing support projects "if service amount exceeds $5,000". It was believed that the erroneous counting was due to insufficient cascading to frontline staff, and the failure in updating such information timely in Standard Practice – which was a primary guideline for frontline staff to categorize project types. Based on such finding, a rectification will be immediately carried out to revoke the number of "Consultancy – Professional Manufacturing Support Service" projects from 141 to 86, deducting the 55 wrongfully included projects. Hence, the total of the "Number of consultancy projects accepted" will be adjusted from 944 to 889. The above situation was reported immediately to ITC and the Council Chairman upon discovery. As effort to avoid similar situations from happening again, the Standard Practice will be updated during the upcoming KPI revamp, in consultation with ITC and the Council. The exercise to define new KPIs and targets is expected to complete by March 2020, and submit to ITC and Council for approval.

5) According to paragraph 2.24, if HKPC fails to achieve agreed performance targets, HKPC is required by MAA to provide explanations for such failures to the satisfaction of the Commissioner for Innovation and Technology ("CIT"). However, for the targets on two KPIs on "Number of consultancy projects accepted" and "Income from manufacturing support projects", there was no documentary evidence showing that HKPC had provided explanations to CIT for failing to meet these two performance targets in 2017-2018. Why?

According to 2.29(a), HKPC will set up, in consultation with the ITC, a more formal mechanism for submitting the reasons for shortfalls against KPI targets. Has the formal mechanism been set up between HKPC and ITC? What is the progress?

Supplementary information on the report of 2017-18 KPI results:

HKPC reported the 2017-18 KPI results to ITC during 3 meetings in 2018.

- At the Housekeeping meeting with Commissioner for Innovation and Technology (CIT) on 14 June 2018, the results of 23 KPIs for 2017-18 were presented with one of presentation slides devoted to the 3 KPIs with unmet targets.

- At the 60th Staffing Committee meeting on 13 July 2018, HKPC reported the KPIs results including the reasons for not meeting 3 KPI targets. A representative from ITC attended the meeting among other committee Members.

- At the 138th Council meeting on 25 July 2018, one of the agenda items was to discuss the KPIs results with a detailed work report. A representative from ITC attended the meeting among other Council Members. During the meeting, HKPC explained the reason for not meeting the target for individual KPI (income from training courses).

HKPC has started to discuss with ITC to establish a more formal mechanism for submitting the reasons for shortfalls against KPI targets to CIT. Relevant arrangements will be incorporated into the future revised MAA for implementation.

6) According to paragraph 2.25, 11 KPIs were not disclosed in the Annual Reports and Controlling Officer's Reports ("CORs"). Justifications for not disclosing some KPIs in CORs.

The HKSAR Government provides subvention to HKPC with CIT assigned as the “Controlling Officer”. During the preparation of the annual “Controlling Officer’s Reports” (COR), CIT will consult HKPC for input to the contents (including the KPIs). During the upcoming holistic review on KPIs, HKPC will discuss with ITC on the KPIs to be listed in the COR.

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Part 3: Human Resource Management

7) According to paragraph 3.3, Audit compared the staff establishment and the staff strength of HKPC as at 30 June 2018 and 30 June 2019 at Table 6 and Table 7. The total staff strength fell short of the total staff establishment by 131 (18.8%) as at 30 June 2018 and by 123 (17.7%) as at 30 June 2019. As at 30 June 2018 and 30 June 2019, there were significant staff shortfalls for Grade 4 to Grade 8 staff and there were significant staff surpluses for Grade 2 and Grade 3 staff.

Supplementary information about HKPC's human resource management are as below:

(a) Please list out the staff establishment for each grade for each of the past 10 years.

For the Staff Establishment, please see attachment: Chap 3_Q7a

With approval from the Council, HKPC appointed a human resources consulting firm (Korn Ferry Hay Group) in 2015 to review the job grades and salary structure. In October 2017, HKPC completed a two-year transformation to restructure the 30 job ranks to 9 job grades, which was reflected in the staff establishment from 2017-18.

(b) What factors determine the staff establishment of HKPC? Has the Council or the Staffing Committee set any guidelines for adjustment of staff establishment?

In the third quarter of every financial year, HKPC management and all divisions plan for next financial year's business development directions, annual programme and estimates, and staffing resources. The staff establishment should complement the current and future business development needs, for recruiting and training relevant technical professional of different job grades. After reviewing and organising the staffing resources needs from each division, the management would submit the proposal to the Staffing Committee and the Council for approval. The Staffing Committee, the Council and the management will have thorough deliberation of the proposal at the meetings.

At the annual discussion meetings of the Staffing Committee and the Council above, the Members and HKPC share the same considerations of business development directions, annual programme and estimates, and staffing resources for preparing the Staff Establishment.

(c) Why did HKPC have significant staff shortfalls for some staff grades and significant staff surpluses for some other staff grades? Has HKPC taken any measures to address the issue?

The Staff Establishment of HKPC requires approval from the Staffing Committee and the Council, whilst HKPC is responsible for daily operation. From 2013-14 to 2019-20, the Staff Establishment at HKPC remains at 695 mannings. Each year, HKPC would adjust the numbers of particular grades in accordance with business development directions, annual programme and estimates, and staffing resources where appropriate.

At the time for preparing the 2018-19 Staff Establishment, HKPC aimed to meet the market operation and support the developments towards smart city, smart industry and Industry 4.0 and etc., under the fast-paced business and technological advancement, some mannings of the job grades were adjusted, following the completion of the 2-year transformation of grade structure in October 2017. The changes were as follows:

- Grade 2: reduced from 107 to 58
- Grade 3: increased from 127 to 133
- Grade 4: increased from 171 to 174
- Grade 5: increased from 178 to 241
- Grade 6: reduced from 88 to 66

The number of Grade 5 (Consultant) mannings was increased with corresponding reduction in Grade 2 and Grade 6 mannings to maintain the total mannings at 695.

To support the consultancy services for Hong Kong industries, HKPC intends to beef up the number of middle-level consultants to strengthen the backbone of the consultancy service. This could effectively support HKPC's business directions on smart city, smart industry and Industry 4.0 and etc., as well as grasp the opportunities arising from the "Greater Bay Area", and "The Belt and Road" initiatives. Moreover, HKPC is hoping to attract more talents, and nurture internal high-potential talents as consultants.

The Staff Establishment in 2019-20 is generally the same as that of 2018-19. Under such Staff Establishment:

- Grade 2 staff members reduced gradually. As at end November 2019, the reductions in the past two years were 12% (2018-19) and 24% (2017-18) respectively.
- Grade 3 staff members exceeded the mannings, as they are mainly technical and research talents critical for the support to technical development and consultancy service. HKPC has been providing promotion and nurturing opportunities to the good performers. As at end November 2019, the increments in the past two years were 9% (2018-19) and 12% (2017-18) respectively.
- Grade 4 staff members were fewer than the mannings but they are picking up in numbers. They are equipped with required technical skills and experience to provide consultancy services together with the Grade 5 staff members. As at end November 2019, the increments in the past two years were 10% (2018-19) and 29% (2017-18) respectively.
- Grade 5 staff members were fewer than the mannings. It is due to the shortage of talent with solid experience in innovation and technology in Hong Kong, fierce competition of talents in the talent market, and hence difficulty in recruitment. HKPC has been putting efforts in recruitment, retention and promotion of appropriate talents. From 2018-19, the number of Grade 5 staff members has been increasing. As at end November 2019, the increments in the past two years were 8% (2018-19) and 6% (2017-18) respectively, and the gap between staff strength and mannings has been narrowed.

HKPC will continue grooming the talents in Grade 3 and 4, promoting and recruiting appropriate talents of different grades, with an aim to achieving the Staff Establishment progressively.

In order to tackle the shortage of talents, HKPC has proactively launched various initiatives to attract and recruit suitable manpower for the organisation, including:

- Under the principle of prudent financial management, HKPC continues to enhance the competitiveness of HKPC's remuneration package, including converting two-year contract staff of Grade 1-6 to permanent employment from July 2019. This is also one of the talent retention initiatives following the full scale implementation of the new job grades and salary structure.
- Posting vacancies internally to encourage cross division applications from potential staff.
- Engaging 5 recruitment agencies from 2019 for Grade 5 and critical posts to reach out the talents.
- Expanding the source and pool of candidates through social media platform, recruitment agencies, university recruitment talks and overseas channels from 2018.
- Launching corporate branding programmes from October 2019 to increase public awareness of the Council's job openings.

8) According to paragraph 3.5, the overall staff turnover rates for the five years from 2014-2015 to 2018-2019 were on the high side. The average staff turnover rate was 19.2%, ranging from 17.1% to 22.5%. The staff turnover rates were particularly high from Grade 3 and Grade 5 staff. The average staff turnover rates for Grade 3 and Grade 5 staff during the period were over 20%. With reference to paragraph 3.7, the main reasons for departure were remuneration and career advancement.

(a) What were the reasons for the high staff turnover rates?

Supplementary information about the turnover rate of HKPC:

In recent years, with the rapid growth in innovation and technological development, there has been a shortage of talents in the market. HKPC's staff turnover rate is seen on similar levels with other research and development centres. Moreover, HKPC has been providing training to the talents, nurturing them to continue contributing to the innovation and technology development of Hong Kong even if they depart from HKPC.

Reasons for staff departure

Reason	2014-15	2015-16	2016-17	2017-18	2018-19
Remuneration/ Career Advancement*	52.8%	40.6%	39.2%	64.0%	60.6%
Job Nature/ Work Issues	34.4%	34.2%	37.4%	15.8%	20.2%
Further Study / Emigration	2.4%	3.6%	0.0%	5.0%	1.0%
Other Reasons	10.4%	21.6%	23.4%	15.2%	18.2%

* According to the data analysis, the main reason for staff departure at HKPC is about "Remuneration/ Career advancement" of which, over half left due to "career development", entailing career advancement, opportunities of development and training, and the staff's career aspirations

(b) What are the differences between the remuneration packages of employees at all grades of HKPC and those in the market at present?

With approval from the Council, HKPC appointed a human resources consulting firm (Korn Ferry Hay Group) in 2015 to review the job grades and salary structure. Started from 1 October 2017, HKPC's salary structure was transformed from "Pay Point" to "Pay Range". The Council also approved for a salary range review every three years, as an effort to match HKPC's salary pay range with the market and retain its competitiveness. The most recent review was completed in March 2018, and the new salary range was then adopted till now. The staff's salary level was on par with the market.

HKPC has also introduced some benefits benchmarked with the market to strengthen its competitiveness for attracting and retaining talents. Examples of the newly launched initiatives in recent two years are as follows:

i. Convert staff of Grade 1 to 6 from two-year contract to permanent employment from 1 July 2019;
ii. Review salary payment for individual cases as talent retention;
iii. Introduce workplace enhancement measures for improving staff welfare:
    - Enhanced the types of leaves, e.g. 3 days' marriage leave and compassionate leave from January 2018.
    - Extended paid maternity leave from 10 weeks to 14 weeks, and paid paternity leave from 3 days to 5 days for eligible staff members with effect from November 2018.
    - Added a new MPF service provider from April 2019.

iv. Carry out development programmes for staff's career development, to enhance their core skills in the areas of consultancy services, project management, financial management, crisis management, leadership and communication skills, to upgrade their competencies for new developments
    - SEED Programme Phase 1 for Grade 3-4 staff members from December 2018
    - SEED Programme Phase 2 for Grade 3-4 staff members from December 2019
    - GROW Programme Phase 1 for Grade 5 staff members from May 2019

v. Simplify the daily administrative procedures from 2018, and digitise such from 2019 to improve work efficiency.

9) As in paragraph 3.8(b), in the 532 completed Employee Opinion Survey questionnaires, employees generally perceived that HKPC's performance had yet to catch up with their expectation on all 14 dimensions of performance. What are the details of the 14 dimensions of performance?

The 14 dimensions covered in the Employee Opinion Survey are:

i. **Company mission and leadership** – This dimension measures employees' perceptions regarding the desired direction for the company and the leadership of the senior management. The extent to which the company communicates its direction and the degree to which the Vision/Mission and goals are understood and supported by the employees.

ii. **Corporate culture** – Culture can be defined as the character of the company. This factor measures the extent to which the employees are supportive of the company ethos and each other. This includes respect for the individual, the way change is managed and pride in working for the company. Culture can be summarised as "the ways things are done around here".

iii. **Quality Principles & Practices** – The extent to which the company is quality or customer driven is assessed by this factor as is the ability of the company to deliver consistently high service or quality levels. This is achieved through employees commitment to quality/service, delegation of authority, the systems and procedures for delivering customer service and, finally, gathering customer feedback.

iv. **Innovation & Change** - In order to survive in the longer term, organisations must adapt to changes in the market place and evolving customer needs. This dimension measures the readiness to change and reflects the degree of proactivity in the organisation. It also assesses the extent to which change is imposed on employees as opposed to involving them in its implementation.

v. **Climate** - The degree of satisfaction employees experience within their job is described by Climate. It is a function of the meaning people attach to their job, the richness of their work, the level of morale and their desire to remain within the company. This dimension can also be interpreted as an indicator of longer-term staff turnover.

vi. **Performance Management** – Measures to what extent performance standards are clearly defined, and the performance management system is in line with the corporate strategies and values. It also indicates how individual and group performance is clearly and fairly assessed.

vii. **Role Clarity** – This dimension measures the extent to which employees are clear about what is expected of them and how they are briefed to meet job requirements. This dimension also describes the extent to which employees are provided with the information they need to do their job effectively.

viii. **Communication** – The adequacy of communication has a large part to play in the efficiency of the company. This dimension measures the extent to which different levels and work units communicate effectively and the availability and acceptability of communication channels both vertically and horizontally.

ix. **Compensation and Benefits** - This measures employee satisfaction with the formal reward systems of the company. The amount of remuneration both in monetary form and in tangible benefits. Perceptions regarding the competitive edge of the company in the local job market as compared with the pay and benefits offered by other companies are also measured.

x. **Recognition and Rewards** – Just as important as monetary rewards are the informal recognition schemes within the organisation, in other words the non-monetary side of the total reward system. This dimension measures the extent to which employees believe the company treats them as an asset. This is evidenced by the degree that good performance is reinforced and that praise and promotion are tied to actual performance.

xi. **Management Style** - This dimension describes the impact that the immediate superior has on the individual employee. It measures the extent to which management is seen as effective and supportive. It assesses the quality of the relationship between supervisory and non-supervisory levels.

xii. **Teamwork & Co-operation** - This dimension surveys the way that different levels and units work together to achieve common goals. The teamwork dimension also covers the degree of co-operation within natural work groups as well as between them.

xiii. **Training and Development** - This dimension measures the extent to which employees have been properly trained for their jobs. It also assesses the support provided for future career advancement, the availability of personal and professional development for employees and the quality of internal training programmes.

xiv. **Working Conditions** – Measures the acceptability of the "hygiene factors" and physical working conditions. This includes the level of job pressure, arrangement of working hours, condition of working environment, availability of sufficient resources, and a secure and safe work place.

10) According to paragraph 3.11(b), HKPC has enhanced the competitiveness of the remuneration package, posted vacancy information internally to encourage potential staff to apply and adopted flexible timing for promotion, in response with audit's comments on HKPC's human resource management.

Supplementary information of HKPC's recruitment policy:

(a) Which party (the Council, the Staffing Committee, or management) is responsible for proposing and/or approving these responsive measures involving compensation adjustments and employee benefits?

All compensation and benefits policies of HKPC, including salary review, variable pay, performance-linked reward, grading structure, leave, contract conversion etc., were recommended by HKPC's management to the Staffing Committee, and then approved by the Council as well as ITC.

(b) Please elaborate the details of providing incentives for employees to improve their job performance.

Under the existing performance management, Performance Appraisal Board (PAB) meetings are convened annually to assess staff's performance of all job grades. PAB is composed of division representatives and they discuss the performance and achievements of staff, and determine the performance bandings collectively with a fair and impartial assessment.

The performance band is a 6-point scale, with staff attaining Band 1 being the best performers and Band 6 the sub-standard performers. The salary review, variable pay and performance-linked reward are linked with the performance bands. According to the variable pay mechanism, best performers (Band 1) will be awarded the highest variable pay, and the marginal performers (Band 5) and sub-standard performers (Band 6) with unsatisfactory and poor performance will generally not be entitled to any variable pay. Marginal performers will undergo a three-month performance improvement plan, and the sub-standard performers will be subject to employment termination. This mechanism aims to incentivise staff members for good performance, and uplift their capabilities.

Similarly, according to the mechanism of salary review, best performers (Band 1) with lower salary would receive a higher percentage of pay adjustment; steady performers (Band 4) with higher pay would receive a lower percentage of pay adjustment; marginal performers (Band 5) or sub-standard performers (Band 6) will not be entitled to any pay adjustment

HKPC would submit proposals on pay review, variable pay, and performance-linked reward to the Staffing Committee in July every year, and then seek the Council's and ITC's approval.

(c) Are the measures in (a) and (b), if any, effective? Have the staff shortfalls and surpluses improved?

In recent years, the HKPC has proactively adopted different new measures to revamp internal procedures and introducing benefits offered in the market to enhance its competitiveness, so as to recruit talents and reduce the turnover rates. The number of new joiners in recent years is on the rising trend.

Number of new joiners in recent years:

	2016-17	2017-18	2018-19	As at November 2019
Total	105	129	213	145

The following are the reasons for variation in staff numbers of different job grades:

- Grade 3 staff are the potential successors in technology and R&D development, and they are providing important support for new technology development and consultancy services of HKPC. Thus HKPC would continue to provide promotion opportunities for well-performing staff members, and recruit more talents.
- Grade 4 staff are required to have technical competencies and relevant working experience. They have to provide consultancy service to clients together with Grade 5 staff members. Though there is a discrepancy between the manning and the actual strength, the staff number is increasing.
- Grade 5 staff are required to have solid and substantial experience. However, due to the shortage of experienced R&D talents in Hong Kong, and the fierce competition in the market, recruitment has been difficult.

  HKPC has been putting efforts in recruitment, retention and promotion of appropriate talents. From 2018-19, the staff number of Grade 5 has been increasing, progressively narrowing the gap with the manning.

11) According to paragraph 3.15(d), in 52 recruitment exercises, some required information on the Selection Interview Evaluation Forms, such as the ratings and comments on candidates after the interviews, was missing. According to paragraph 3.17(d), Executive Director, HKPC said that in general the selection of candidate is based on consensus reached at Selection Panel meetings and hence the missing information would not have impact on the decision.

Supplementary information concerning HKPC's staff recruitment:

(a) Why has HKPC allowed such information missing in a large number of Selection Interview Evaluation Forms, contrary to the requirements stipulated in HKPC Standard Practices?

In the recruitment process, there were indeed omissions in the recruitment records. Hence, Human Resources Unit has enhanced the recruitment process management, to ensure members of Selection Panel completed the Interview Evaluation Forms. Also, HKPC has started the procurement process of electronic recruitment system, to ensure the recruitment process being properly completed through digitisation.

According to the Standard Practice, recruitment of Grade 7 (General Managers) should be done by Staffing Committee, with HKPC management and Council Members to take part in the interview for selecting suitable candidate, and make proposal to the Staffing Committee for approval. As for the hiring of Grade 1-6 staff members, the recruitment should be done by hiring managers of respective divisions and the Human Resources Unit, including shortlisting, interview, and seeking management's approval.

The 52 recruitment exercises mentioned in Part 3.15(d) of the Audit Report:

i. Two cases were for the recruitment of General Manager: Two members among the Selection Panel did not complete the scoring data for one of the six selection criteria (problem solving and rational decision making) in the Interview Evaluation Form. At those two occasions, Selection Panel members did not input any comment in the Interview Evaluation Form as it was not a mandatory requirement. Comment about the candidates were recorded by the secretary of the Selection Panel.

   In the abovesaid hiring process, the omission of scoring data would not impact the final hiring decision. The hiring decision was made upon the consensus of the Selection Panel, with the secretary of the Selection Panel to prepare the paper incorporating comment and decision from the Panel members, for seeking the Staffing Committee's approval.

ii. For the other 50 recruitment exercises, all Selection Panel members had rated according to each assessment criteria and recorded their comments, with the only omission being the total sum of score. Since the Selection Panel decided the most suitable candidates based on the consensus after the interview meetings, and approval would then be sought from the management, such omission of total score summation would not impact the final decisions.

(b) Without the required information such as the ratings and comments on candidates after the interviews, how could the Selection Panel reach consensus?

As mentioned in item i. above, the recruitment of Grade 7 (General Managers) should be done by Staffing Committee, with HKPC management and Council Members to take part in the interview for selecting suitable candidate. The hiring decision was made upon the consensus of the Selection Panel, with the secretary of the Selection Panel to prepare the paper incorporating comment and decision from the Panel members, for seeking the Staffing Committee's approval. The omission of scoring data and comment input hence would not impact the final decisions.

For the Grade 1-6 recruitment exercises as listed in item ii., the Selection Panel had rated according to each assessment criterion and recorded their comments, with the only omission being the total score. Since the Selection Panel decided the most suitable candidates based on the consensus after the interview meetings, and approval would then be sought from the management, such omission of total score would not impact the final decisions.

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12) According to paragraph 3.15(g), there was a case in which a person was offered a Grade 4 post which he had not applied for and he had not gone through the shortlisting and interview procedures laid down in HKPC Standard Practices (Case 1). Does HKPC agree that it is not satisfactory to offer a post to a person who has not applied for it without going through the shortlisting and interview procedures? Would this be unfair to other potential applicants for the post? Without shortlisting other applicants for the post for interview, how can HKPC ensure the person appointed by HKPC was the best person for the post?

The recruitment process of this hiring case was not complete. Human Resources Unit has enhanced the recruitment process management and will ensure all recruitment cases follow the complete and proper process. The case details are as follows.

The candidate first submitted an application of a Grade 2 post (Assistant Engineering Officer). After the shortlisting and interviewing process, the Selection Panel considered that the candidate was a Doctoral degree holder (from the Chinese Academy of Sciences) with 15 years of solid experience in the field of mechatronics and computer-aid engineering. He had previous teaching experience in mainland universities, participated in R&D and application development, led and trained teams. The Selection Panel shortlisted the candidate because of his outstanding qualification and experience recorded in the application form, and considered there was high chance of his suitability for more senior post. Hence, two rounds of interviews of Grade 2 post were conducted to understand more about the candidate's background and expertise, and make assessment of his capabilities against the senior post for final decision on the appointment.

After two rounds of interviews, the Selection Panel considered that the candidate should fit another Grade 4 post given his Doctoral degree qualification and expertise. The job requirement of the Grade 4 vacancy was Bachelor or Master Degree qualification with two years' relevant experience. Since the candidate outshined the job requirement of a Grade 4, and the fact that two posts (Grade 2 and Grade 4) would report to the same supervisor, and the composition of Selection Panel would be the same, there was already a full assessment of the candidate's capabilities in fulfilling the Grade 4 post,, the candidate was therefore not required for interview for the Grade 4 post.

In view of the shortage of the talent with comparable qualification and work experience in the market, fierce competition of talents in the industry, and division's urgent need for talent to participate in R&D and consultancy projects, the Selection Panel decided to proceed with the interviews of the candidate in the Grade 2 post, and eventually offered a Grade 4 post.

The Selection Panel members declared that they had no relation with the candidate, hence there was no potential conflict of interests.

Upon HKPC's review of the recruitment case, it is noted that the recruitment process is partially completed with posting of job advertisement and approval for approval, but omission of the following steps:

- Set out shortlisting criteria for selecting candidates to the Grade 4 post;
- Select suitable candidates to attend the Grade 4 interviews;
- Request the candidate to submit application again for the Grade 4 post.

Learning from this experience, HKPC has stepped up the efforts to strengthen the recruitment process management, and will ensure will ensure all recruitment cases follow the complete and proper process.

13) According to the Annual Report of HKPC, the Staffing Committee is responsible for approving appointments at the general manager level and will advise the Council on human resources development policies and employee compensation and benefits. With reference to the response of HKPC in paragraph 3.17 to Audit's recommendations in paragraph 3.15:

a. Does the current mandate of the Staffing Committee include oversight of recruitment matters (e.g. recruitment procedures and related criteria)? If not, who will be responsible to formulate and supervise the recruitment process in paragraphs 3.17 (a) to (i)?
b. If the functions of the Staffing Committee do not include oversight of recruitment matters, will HKPC study whether to expand the functions of the Staffing Committee to cover these matters?
c. As the current recruitment procedures failed to meet the requirements of the "Best Practice Checklist of Staff Administration" issued by Independent Commission Against Corruption ("ICAC"). Has HKPC invited ICAC to comment on the newly formulated procedures?

Supplementary information on HKPC's staffing strategy:

According to the Council's terms of reference, the responsibilities of the Staffing Committee include:

- Approves the appointment of General Managers;
- Monitors the staffing situation and recommends changes to the Council where appropriate;
- Advises the Council on human resources development policies;
- Monitors HKPC's general terms and conditions of service, to ensure that these are adequate to recruit and retain competent staff, and recommends changes to the Council where necessary;
- Provides a channel between the Council and staff for the communication of grievances about general terms and conditions of service, in situations where they cannot be resolved by consultation.

Recruitment matters are part of HKPC's operations, and hence are taken care of by the Human Resources and Facility Management Division for daily coordination and administration.

HKPC will invite Independent Commission Against Corruption (ICAC) to advise on the revised recruitment policy accordingly.

Part 4：Procurement and other administrative issues

14) According to paragraph 4.6, there were two purchase orders issued to the same supplier by the same requisitioning division on the same day (i.e. 24 January 2019) for the purchase of the same product (i.e. robot arms). The purchase requisitions of these two purchase orders were also raised on the same day (i.e. 5 December 2018).

According to paragraph 4.7, if the two purchase requisitions were bundled, the total estimated purchase value would amount to $631,923, which was over the quotation limit of $500,000, and therefore, tendering procedures needed to be followed. According to paragraph 4.8, there was no documentary evidence showing that the requisitioning officer was unable to anticipate the second purchase at the time when the first purchase was made and that the different delivery dates had made it impossible to bundle the purchases, as required under paragraph 4.5(b).

Does HKPC agree that the two purchases should have been bundled and tendering procedures should have been followed? If yes, what measures has HKPC taken to ensure that in the future, similar purchases will be bundled?

Supplementary information for Part 4.6 of Ch. 3:

HKPC agrees with the recommendation from the Audit Commission, that the two orders could be bundled in one for process; not only because of potential saving cost, but also that an open tender process should be executed if the amount of any bundled order was over HK$500,000.

In this case, the purchased products were used in two different projects with different applications, which was allowed by the then Standard Practice. The procurement through two purchase requests and two purchase orders were all approved by the management, which also followed the approval protocol to approve by the same management even if the two purchases were combined.

In response to this case, HKPC will tighten the control on purchasing process by taking the following actions:

- Amend Standard Practice requirement:
  - Split order for similar or same products/services issued to the same supplier by the same requisitioning division for the same client within 30 calendar days to circumvent the management approval requirements are strictly forbidden;
  - HKPC Procurement Unit will reinforce and closely monitor the new requirements. If a split order is suspected, the requisitioning officer is required to justify why repeated purchase is within 30 calendar days after the first purchase was made.

- The revised Standard Practice will be cascaded to all staff members during division meetings, with aim to strengthen communications and enhance awareness; Procurement Unit will also monitor closely in the daily operations. Should any potential anomaly be found, Procurement Unit will report to the management immediately.

15) According to paragraph 4.24 and Table 15, 52 (16%) of the 320 items of equipment did not achieve the expected utilization and two of the four divisions with equipment under their custody did not achieve the target rate of asset optimization.

Supplementary information for utilisation of HKPC's equipment:

(a) Is it a waste of money if the equipment does not achieve the expected utilization? Was HKPC aware that many items of equipment did not achieve the expected utilization? Why has HKPC not taken any measures to address the issue?

By introducing pioneering technologies and specialised equipment that fit the needs of the market, HKPC helps Hong Kong enterprises to increase their productivity. In order to fulfill the needs of the market and advancement in technology development, many technology-related service projects, including test verification and precision mould technology etc., would rely on new advanced equipment for the development of new processes. All the proposed purchases of new equipment are based on the perceived demand from the industry. A standard budgeting process overarches the equipment procurement before every financial year. The General Managers of each division are required to submit their proposed equipment purchases in their budget proposal with justifications. Details includes estimated amount, whether it is a new purchase or a replacement, and written reasons/justification of the purchase. In the budget approval process, Executive Director and Directors will review and evaluate the budget and justifications according to market demands. Such budget spending of HKPC will later be submitted to the Council for approval. Then after the purchase of equipment, the management will review internal equipment utilisation report on a quarterly basis.

In 2018-19, HKPC's management also reviewed the equipment utilisation reports, and discussed the plans of improvement with divisions, e.g. organising more promotion events to the industries, to increase the industries' awareness of the services provided thru those equipment. For some equipment which are too old or becoming obsolete, they would be handled in accordance with the Standard Practices on "Fixed Assets - Disposal and Transfer".

The utilisation rates of the 52 equipment mentioned in the report are as follows:

No. of equipment	**Purchase or Utilisation Status**
34	Continuously strengthening promotion and monitoring utilisation rate
11	The technology is yet to mature, and further development is needed to make the equipment become more commonly used
7	The equipment has been purchased for more than 10 years, most of which are waiting for repair or disposal

HKPC has been introduced the test and laboratory services through different events, including seminars of different industries and promotion events for specific customer groups, to promote the latest testing requirements to the industry, market trends and related testing services of HKPC.

Also, to increase the utilisation rates of the available equipment, HKPC frequently promotes its testing services via digital channels, and the information of testing and laboratory services is also included in different printed materials. HKPC is also actively engaged in long-term cooperation with commercial labs to improve equipment utilisation.

(b) In addition to the current procurement procedures described in paragraph 4.5, are there any other requirements, such as requiring the approving officers to consider expected utilization rate, during the procurement process?

(c) Are there any guidelines stipulating the limits that each grade of personnel can propose/approve in the procurement of equipment? If yes, what are the details?

All equipment should be purchased in accordance to the procurement procedure mentioned in Part 4.5, Ch. 3 of the Audit Report, and the purchase budget must be requested, evaluated and approved via a formal budgeting process before each new financial year. The General Managers of each relevant division are required to submit detailed equipment budget proposals, with information including the amount of equipment, whether the equipment is newly purchased or replaced, and the reason for purchase. In the approval process, Executive Director and Directors will review the equipment budget expenditures and reasons, and then, the overall budget expenditures will be submitted to the Council for approval. Subsequently, before the procurement of the equipment takes place, the Finance and Procurement Division will check if the purchase has been approved previously in the budgeting process. In the future, the expected utilisation rate will also be reviewed when approving equipment purchase requests, and when a new equipment is planned to be purchased.

(d) According to paragraph 4.43(d), HKPC will closely monitor utilization of the equipment and the rate of asset optimization of individual division through quarterly review meeting, regularly review and dispose of the old or outdated equipment with low utilization, and enhance promotion of available equipment to relevant institutions and companies. What actions have been taken so far? What is the progress?

According to the equipment utilisation rate report of the first half of 2019-20, with effective promotion and service integration, 23 out of the 52 equipment mentioned in (a) hereabove could meet the expected utilisation rates. Also, as at late November 2019, 7 old or outdated equipment were disposed; and there is a significant improvement in the assets utilisation rate in the 2019-20 first half year report for the 2 Divisions that could not achieve the target.

16) According to paragraph 4.29, from January to March 2019, the utilization of the company car without driver (i.e. Car D) was low. On 36 (60%) of the 60 working days from January to March 2019, Car D was idle for the whole day. Has HKPC ascertained the reasons for the low utilization of Car D? With reference to paragraphs 4.42(f) and 4.43(e), has HKPC reviewed the cost-effectiveness of maintaining Car D? If so, what are the results?

Supplementary information concerning the Car D mentioned in Part. 4.29:

HKPC often carries out project services that include offsite duties. In past experience, when staff members were required to carry heavy items such as testing equipment or tools, or samples to perform duties at remote areas, they would hire rental vehicles for transportation, adding extra expenses to the total project costs.

Car D is an Electric Vehicle (EV), with a comparatively lower maintenance costs, fuel costs and annual car licence fee than an ordinary diesel or petroleum-powered Multi-Purpose Vehicle (MPV).

- In terms of maintenance costs: Take January to November 2019 as an example, the maintenance fee of Car D is HK$28,745, compared with the high maintenance fee HK$60,808 of other 3 cars (Car A,B and C)

- In terms of fuel costs: As there are charging stations in HKPC building, no fuel costs are incurred for Car D. As compared with other 3 cars (Car A, B and C), the average fuel costs for the 11 months was HK$ 33,209. Also, no extra installation cost was required for a charging station was already set up within the HKPC Building.

- For the license fee: The annual license fee of EVs is approximately HK$4,254; which is more cost effective than MPV (approximately HK$5,794 to HK$7,664).

In consideration of the above reasons, HKPC decided to purchase Car D (an Electric Vehicle) to fulfill the business needs for greater economic and green benefits.

As to our knowledge, there are several reasons leading to the low utilisation of Car D:

i. As Car D was mainly used for site works, its utilisation rate then depended on the actual needs and progress of relevant projects.
ii. Utilisation rate is subject to divisions' operation needs and project cycles.

iii. Car D is an EV, hence its driving range would be restricted by the capacity of its battery. With its battery starting to age, according to the actual usage experience at HKPC, Car D would require a recharge for travelling a single trip from Kowloon Tong to the Airport, adding to the fact that other charging stations might not be easily accessible in other areas. As at 25 November 2019, Car D ran approximately 18,855 km.

As utilisation of Car D is relatively low, HKPC will closely monitor its utilisation and maintenance costs within the next six months. If utilisation of Car D is less than 50% during the monitoring period, HKPC will arrange disposal for Car D.

17) According to paragraph 4.38, 9 of the 73 applications of official travels outside Hong Kong failed to comply with the requirements of HKPC Standard Practices and were approved after the relevant staff members departed. Please provide a table showing the staff level, reason, destination, and expenditure involved in each of the 73 applications, with the 9 applications mentioned above marked as such.

For the details concerning the 73 applications for official travels outside Hong Kong as listed in paragraph 4.38 for, please refer to attachment Chap 3_Q17. HKPC will continue to improve the situation in future.

Please feel free to contact me if you have any question about the information provided.

Yours sincerely,

Mohamed D. Butt
Executive Director
Hong Kong Productivity Council

c.c. Secretary for Innovation and Technology
Commissioner for Innovation and Technology
Secretary for Financial Services and the Treasury
Director of Audit (Attention: Mr Anthony Lo, Senior Auditor)

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Chap 3_Q7a

Staff Establishment (2009/10 - 2019/20)

Grade	Description	2019/20 Establishment
9	Executive Director	1
8	Branch Director	3
7	General Manager	12
6	Senior Consultant/ Manager	66
5	Consultant/ Manager	241
4	Associate Consultant/ Assistant Manager	178
3	Officer/ Cadet Engineer	129
2	Assistant Officer	58
1	Office Assistant/ Driver	7
Total		695

Grade	2018/19 Establishment
9	1
8	3
7	12
6	66
5	241
4	174
3	133
2	58
1	7
Total	695

Grade	2017/18 Establishment
9	1
8	3
7	12
6	88
5	178
4	171
3	127
2	107
1	8
Total	695

Rank	Description	2016/17 Establishment
ED	Executive Director	1
DED	Deputy Executive Director	1
BD	Branch Director	2
GM	General Manager	12
PC	Principal Consultant	22
SC	Senior Consultant	66
CON	Consultant	178
AC	Associate Consultant	55
TP	Trainee Professional	4
S ENG	Senior Engineer	3
ENG	Engineer	38
A ENG	Assistant Engineer	14
LA I	Laboratory Assistant I	2
LA II	Laboratory Assistant II	9
S PO	Senior Project Officer	23
PO I	Project Officer I	90
PO II	Project Officer II	38
PO III	Project Officer III	21
APO I	Assistant Project Officer I	51
APO II	Assistant Project Officer II	14
APO III	Assistant Project Officer III	22
ES I	Executive Secretary I	1
ES II	Executive Secretary II	3
SEC I	Secretary I	10
SEC II	Secretary II	2
SEC III	Secretary III	1
CLK I	Clerk I	3
CLK II	Clerk II	0
DRIVER	Driver	3
OA	Office Assistant	6
Total		695

Rank	2015/16 Establishment
ED	1
DED	1
BD	2
GM	12
PC	25
SC	66
CON	183
AC	51
TP	0
S ENG	3
ENG	36
A ENG	14
LA I	2
LA II	10
S PO	22
PO I	100
PO II	33
PO III	17
APO I	49
APO II	16
APO III	22
ES I	1
ES II	3
SEC I	10
SEC II	2
SEC III	1
CLK I	3
CLK II	1
DRIVER	3
OA	6
Total	695

Rank	2014/15 Establishment
ED	1
DED	1
BD	2
GM	12
PC	25
SC	61
CON	175
AC	56
TP	4
S ENG	1
ENG	30
A ENG	13
LA I	2
LA II	12
S PO	23
PO I	109
PO II	22
PO III	16
APO I	44
APO II	17
APO III	24
ES I	1
ES II	2
SEC I	11
SEC II	4
SEC III	1
CLK I	7
CLK II	10
DRIVER	6
OA	3
Total	695

Rank	Description	2013/14 Establishment
ED	Executive Director	1
DED	Deputy Executive Director	1
BD	Branch Director	2
GM	General Manager	12
PC	Principal Consultant	25
SC	Senior Consultant	60
CON	Consultant	169
AC	Associate Consultant	57
TP	Trainee Professional	3
S ENG	Senior Engineer	1
ENG	Engineer	24
A ENG	Assistant Engineer	13
LA I	Laboratory Assistant I	2
LA II	Laboratory Assistant II	13
S PO	Senior Project Officer	24
PO I	Project Officer I	113
PO II	Project Officer II	23
PO III	Project Officer III	15
APO I	Assistant Project Officer I	50
APO II	Assistant Project Officer II	17
APO III	Assistant Project Officer III	24
ES I	Executive Secretary I	1
ES II	Executive Secretary II	2
SEC I	Secretary I	12
SEC II	Secretary II	3
SEC III	Secretary III	1
CLK I	Clerk I	8
CLK II	Clerk II	10
DRIVER	Driver	3
OA	Office Assistant	6
Total		695

Rank	2012/13 Establishment
ED	1
DED	1
BD	2
GM	12
PC	24
SC	56
CON	164
AC	63
TP	0
S ENG	1
ENG	24
A ENG	12
LA I	2
LA II	14
S PO	25
PO I	114
PO II	23
PO III	16
APO I	52
APO II	15
APO III	29
ES I	1
ES II	2
SEC I	11
SEC II	3
SEC III	1
CLK I	9
CLK II	10
DRIVER	8
OA	3
Total	698

Rank	2011/12 Establishment
ED	1
DED	1
BD	2
GM	12
PC	25
SC	54
CON	162
AC	66
TP	0
S TECH	1
TECH	23
A TECH	13
LA I	2
LA II	14
S PO	25
PO I	121
PO II	23
PO III	17
APO I	56
APO II	13
APO III	32
ES I	1
ES II	2
SEC I	11
SEC II	3
SEC III	1
CLK I	9
CLK II	10
DRIVER	3
OA	8
Total	711

Rank	Description	2010/11 Establishment
ED	Executive Director	1
DED	Deputy Executive Director	1
BD	Branch Director	2
GM	General Manager	12
SPC	Senior Principal Consultant	1
PC	Principal Consultant	22
SC	Senior Consultant	57
CON	Consultant	164
AC	Associate Consultant	50
TP	Trainee Professional	18
S TECH	Senior Technician	1
TECH	Technician	27
A TECH	Assistant Technician	10
LA I	Laboratory Assistant I	1
LA II	Laboratory Assistant II	16
S PO	Senior Project Officer	24
PO I	Project Officer I	125
PO II	Project Officer II	21
PO III	Project Officer III	14
APO I	Assistant Project Officer I	59
APO II	Assistant Project Officer II	11
APO III	Assistant Project Officer III	24
ES I	Executive Secretary I	1
ES II	Executive Secretary II	2
SEC I	Secretary I	11
SEC II	Secretary II	3
SEC III	Secretary III	1
CLK I	Clerk I	8
CLK II	Clerk II	10
DRIVER	Driver	3
OA	Office Assistant	1
Total		701

Rank	2009/10 Establishment
ED	1
DED	1
BD	2
GM	12
SPC	2
PC	22
SC	60
CON	170
AC	36
TP	9
S TECH	1
TECH	24
A TECH	10
LA I	2
LA II	18
S PO	23
PO I	132
PO II	22
PO III	10
APO I	66
APO II	13
APO III	25
ES I	1
ES II	3
SEC I	10
SEC II	4
SEC III	1
CLK I	8
CLK II	12
DRIVER	3
OA	1
Total	704

Chap 3_Q17

The 73 Travel Applications outside Hong Kong

No.	Destination City	Staff Level	Trip Duration (Days)	Total of Claims	Reason
1*	Panyu, CHINA	G5	2	465.00	Live Run Support
2*	Guangzhou, CHINA	G4	1	641.43	Project prospection
3*	Shenzhen, CHINA	G4	1	104.00	Project work
4*	Shunde, CHINA	G4	2	498.00	Meeting with Client in Shunde
5*	Shunde, CHINA	G4	1	200.00	Meeting
6*	Shenzhen, CHINA	G5	2	531.77	3D Drawing validation & Vendor meeting
7*	Shenzhen, CHINA	G4	1	131.31	Verify vision software function
8*	Changping, CHINA	G3	1	309.55	Project meeting –
9*	Changping, CHINA	G2	1	155.00	Project meeting -
10	Shanghai, CHINA	G6	3	1,870.00	meeting with 及 總部
11	Changping, CHINA	G3	1	155.71	Project meeting of
12	Foshan, CHINA	G5	5	2,098.90	Superband i4.0 assessment project
13	Foshan, CHINA	G4	5	2,098.90	Superband i4.0 Assessment Project
14	Foshan, CHINA	G6	2	249.00	Superband i4.0 Assessment Project
15	Zhuhai, CHINA	G6	1	302.44	Project Delivery
16	Shanghai, CHINA	G8	3	4,247.82	Business meetings w/ 1. 2.
17	Panyu, CHINA	G5	1	209.16	Project implementation ( )
18	Shanghai, CHINA	G9	3	1,870.00	Meetings with , ,visit

** Cases with delay in approval of travel application.*

Chap 3_Q17

The 73 Travel Applications outside Hong Kong

No.	Destination City	Staff Level	Trip Duration (Days)	Total of Claims	Reason
19	Macau, MACAO	G5	1	331.00	project meeting w/c
20	Shunde, CHINA	G4	1	200.00	meeting with client
21	Foshan, CHINA	G6	5	2,098.90	i4.0 Assessment Project
22	Yangon, MYANMAR	G6	4	110.00	To conduct on site supporting work
23	Geneva, SWITZERLAND	G7	9	15,400.00	Attend 47th International Exhibition of Inventions Geneva
24	Macau, MACAO	G6	2	850.00	Project work for 10007055 - Security Policy Establishment
25	GZ, PRC	G5	4	288.07	BUD project - Manage the HK Pavilion in GZ pharm expo
26	Las Vegas	G8	6	951.69	To visit CES 2019 (Jan 8-11) in Las Vegas
27	Tel Aviv	G6	8	172.30	Study Mission
28	Munich	G5	6	3,082.75	Visit Munich Fabric Start for Updates on Fabric Trends
29	Los Angeles -> Las Vegas -> San Francisco	G6	7	1,491.64	To attend CES 2019
30	廣州	G6	2	245.00	兩化融合與工業 4.0
31	Foshan & Guangzhou	G6	2	245.00	兩化融合與工業 4.0
32	Beijing	G9	2	1,800.00	To visit and
33	深圳坪山	G8	1	337.00	To visit and explore collaboration opportunity
34	Shenzhen	G4	1	263.87	Project implementation, vendor visit

** Cases with delay in approval of travel application.*

Chap 3_Q17

The 73 Travel Applications outside Hong Kong

No.	Destination City	Staff Level	Trip Duration (Days)	Total of Claims	Reason
35	Fo Shan	G6	2	757.96	Superbank - I4.0 Security Assessment (Proj 10008060, I4U)
36	Zhuhai	G4	1	333.00	Project work at client site ( )
37	Macau	G6	1	371.00	Project prospection meeting with Environmental Protection B
38	FoShan, Dongguan	G6	1	249.00	To attend Client ( ) Industry 4.0 kick off ceremony
39	Dongguan	G5	1	183.42	Project work
40	Macau, MACAO	G5	2	850.00	ISO27001 Audit
41	30045707- 佛山, 廣州, 武漢 & 30045707-Dongguan	G6	1	245.00	30045366-Business Meeting, 30045707-meeting with
42	Zhongshan, CHINA	G5	1	430.00	Project Implementation ( )
43	Seoul, KOREA	G6	5	4,200.00	visit a factory and evaluate the IoT service provider
44	Macau, MACAO	G3	2	850.00	ISO27001 Audit
45	Foshan, CHINA	G5	4	1,827.00	Project Implementation -
46	Foshan, CHINA	G6	4	1,636.43	Exploration of smart system for 3D metal arc welding process
47	Foshan, CHINA	G6	3	1,289.00	Project implementation ( )
48	Geneva, SWITZERLAND	G5	9	15,400.00	Attend 47th International Exhibition of Inventions Geneva
49	Macau, MACAO	G4	1	315.00	Project Meeting for Macau SME White Paper
50	Macau, MACAO	G4	1	331.00	Project meeting for Macau SME white Paper
51	Macau, MACAO	G6	1	315.00	Project Delivery for Macau White Paper

** Cases with delay in approval of travel application.*

Chap 3_Q17

The 73 Travel Applications outside Hong Kong

No.	Destination City	Staff Level	Trip Duration (Days)	Total of Claims	Reason
52	Nanchang, CHINA	G4	2	3,476.00	visit for project issue
53	Zhuhai, CHINA	G3	1	423.35	Sampling for Project work (sludge cultivation)
54	Dongguan, CHINA	G3	1	309.55	Exploration of the application of 3D arc welding
55	Dongguan, CHINA	G3	1	309.55	Project Meeting –
56	Geneva, SWITZERLAND	G6	9	9,593.12	Meeting with sponsor on e-minibus prototype build plan
57	Dongguan, CHINA	G3	1	414.84	Project work
58	Guangzhou, CHINA	G4	1	502.00	Discussion on potential corporate training
59	Zhongshan, CHINA	G4	1	430.00	Project Implementation ( )
60	Geneva, SWITZERLAND	G8	6	39,600.00	To participate Geneva Award (9-14/4)
61	Yantai, CHINA	G3	3	918.76	Visit vender
62	Yantai, CHINA	G5	3	856.98	Project Meeting with Vendor for RoboForming
63	Guangzhou, CHINA	G6	1	502.00	Seek collaboration & introduce New team
64	Foshan, CHINA	G5	1	120.00	Supplier visit-
65	Guangzhou, CHINA	G4	1	210.00	Project meeting-Company：
66	Changping, CHINA	G3	1	309.44	Exploration of the application of 3D arc welding
67	Changping, CHINA	G3	1	309.55	Project Meeting –
68	Changping, CHINA	G2	1	309.55	project meeting
69	Zhuhai, CHINA	G5	1	220.00	Meeting on project progress review

** Cases with delay in approval of travel application.*

Chap 3_Q17

The 73 Travel Applications outside Hong Kong

No.	Destination City	Staff Level	Trip Duration (Days)	Total of Claims	Reason
70	Macau, MACAO	G2	1	331.00	submitting tender proposal for Macao Food Waste
71	Shenzhen, CHINA	G5	1	284.69	Project Work
72	Guangzhou, CHINA	G6	1	184.76	inspection of vehicle & resolve issues
73	Dongguan, CHINA	G3	1	244.02	Work with sponsor on e-minibus prototype build

** Cases with delay in approval of travel application.*

香港特別行政區政府

創新及科技局

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INNOVATION AND
TECHNOLOGY BUREAU

THE GOVERNMENT OF THE HONG KONG
SPECIAL ADMINISTRATIVE REGION

20/F, West Wing, Central Government Offices,
2 Tim Mei Avenue, Tamar, Hong Kong

By Email

2 January 2020

Mr Anthony CHU
Clerk to Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr CHU,

Public Accounts Committee
Director of Audit's Reports No. 73

Chapter 3: Governance and administrative issues of the Hong Kong Productivity Council

I refer to your letter dated 19 December 2019. As requested by the Committee, information regarding Questions 18 to 20 in the Appendix of your letter is provided as follow -

Part 2: Corporate governance and performance reporting

(18) ***Are there any special divisions or manpower in the Innovation and Technology Bureau ("ITB") and ITC to assist CIT in monitoring, assessing or reviewing the work of HKPC? Is the staffing arrangement different before the establishment of ITB (i.e. when ITC was still under the Commerce & Economic Development Bureau)?***

According to paragraphs 5.3 and 5.4 of the "Memorandum of Administrative Arrangements on the Administration of the Subvention for the Hong Kong Productivity Council" (MAA), the Commissioner of Innovation and Technology (CIT) is the designated Controlling Officer (CO) of the subvention granted by the Government to the Hong Kong Productivity Council (HKPC), who will ensure that HKPC's activities accord with its objectives and relevant public policies and priorities; are properly and effectively planned, delivered and evaluated; and its subvention is properly used and disbursed. According to Section 5 of the Hong Kong Productivity Council Ordinance and paragraph 5.1 of the MAA, HKPC is autonomous in the management and control of its activities and resources.

The Innovation and Technology Bureau (ITB) was established in November 2015 to be responsible for formulating policies and promoting the development of innovation and technology as well as information technology. The Innovation and Technology Commission (ITC), originally under the Commerce and Economic Development Bureau (CEDB), was at the same time transferred to ITB, and has since continued its existing duties which include monitoring the operation of the HKPC.

The current Policy Team (1) of ITB comprises one Principal Assistant Secretary, one Senior Administrative Officer, one Administrative Officer and one Executive Officer I. The Team is responsible for various work in formulating I&T policies and promoting I&T development, including promoting research and development, promoting 're-industrialisation', supporting start-ups, nurturing technology talent, etc. The Team is also responsible for overseeing the work of ITC (including its monitoring role on the HKPC).

Prior to the establishment of ITB, CIT had been reporting to the then Permanent Secretary for Commerce and Economic Development (Communications and Technology) for implementing I&T policies and programmes. There was no

dedicated policy team or officer in CEDB that was responsible for monitoring the work of ITC in promoting I&T.

(19) ***According to paragraph 2.23, HKPC failed to meet one or more performance targets every year and some performance targets were not achieved for three years or more from 2014-2015 to 2018-2019. According to paragraph 2.24, if HKPC fails to achieve agreed performance targets, HKPC is required by MAA to provide explanations for such failures to the satisfaction of CIT. However, for the targets on two KPIs on "Number of consultancy projects accepted" and "Income from manufacturing support projects", there was no documentary evidence showing that HKPC had provided explanations to CIT for failing to meet these two performance targets in 2017-2018.***

According to 2.29(a), HKPC will set up, in consultation with the ITC, a more formal mechanism for submitting the reasons for shortfalls against KPI targets.

Why did ITB or ITC not follow up with HKPC on its failure to provide the explanations for meeting these two performance targets in 2017-2018 according to MAA?

The ITB mainly monitors the work of HKPC at policy level and from macro perspective. For related issues, please refer to the reply of CIT on Question 22.

(20) ***According to paragraph 2.25, 11 KPIs were not disclosed in the Annual Reports and CORs.***

Does the Government impose any guidelines requiring public funded organizations to disclose which indicators in their annual reports? Has the Financial Secretary, the Financial Services and the Treasury Bureau, or any government department formulated any guidelines on disclosure of performance indicators in the report of Controlling Officers?

The Financial Circular No. 9/2004: Guidelines on the Management and Control of Government Funding for

Subvented Organisations, issued by the Financial Services and the Treasury Bureau, provides a reference to Directors of Bureaux and COs on how to manage and control government funding for subvented organisations to ensure that public money is used properly and cost-effectively. The Circular advises COs to require the relevant organisations to produce annually a programme of the activities and budget for subvented programmes that they undertake; and to report their achievements in the last (fully audited) year and in the current year, as well as any changes in performance indicators, for comparison.

The then Efficiency Unit also published the second edition of the Guide to Corporate Governance for Subvented Organisations (the Guide) (available at https://www.effo.gov.hk) in June 2015 to provide advice on good practices. While the Guide is not a binding document, it suggests that the board of each subvented organisation should establish and report on relevant financial and non-financial performance measures of the organisation, which should include Key Performance Indicators (KPIs) for comparison with its performance in previous years, with its target performance and with that of similar organisations.

There are internal guidelines for COs on preparing the Controlling Officer's Report (CoR). When developing the performance measures for CoR, COs should focus on targets measured preferably in terms of intended outcome. They should avoid an excessively long list of performance indicators and apply the most relevant performance indicators that measure economy, efficiency and cost-effectiveness of the resources deployed. They should also take the recommendations of the Director of Audit/ Public Accounts Committee's reports, where applicable, into account in drawing up their performance measures.

The current HKPC-related KPIs as disclosed in CIT's CoR have been used for more than ten years, and have been slightly

modified during the period as required. For example, in 2018-19, a new indicator "income from integrated solutions" was set up to include the income from consultancy/technical assistance and the income from manufacturing support/process control which were previously reported under separate indicators. In line with market demand for integrated solutions, the revised indicator could better reflect the overall performance.

HKPC will review the KPIs that need to be disclosed in its annual report with a view to disclosing more KPIs and reflecting whether its actual performance meets the targets. CIT will also consider disclosing more of HKPC's KPIs and actual performance in the CoR.

Yours sincerely,



(Ricky CHONG)
for Secretary for Innovation and Technology

c.c. Secretary for Financial Services and the Treasury
Commissioner for Innovation and Technology
Chairman, Hong Kong Productivity Council
Executive Director, Hong Kong Productivity Council
Director of Audit

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FINANCIAL SERVICES AND THE TREASURY BUREAU
(The Treasury Branch)
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2 January 2020

Mr Anthony CHU
Clerk
Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr CHU,

Public Accounts Committee
Consideration of Chapter 3 of the Director of Audit's Report No. 73

Governance and administrative issues of the Hong Kong Productivity Council

Thank you for your letter of 19 December 2019 on the captioned subject. The response from the Financial Services and the Treasury Bureau is set out in the attached note.

Yours sincerely,

(Phyllis CHAN)
for Secretary for Financial Services
and the Treasury

c.c. Secretary for Innovation and Technology (fax no. 2530 0736)
Commissioner for Innovation and Technology (fax no. 2317 6915)
Executive Director, Hong Kong Productivity Council (fax no. 2788 5900)
Director of Audit (fax no. 2583 9063)

Response to Public Accounts Committee's (PAC) question on Chapter 3 of the Director of Audit's Report No.73

Governance and administrative issues of the Hong Kong Productivity Council

This note sets out the response of the Financial Services and the Treasury Bureau to the following question raised in the letter dated 19 December 2019 from the Clerk to PAC –

Question: According to paragraph 2.25, 11 KPIs were not disclosed in the Annual Reports and CORs. Does the Government impose any guidelines requiring public funded organizations to disclose which indicators in their annual reports? Has the Financial Secretary, the Financial Services and the Treasury Bureau, or any government department formulated any guidelines on disclosure of performance indicators in the report of Controlling Officers?

2. The Financial Circular No. 9/2004: Guidelines on the Management and Control of Government Funding for Subvented Organisations provides a reference to Directors of Bureaux and Controlling Officers (COs) on how to manage and control government funding for subvented organisations to ensure that public money is used properly and cost-effectively. The Circular advises COs to require the relevant organizations to produce annually a programme of the activities and budget for subvented programmes that they undertake; and to report their achievements in the last (fully audited) year and in the current year, as well as any changes in performance indicators, for comparison.

3. The then Efficiency Unit also published the second edition of the Guide to Corporate Governance for Subvented Organisations (the Guide) (available at https://www.effo.gov.hk) in June 2015 to provide advice on good practices. While the Guide is not a binding document, it suggests that the board of each subvented organisation should establish and report on relevant financial and non-financial performance measures of the organisation, which should include Key Performance Indicators for comparison with its performance in previous years, with its target performance and with that of similar organisations.

4. There are internal guidelines for COs on preparing the Controlling Officer's Report (CoR). When developing the performance measures for CoR, COs should focus on targets measured preferably in terms of intended outcome. They should avoid an excessively long list of performance indicators and apply the most relevant performance indicators that measure economy, efficiency and cost-effectiveness of the resources deployed. They should also take the recommendations of the Director of Audit/ Public Accounts Committee's reports, where applicable, into account in drawing up their performance measures.

Financial Services and the Treasury Bureau
December 2019

創新科技署署長
Commissioner for Innovation and Technology
香港特別行政區政府創新科技署
Innovation and Technology Commission
The Government of the Hong Kong Special Administrative Region

Ref : ITCCR 2/3801/09 Pt 15
Tel : 2810 2733

2 January 2020

Clerk to Public Accounts Committee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong
(Attn: Mr Anthony Chu)

Dear Mr Chu,

Public Accounts Committee

Director of Audit's Report No. 73

Chapter 3: Governance and administrative issues of the Hong Kong Productivity Council

Thank you for your letter of 19 December 2019. I would like to provide the following information as requested by the Committee.

(III) For the Innovation and Technology Commission

Part 2: Corporate Governance and Performance Reporting

Q21) Please provide the following information.

(a) Are there any special divisions or manpower in ITB and ITC to assist CIT in monitoring, assessing or reviewing the work of HKPC? Is the staffing arrangement different before the establishment of ITB (i.e. when ITC was still under the Commerce and Economic Development Bureau)?

(b) In addition to the references in paragraph 2.17 of HKPC's own thematic research and proactive review of future development strategies, is there any record showing that CIT has provided any advice in this aspect since 2009, including through channels other than the Council?

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(c) Has HKPC completed the review and update of the relevant sections of MAA with ITC according to paragraph 2.20(d)? If no, what is the progress of the review? Is there any initial review direction for ITC?

A21(a) According to paragraphs 5.3 and 5.4 of the "Memorandum of Administrative Arrangements on the Administration of the Subvention for the Hong Kong Productivity Council" (MAA), the Commissioner for Innovation and Technology (CIT) is the designated Controlling Officer of the subvention granted by the Government to the Hong Kong Productivity Council (HKPC), and will ensure that the HKPC's activities accord with its objectives and relevant public policies and priorities, are properly and effectively planned, delivered and evaluated and its subvention is properly used and disbursed. According to Section 5 of the Hong Kong Productivity Council Ordinance and paragraph 5.1 of the MAA, the HKPC is autonomous in the management and control of its activities and resources.

The Innovation and Technology Bureau (ITB) was established in November 2015, before and after which the Funding Schemes Division of the Innovation and Technology Commission (ITC) is responsible for assisting the CIT and Deputy Commissioner for Innovation and Technology in monitoring the operation of the HKPC. The team comprises an Assistant Commissioner (the post filled by an Administrative Officer Staff Grade C), a Principal Trade Officer, a Trade Officer and an Executive Officer I. Currently, apart from monitoring the operation of the HKPC, the Assistant Commissioner is also responsible for monitoring the operation of two Research and Development (R&D) Centres funded by the Government (i.e. the Hong Kong Research Institute of Textiles and Apparel and the Automotive Platforms and Application Systems R&D Centre), as well as the administration of 13 funding programmes under the Innovation and Technology Fund (ITF). The Principal Trade Officer, the Trade Officer and the Executive Officer I are also responsible for monitoring the operation of the Automotive Platforms and Application Systems R&D Centre, the operation of a funding programme under the ITF, and the internal administration work of the Funding Schemes Division.

A21(b) Apart from the housekeeping meetings[1] and day-to-day communication between the HKPC and the ITC, the ITB and the ITC have also provided views on the HKPC's development strategies through participation in the Council meetings of the HKPC, for example –

(1) at the Council meeting held in August 2010, the ITC introduced the work of the Hong Kong Council for Testing and Certification

[1] Housekeeping meetings are held thrice per year, during which the Executive Director of the HKPC will highlight the major discussion items of the next round of Council and Standing Committee meetings to the CIT.

(HKCTC), and suggested possible areas for collaboration between the HKPC and the HKCTC;

(2) at the Council meeting held in November 2011, the ITC suggested that the HKPC should make good use of the newly introduced $1 billion funding scheme set up by the Government to help enterprises develop brands, upgrade and transform their operations, as well as exploring the Mainland market;

(3) at the Council meeting held in March 2012, the ITC encouraged the HKPC to strengthen collaboration with trade associations to conduct more industry-focused R&D work;

(4) the HKPC carried out a study entitled "Hong Kong Industry Development Strategy - Leveraging Our Strength of Trustworthiness" in 2013 to provide recommendations on the development of new high value-adding industry sectors so as to facilitate Hong Kong's diversified economic development. The ITC had offered views to the HKPC in the compilation of the study report;

(5) in February 2016, the HKPC held a special Council meeting to discuss its future strategy and positioning. At the meeting, the ITB and the ITC provided views on the HKPC's future direction for development, e.g. the HKPC should support the Government's initiatives in re-industrialisation and developing Hong Kong into a smart city, as well as strengthen efforts to nurture innovation and technology talents, and support start-ups. In addition, the HKPC should also step up collaboration with R&D Centres and other research institutions to create synergy; and

(6) at the Council meeting held in July 2017, the ITB suggested the HKPC to make reference to the Smart City Blueprint for Hong Kong to be promulgated by the Government and implement complementary initiatives, and enhance collaboration with other organisations to achieve optimal results.

A21(c) The ITC and the HKPC agree with the recommendation of the Audit Commission and will update the service focus stated in the MAA to better align with the HKPC's latest strategic plans and service focus. The HKPC and the ITC have already set up a timetable for updating the service focus in the MAA. The HKPC will review the latest Three-year Strategic Plan (2020-21 to 2022-23) endorsed by the Council, the strategic themes under the Three-year Strategic Plan, the 2020-21 Programme and Estimates, as well as the views provided by the Audit Commission and the Public Accounts Committee during the audit exercise and public hearings. The HKPC will submit the updated provisions to the ITC by the end of January 2020 for consideration. The ITC will review the provisions and provide feedback, with a view to enabling the HKPC to submit the updated

provisions to the Council for review at its meeting in March 2020.

Q22) According to paragraph 2.23, HKPC failed to meet one or more performance targets every year and some performance targets were not achieved for three years or more from 2014-2015 to 2018-2019. According to paragraph 2.24, if HKPC fails to achieve agreed performance targets, HKPC is required by MAA to provide explanations for such failures to the satisfaction of CIT. However, for the targets on two KPIs on "Number of consultancy projects accepted" and "Income from manufacturing support projects", there was no documentary evidence showing that HKPC had provided explanations to CIT for failing to meet these two performance targets in 2017-2018.

According to 2.29(a), HKPC will set up, in consultation with the ITC, a more formal mechanism for submitting the reasons for shortfalls against KPI targets.

(a) Why did ITB or ITC not follow up with HKPC on its failure to provide the explanations for meeting these two performance targets in 2017-2018 according to MAA?

(b) Has the formal mechanism been set up between HKPC and ITC? What is the progress?

A22(a) According to paragraph 2.24 of Chapter 3 of the Director of Audit's Report, there was no documentary evidence showing that the HKPC had provided explanations to the CIT for failing to meet the targets on two Key Performance Indicators (KPIs) on "Number of consultancy projects accepted" and "Income from manufacturing support projects" in 2017-18. In fact, at the housekeeping meeting held on 14 June 2018, the Executive Director of the HKPC had already reported to the then CIT on those KPIs the targets of which the HKPC had failed to meet in 2017-18 (the relevant meeting material is at **Annex 1**). The Executive Director indicated that same as 2016-17, although the number of consultancy projects failed to reach the target in 2017-18, the income from consultancy projects did exceed the target because some consultancy projects were of a larger scale.

In addition, due to increasing demand for integrated solutions by clients, many manufacturing support services had been included in consultancy projects, leading to the failure to meet the target for "Income from manufacturing support projects" and the situation persisted in 2017-18. The then CIT accepted the Executive Director's explanations.

Taking into account the aforesaid situation, the then CIT introduced a new indicator in her Controlling Officer's Report for 2018-19 on "income from integrated solutions", which includes the income from

consultancy/technical assistance and the income from manufacturing support/process control. The relevant figures were previously reported under separate indicators. In line with market demand for integrated solutions, the revised indicator could better reflect the overall performance of the HKPC.

A22(b) In response to the recommendation by the Audit Commission, the HKPC and the ITC agree to establish a more formal mechanism for the HKPC to submit reasons for shortfalls against the targets for the relevant KPIs. Specifically, from 2020 onwards, the HKPC intends to submit a formal written report to the ITC in June every year, in which the HKPC will set out in detail its performance on each KPI in the preceding financial year, and provide explanations and planned follow-up actions in respect of those KPIs for which it failed to meet the targets. The CIT will review the contents of the report and respond in writing. The above arrangement will be inserted in the MAA.

Yours sincerely,



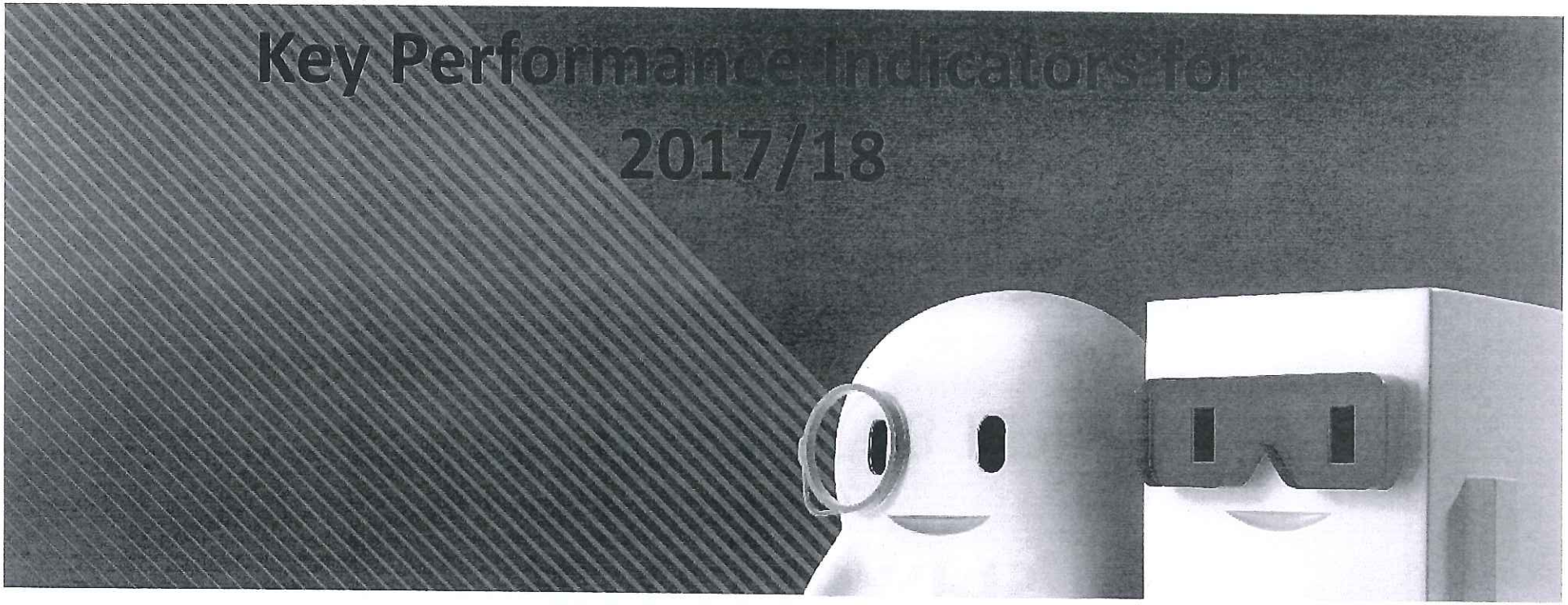
(Ms Rebecca Pun)
Commissioner for Innovation and Technology

c.c. Secretary for Innovation and Technology
Secretary for Financial Services and the Treasury
Chairman, Hong Kong Productivity Council
Executive Director, Hong Kong Productivity Council
Director of Audit

Annex 1

HKPC

Key Performance Indicators for 2017/18



All-round Productivity Partner
全方位企業伙伴

2017/18 KPIs

- In 2017/18, 20 out of 23 KPIs exceeded targets.
- All core KPIs exceeded targets.

2017/18 KPIs

- Overall financial targets exceeded

KPI	2017/18 Performance Target	2017/18 Actual	% Met
Total external income	$449.81 M	$471.70M	105%
Overall I/E ratio	69.1%	76.40%	111%
Overall income per employee	$0.68M	$0.82M	120%

2017/18 KPIs

- 3 KPIs with variance from targets:

KPI	2017/18 Performance Target	2017/18 Actual	% Met	Remark
Number of consultancy projects accepted	968	699	72%	despite the shortfall, income per consultancy project in progress exceeds target by 7%, indicating larger project size
Income from training courses	$14.0 M	$8.0M	57%	the shortfall of these 2 KPIs ($13M) is compensated by income from consultancy projects which exceeded target by $16M
Income from manufacturing support projects	$33.7M	$26.7M	79%	

END

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2 January 2020

Mr Anthony CHU
Clerk to Public Accounts Committee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr CHU,

Public Accounts Committee
Consideration of Chapter 3 of the Director of Audit's Report No. 73
"Governance and administrative issues of
the Hong Kong Productivity Council"

Thank you for your letter of 19 December 2019 on the captioned subject.

Question

24) The Director of Audit's Report No. 53 ("Report No. 53"), which was published in October 2009, conducted reviews on the governance and services of the Hong Kong Productivity Council ("HKPC") with multiple problems found and recommendations made to HKPC. However, similar problems found in 2009 also appeared in the Director of Audit's Report No. 73 ("Report No. 73"), such as the usage records of company vehicles, recruitment procedures, and utilization of venues. While Report No. 53 recommended that HKPC improving strategy and financial situation of the two subsidiaries in the Mainland China as soon as possible, HKPC only decided to suspend the operation of the subsidiary in Guangzhou in 2017.

(a) Has the Audit Commission ("Audit") followed up on whether the recommendations in Report No. 53 have been fully and properly implemented? Apart from company's vehicle usage records, recruitment procedures, and venue utilization rates, are there any other particularly serious outstanding issues raised in Report No. 53?

(b) Has the Audit enquired with the HKPC, in general, why the issues raised in Report No. 53 have not yet been resolved? Are the irregularities due to any system wise, legal or other restrictions?

(c) Has the Audit enquired whether the Commissioner for Innovation and Technology ("CIT") and other government representatives in the Council have proposed measures based on the recommendations in Report No. 53?

Audit Commission's response

Our response to your questions (a) to (c) raised in the letter is set out below.

Chapter 7 of Report No. 53 of October 2009 on "Hong Kong Productivity Council: Corporate governance and administrative issues" was selected for investigation by the Public Accounts Committee (PAC) and dealt with in Chapter 3 of Part 8 of PAC Report No. 53 of February 2010. In accordance with the established mechanism (vide the paper presented to the Provisional Legislative Council by the Chairman of PAC at the meeting on 11 February 1998 on scope of Government audit in the Hong Kong Special Administrative Region – 'value for money audits'), the follow-up actions taken on the subject included the following:

(a) in May 2010, in a Government Minute laid on the table of the Legislative Council, the Government explained the actions taken or proposed to take in respect of the subject;

(b) in October 2010, the Government provided an account of the progress made on matters outstanding for the subject;

(c) in February 2011, in paragraphs 37 and 38 of Part 4 of its Report No. 55, PAC expressed the wish to be kept informed of further development on the subject;

(d) in May 2011, in a Government Minute laid on the table of the Legislative Council, the Government commented on the matters outstanding and indicated that HKPC had completed the follow-up actions on the subject; and

(e) in its Report No. 57 of February 2012, PAC made no further reference to this subject.

Following the established PAC report clearance procedures, Audit reviewed the relevant Government Minutes and Annual Progress Reports on matters outstanding in the Government Minutes to see whether the Government had taken follow-up actions on the subject to address all the recommendations of PAC and Audit. A meeting was held between PAC and Audit to discuss the subject before making the decision not to include it in PAC Report No. 57. In the process, Audit did not directly enquire whether CIT and other government representatives in the Council of HKPC had proposed measures based on the recommendations in Report No. 53.

Question (a)

As mentioned in paragraph 1.19 of Chapter 3 of Report No. 73 of October 2019 on "Governance and administrative issues of the Hong Kong Productivity Council", Audit commenced a review of HKPC in March 2019. Audit reviewed all relevant issues, including the improvement measures taken in response to recommendations in Report No. 53. For some areas, such as the usage of company vehicles, recruitment procedures and utilisation of venues, room for improvement was reported in both Report No. 53 and Report No. 73. However, the audit findings reported in Report No. 73 relating to the usage of company vehicles and recruitment procedures were new observations.

Regarding the utilisation of venues, although HKPC had taken follow-up actions on our recommendations made in Report No. 53 to improve the utilisation of training venues, in the recent review, Audit found that the utilisation rates of training venues were still low. Therefore, in Report No. 73, Audit recommended that HKPC should step up efforts to promote the hiring of the venues by outside organisations, take effective measures to improve the utilisation of the venues, and improve the booking system for the venues. Apart from those issues raised in Report No. 73, the recent audit review did not reveal other serious outstanding issues raised in Report No. 53 relating to HKPC.

Question (b)

As mentioned above, Audit recently reviewed the governance and administrative issues of HKPC, including the improvement measures taken in response to recommendations in Report No. 53. Following our normal procedures, we consulted HKPC to seek its response to the issues found. HKPC's response was incorporated in Report No. 73. We are not aware of any system, legal or other restrictions that have given rise to the issues.

Question (c)

As mentioned above, the established PAC report clearance procedures relating to recommendations in Report No. 53 on HKPC had been completed in February 2012. Audit did not further make enquiry with CIT or other government representatives in the Council of HKPC specifically on the recommendations of Report No. 53.

Yours sincerely,

(PANG Kwok-sing)
for Director of Audit

c.c. Secretary for Innovation and Technology (fax no.: 2530 0736)
Commissioner for Innovation and Technology (fax no.: 2317 6915)
Executive Director, Hong Kong Productivity Council (fax no.: 2788 5900)
Secretary for Financial Services and the Treasury (fax no.: 2147 5239)

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AGRICULTURE, FISHERIES AND CONSERVATION DEPARTMENT
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3 January 2020

The Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn: Mr. Anthony CHU)

Dear Mr. CHU,

Public Accounts Committee
Consideration of Chapter 4 of the Director of Audit's Report No. 73
Control of wild and stray animal nuisances

Thank you for your letters of 17 December 2019 to the Secretary for the Environment and to this department concerning Chapter 4 of the Director of Audit's Report No 73. We are pleased to provide a consolidated reply in the Appendix.

For any further questions, please contact the undersigned or our Senior Wetland and Fauna Conservation Officer, Mr. CHEUNG Ka-shing (Tel. 2150 6920) and our Principal Veterinary Officer, Dr. Kenny HO (Tel. 2150 7179).

Yours sincerely,

(SO Ping-man)
for Director of Agriculture, Fisheries and Conservation

Encl.

c.c. Secretary for the Environment (Fax: 2537 7278)
Secretary for Financial Services and the Treasury (Fax: 2147 5239)
Secretary for Food and Health (Fax: 2136 3282)
Director of Audit (Fax: 2583 9063)

Appendix

Response to the questions asked and information requested by the Public Accounts Committee of the Legislative Council in relation to the control of wild and stray animal nuisances in Chapter 4 of the Director of Audit's Report No. 73

(I) For the Agriculture, Fisheries and Conservation Department

Part 1: Introduction

Measures for controlling animal nuisances

1) According to paragraphs 1.8 and 1.9, will the Administration inform this Committee:

(a) whether the feeding of wild animals is permitted in places outside the designated Feeding Ban Area as shown in Figure 1 of paragraph 1.8;
Feeding of wild animals outside feeding ban areas established under the Wild Animals Protection Ordinance (Cap. 170) is not subject to the control of the said Ordinance. However, various departments, including the Food and Environmental Hygiene Department (FEHD), the Leisure and Cultural Services Department and the Housing Department, may issue fixed penalty notices under the Fixed Penalty (Public Cleanliness and Obstruction) Ordinance (Cap. 570) to persons found to have dirtied public areas while feeding wild animals.
(b) regarding the seven valid special permits which allow holders to feed wild animals in specified places as mentioned in Note 5 to paragraph 1.8, of the areas and sites covered holder(s), types of wild animals that can be fed and other relevant details of each permit;
Holders of the seven valid special permits include six members of the public who had been feeding monkeys habitually before the feeding ban was imposed, and the contractor of the monkey contraceptive programme implemented by the Agriculture, Fisheries and Conservation Department (AFCD) (i.e. Ocean Park Conservation Foundation Hong Kong (OPCFHK)). Apart from the special permit granted to the contractor for assisting in the monkey population survey and capturing monkeys for sterilisation, the rest of the permits are transitional in nature. AFCD will not accept new applications and the need to retain such arrangement will also be assessed when the monkey management action plan is reviewed and updated in 2020.

(c) in each of the past five years, of the respective numbers of complaints received from members of the public against monkeys, wild pigs and feral pigeon nuisances; the numbers of actions taken to deal with such nuisances, and the numbers of prosecutions instituted against illegal feeding of wild animals; the numbers of successful prosecutions instituted; and among the successful prosecutions instituted against illegal feeding of wild animals, of the maximum and minimum penalties imposed; and

The number of complaints from the public against monkey, wild pig and feral pigeon nuisances received by AFCD over the past 5 years is as follows:

Number of complaints/ on-site visits	**Year**				
	2014-15	**2015-16**	**2016-17**	**2017-18**	**2018-19**
Monkeys	423 (376)	513 (357)	527 (342)	399 (238)	409 (217)
Wild pigs	396 (182)	510 (255)	643 (87)	787 (265)	1008 (208)
Feral pigeons*	328	375	404	469	540

( ) denotes the number of on-site visits recorded. For arrangements of operation concerned, please refer to the response in 2(b) and (c) below.

*Upon receipt of complaints against feral pigeon nuisances, AFCD will deploy staff to the scene for follow-up actions. Hong Kong has no legislation which regulates pigeon feeding. If any feral pigeon feeding activity is found, AFCD staff will advise and educate the feeders not to do so. If it is within the precincts of a housing estate, publicity materials will be provided to the housing estates management for distribution and display.

The number of prosecutions against illegal feeding of wild animals in feeding ban areas over the past 5 years is as follows:

Year	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**
Number of prosecutions	62	75	72	40	32
^ Number of successful prosecutions	65	52	52	57	20
Highest and lowest fine of successful prosecutions ($)	0 - 1,000	0 - 1,200	300 - 1,500	500 - 1,500	1000

^ Some of the prosecutions instituted in the financial year might have to be processed in the next financial year.

(d) with reference to the population control programmes for animals in Table 2 of paragraph 1.9, of the reasons why the Agriculture, Fisheries and Conservation Department ("AFCD") had imposed fertility control on stray animals by using contraceptive methods for some and sterilization for others; as well as AFCD's considerations for different types of animals?

Monkeys and wild pigs

To control the number of monkeys and wild pigs and abate the nuisances they created in the long run, AFCD will control their breeding through contraceptive treatments/sterilisation. The natural behaviour and size of the species as well as the effectiveness of the existing technologies and their technical requirements would be considered in the selection of appropriate birth measures. As the effect of the trial contraceptive vaccine applied on monkeys was far from satisfactory, birth control will be conducted by performing endoscopic tubectomy or endoscopic vasectomy. Since wild pigs are large in size, there will be difficulties in conducting endoscopic surgery in the wild, AFCD is studying the effectiveness of injectable contraceptive vaccines for birth control purpose.

Stray cattle

The Government has adopted a multi-pronged approach for managing stray cattle and has been making continuous efforts to explore enhanced measures that will help minimise the nuisances caused by stray cattle while safeguarding their welfare. One of the major measures is the "Capture-Sterilisation-Relocation" programme in which stray cattle will be captured by AFCD staff to allow veterinary surgeons to perform surgical sterilisation. The cattle will be relocated to remote country park areas in the same district to resume their livelihood in the wild so that their nuisances to the public would be minimised. Meanwhile, AFCD is currently conducting a trial programme on injectable contraceptive vaccine (GonaCon^{TM}) for female cattle, with a view to decreasing the reproductive rate of cattle dwelling in remote rural areas in a more effective manner. The findings of the first phase of the trial show that the vaccine has effectively rendered infertility to 70% of the cattle, but the success rate in sterilising buffaloes is relatively low. For the time being, we will keep monitoring and assessing the long-term effectiveness of the contraceptive vaccine on cattle and buffaloes in the wild. The findings are expected to be available by the end of 2020.

Stray cats and dogs

Surgical sterilisation on cats and dogs is the most effective way, while contraceptive drugs or vaccines on cats and dogs are found relatively less effective.

Part 2: Control of Wild Animal Nuisances

Need to ensure that on-site visits are conducted where necessary and need to improve timeliness in responding to complaints

2) According to paragraphs 2.4 to 2.12, will the Administration inform this Committee:

(a) of the staff establishment for carrying out the work mentioned in paragraph 2.4;
30 staff from the Wetland and Fauna Conservation Division of AFCD are responsible for the control of wild animals (including rescuing injured wild animals and handling wild animal nuisances), enforcement of the Wild Animals Protection Ordinance and conservation in connection with wetlands such as Mai Po.
(b) of the details of the services to be provided by AFCD officers and the scope of work they will carry out when they conduct on-site visits or take actions in respect of the cases mentioned in paragraph 2.4,
Upon receipt of reports on injured or trapped wild animals, AFCD will deploy staff to conduct on-site inspections and rescues. Upon receipt of reports of wild animal causing nuisances to the public, AFCD will conduct on-site visits to investigate the cause and situation of the wild animal sighting, recommend preventive measures to the persons affected and take appropriate management actions as and when necessary, e.g. arranging patrols in the relevant sites and chase away or capture the wild animals causing nuisances immediately, etc.
(c) whether AFCD has assessed the reasons for not conducting any on-site visits as mentioned in paragraph 2.6; of the form of follow-up work carried out by AFCD if it has not conducted any on-site visits; and
AFCD will decide whether to deploy staff to the scene in light of the information collected from the complainants, including the species and number of wild animals as well as the situation on the scene (including whether the wild animals have already left the scene). In cases where the wild animals involved do not pose any threat to life and property and they are in good health condition, AFCD will suggest the complainants to allow the animals to leave at will. As for cases involving only the sighting of wild animals with no nuisance caused, or repeated complaints, AFCD will approach the complainants to look into the situation and offer appropriate advice.

(d) regarding Case 1 in paragraph 2.6, whether AFCD can explain in detail how it can closely monitor the situation of wild pig occurrence in the area without conducting any on-site visits; and whether the wild pig issues at the Waterfront Park of Cyberport have been addressed?
For Case 1, AFCD failed to obtain further information from the complainant for on-site investigation as there was no contact number. In response to the previous complaints about wild pig nuisances around Cyberport and with the consent of the management company, AFCD has installed an infra-red camera at the area to monitor the occurrence of wild pigs on a long-term basis. AFCD confirmed the time of their occurrence by making use of the data of the infra-red camera and the information provided by other complainants for investigations. With the consent of the management company of Cyberport, cage trap was planned to be installed in early 2019. However, the wild pig had changed its pattern of occurrence before the operation and ceased to appear persistently around Cyberport. AFCD still maintains communication with the management company and monitors the occurrence of wild pigs around Cyberport by using the data of the infra-red camera and will take appropriate actions when necessary.

Need to follow guidelines on sterilisation of nuisance monkeys

3) Regarding the matters relating to the sterilization of nuisance monkeys in paragraphs 2.14 and 2.16, will the Administration inform this Committee:

(a) of the staff establishment for carrying out the relevant work;
In order to control the number of monkeys in the long term, since 2007, AFCD has arranged contraceptive treatment and sterilisation for monkeys in Kam Shan, Lion Rock and Shing Mun Country Parks and monitored the changes in monkey populations every year. In each operation, ten staff of the AFCD's contractor would be deployed to arrange capture and sterilisation and two AFCD staff would also be involved.
(b) regarding paragraph 2.15, of the reasons why AFCD had not indicated in its records the reasons for not sterilizing the 29 monkeys captured; and
Monkeys in Hong Kong generally get pregnant and procreate between April and August every year. In general, the captured monkeys would only be sterilised during the scheduled surgery period from September to March of the following year in order not to affect pregnant monkeys. Monkeys causing persistent nuisances in residential areas will be captured and temporarily kept in AFCD's Animal Management Centres (AMCs) and to be sterilised as scheduled. If the veterinary surgeon team of the contractor is not available for performing the surgery for the captured monkeys in the short term, AFCD will release the monkeys to avoid keeping them away from the

natural environment for a prolonged period so as to safeguard animal welfare. This is the reason why the 29 monkeys captured were not sterilised as mentioned in paragraph 2.15.
(c) according to paragraph 2.16, as the 29 monkeys released without sterilization were captured outside the scheduled surgery period, no veterinarians from the contractor were available for conducting sterilization for them, of the reasons why AFCD had scheduled surgeries only from September to March of the following year; whether such a situation is caused by resource constraints; if so, whether AFCD will consider increasing its resources, so as to lengthen the surgery period for sterilization?
Please see the response to Question 3(b) above.

Population control programmes for wild animals and the need to review sterilisation targets for the monkey contraceptive programme

4) According to paragraphs 2.21 to 2.26, will the Administration inform this Committee:

(a) whether the sterilization target of AFCD can be construed as ranging from stipulating a "specified minimum number of monkeys to be sterilized" to "getting about 80% of the monkey population sterilized for each troop";
AFCD's monkey contraceptive programme mainly aims at "getting about 80% of the monkey population sterilised for each troop" and the main purpose of specifying "the minimum number of monkeys to be sterilised" in the service contract is to enable the contractor to assess and allocate the resources required when considering whether to undertake the monkey contraceptive programme and before the commencement of the programme.
(b) if monkeys captured do not belong to the identified troops, how they will be handled or assessed;
Before each capture and sterilisation operation, the contractor will first conduct a population survey of monkey troops. Therefore, monkeys from the non-target troops will not be captured.
(c) of the reasons for not specifying in the contracts that "the contractor would refrain from sterilizing monkeys for troops which had about 80% of the population sterilized"; and
To prepare for different scenarios, AFCD considers that it is not appropriate to specify the exact number of monkeys to be sterilised in the service contract. However, AFCD will communicate with the contractor before the contract commences. In order to prevent the monkey contraceptive programme from lowering the number of monkeys for each troop too much, before every operation, the contractor would conduct a monkey population survey and check the past sterilisation records of the target troops to ensure

that the number of monkeys sterilised for each troop will not exceed 80% of their total population.

(d) as residents currently living in the vicinity of rural areas often complain about nuisances caused by wild monkeys entering their homes, whether AFCD knew the numbers of such complaints from various districts in the territory in the past five years; and whether AFCD has regularly assessed the impacts of wild monkeys on society and reviewed the relevant control measures?

Over the past 5 years, the number of monkey nuisance reports received by AFCD is tabulated as follows:

Year	Kowloon	New Territories	Total
2014-15	70	353	423
2015-16	147	366	513
2016-17	126	401	527
2017-18	84	315	399
2018-19	89	320	409

Note: There were no reports on monkey sighting or nuisance on Hong Kong Island.

AFCD regularly reviews the nuisances caused by monkeys and deploys a task force to step up patrol in areas frequented by monkeys, especially in Sha Tin and Wong Tai Sin Districts. In recent years, AFCD has extended the scope of population survey to residential areas in the vicinity of country parks frequented by monkeys, to cover a small number of solitary monkeys causing nuisances to the residential areas in search for food. This is the reason why the total number of monkeys in the survey has slightly increased in recent years. Nevertheless, the population of major monkey troops in the core areas of Kam Shan, Lion Rock and Shing Mun Country Parks remains stable. AFCD will also review the control measures regularly. To further reduce nuisances caused by monkeys in urban areas, AFCD has included the solitary monkeys in the contraceptive programme since 2018.

Need to address difficulties in searching for and capturing monkeys

5) According to paragraphs 2.27 to 2.29, will the Administration inform this Committee:

(a) given that according to paragraph 2.27, while the population of monkeys and the number of monkey troops are increasing, the "specified minimum number of monkeys to be sterilized" in Table 5 has shown a downward trend, of the justifications for AFCD to set the relevant targets; how it has obtained the figures on the population of monkeys and the number of monkey troops in paragraph 2.27; and whether it has studied if the existing method for obtaining the relevant figures is accurate; and

The monkey contraceptive programme is operated on an adaptive basis in which the targets can be adjusted as and when necessary, with a view to tackling monkey nuisances in the long run. Through the past efforts of AFCD and the contractor, under the contraceptive programme, the total number of monkeys in the core areas of Kam Shan, Lion Rock and Shing Mun Country Parks maintains at about 1 800. The birth rate of monkey population has also decreased from 60% in 2009 to about 35% in recent years. Since 2017, AFCD has extended the scope of population survey to residential areas in the vicinity of country parks frequented by monkeys, in order to cover a small number of solitary monkeys causing nuisances to the residential areas in search for food. This is the reason why the total population of monkeys and the number of monkey troops in the survey have slightly increased in recent years. With the increase in the accumulated number of sterilised monkeys among the core monkey troops in the trapping sites, the number of monkeys suitable for sterilisation has thus decreased. Thus, there is a need to reduce the number of monkeys to be sterilised as specified in the contracts.
(b) regarding the situation mentioned in paragraphs 2.28 and 2.29, how AFCD will enhance its monkey trapping strategy at present?
The population of major monkey troops in the core areas of Kam Shan, Lion Rock and Shing Mun Country Parks remains stable. To further reduce nuisances caused by monkeys in urban areas, since 2018, AFCD has extended the scope of contraceptive programme to cover the monkey population causing nuisances to the residential areas in the vicinity of country parks, set trap cages in new sites, and improved the catching strategies by using real-time monitoring system.

<u>Need for the "wild pig capture and contraception/ relocation programme" (CCRP) to cover more nuisance blackspots</u>

6) According to paragraphs 2.32 to 2.36, will the Administration inform this Committee:

(a) of the criteria for determining the selected sites for carrying out the 51 operations under CCRP in paragraph 2.32; and the relevant details of such criteria;
In selecting sites for conducting CCRP operations, AFCD will look at various factors, including the size and structure of wild pig populations causing nuisances, degree of nuisances, food attraction and the suitability of terrains for conducting capture operations.
(b) of the effectiveness of the 51 operations mentioned in paragraph 2.32; and the respective numbers of wild pigs that were successfully captured, administered with contraceptive/sterilization treatment and relocated in the aforesaid 51 operations;

During the period from October 2017 to 31 May 2019, AFCD arranged 51 operations and captured 183 wild pigs, among which 64 wild pigs were administered with the contraceptive vaccine, 22 were surgically sterilised and 138 were relocated to remote countryside.
(c) whether AFCD will regularly update the information on the nuisance blackspots for wild pigs in paragraph 2.33 (for example, whether it will review the data in each of the years mentioned in paragraph 2.33(a)); and
Apart from drawing up a list of nuisance blackspots according to the existing criteria, AFCD will regularly examine and update the situation of these blackspots as well as annually review the data of the past two years to formulate improvement measures to tackle the issues.
(d) of the effective measures currently adopted by the Administration to improve the situation of the nuisance blackspots for wild pigs?
AFCD will regularly examine and update the situation of these nuisance blackspots to formulate effective measures to tackle the issues, for example, arranging capture operations, setting up cage traps, arranging joint enforcement actions with relevant departments against feeders and strengthening public education to remind the public not to feed wild pigs. To reduce the nuisances caused by wild animals such as wild pigs foraging food from outdoor refuse, AFCD, FEHD and EPD jointly commissioned a study to improve the existing designs of refuse bins to prevent raids by wild pigs or monkeys. At the first phase of trial, the wildlife-resistant bins covered more than 40 trial locations across eight districts.

Need to expedite evaluation of the contraceptive vaccine used

7) According to paragraphs 2.37 to 2.39, will the Administration inform this Committee:

(a) when AFCD has started to track the wild pigs that have received contraceptive treatment; and among the aforesaid wild pigs, of the number of those which can still be tracked;
To monitor the movement of the released or relocated wild pigs, wild pigs of suitable size and having received contraceptive treatment, have been installed with Global Positioning System collars since August 2018. However, most of the collars slipped off within two months. To keep the collar in place, a waist strap has been added to secure the collar of a wild pig on a trial basis in November 2019. The wild pig is still wearing the transmitter and AFCD will closely monitor the effectiveness of this measure.
(b) given that it is pointed out in paragraphs 2.38 and 2.39 that the effectiveness of the vaccines used under CCRP cannot be evaluated as the contractor has not obtained enough samples, of the person(s) who had set the

relevant targets; whether AFCD had studied if the problems mentioned in paragraph 2.38(a) and (b) are insoluble;
According to a research led by the Department for Environment, Food and Rural Affairs of the United Kingdom (DEFRA), GonaCon^{TM} has been found to be effective for at least four to six years on captive wild pigs. As wild pigs, in general, would not live for more than 10 years, GonaCon^{TM} should be effective in controlling the fertility of wild pigs. AFCD is co-operating with the Department of Agriculture of the United States (USDA) and DEFRA to conduct field trials of GonaCon^{TM} on wild pigs in Hong Kong to assess the long-term effectiveness of the vaccine. Blood samples from the wild pigs (including 10 samples from recaptured individuals) collected during the research period were sent to UK for analysis in October 2019.
(c) according to current estimation, when the aforesaid evaluation is expected to be completed; if the evaluation cannot be completed within the target time frame, how the contract will be handled; and
It is expected that preliminary results of the above research project will be available in early 2020.
(d) of the details of the contracts, relevant schemes and the relevant expenditures?
Under the above research project, USDA and DEFRA will be responsible for providing vaccines and assessing the vaccine effectiveness respectively. The project involves about $0.86 million in total.

Need to expedite conducting population surveys of wild pigs

8) According to paragraphs 2.41 to 2.44, will the Administration inform this Committee:

(a) whether AFCD has assessed if the measures for controlling the wild pig population are unscientific and inadequate, given that they were implemented under the situation where AFCD did not know the number of wild pigs; and how AFCD will set targets under CCRP and evaluate the effectiveness of CCRP when it does not have the number of wild pigs; and
To tackle the wild pig issues, the main objective is to reduce the nuisance caused by wild pigs appearing near urban or residential areas. Wild pigs foraging in the nature and causing no nuisances to the public are not among the targets to be managed. Therefore the availability of statistics on the territory-wide population size of wild pigs in Hong Kong does not have direct bearing on how wild pig nuisances are managed. To assess the effectiveness of the pilot programme, AFCD will monitor the degree of nuisance at the trial sites for signs of alleviation, the effectiveness of the contraceptive vaccine and tendency of relocated individuals to return to urban areas. The preliminary findings show that there is instant alleviation of nuisance in most trial sites.

(b) of the details and progress of the study conducted on the technology for estimating the wild pig population accurately and for carrying out population surveys on wild pigs?
The study on wild pig population mainly aims at estimating the total population of wild pigs in Hong Kong by using infra-red cameras to collect time lapse data for statistical analysis. At present, data collection work in trial sites has been completed and data analysis is in progress. If the outcomes are satisfactory, AFCD will engage contractors to extend the scope of the study to cover the territory to obtain more accurate statistics.

9) What is the overall division of responsibilities and organization within the Administration in relation to the control of wild monkeys and wild pigs? How many parts of such work will be outsourced to contractors?
The Environment Bureau is responsible for formulating wildlife conservation policies, while AFCD is responsible for giving effect to these policies, including handling nuisances caused by wild animals. To control the number of wild monkeys and pigs in the long run and abate the nuisances they caused to the public, capture, contraception and relocation of wild animals will be conducted by AFCD's outsourced contractors. The work above does not cover the control of stray animals and zoonotic diseases under the policy area of the Food and Health Bureau.

Need to take into account wild pig nuisances in imposing feeding bans

10) As it is pointed out in paragraph 2.53 that AFCD agrees to keep in view the need to extend Feeding Ban Area to cover nuisance blackspots for wild pigs, when will AFCD carry out the aforesaid review and when the review is expected to be completed?
AFCD has established an advisory group comprising experts from various fields to advise on the management of wild pigs, including reviewing the feasibility of extending feeding ban areas. It is expected that preliminary results will be available by the end of 2020.

Part 3: Control of Stray Animal Nuisances

Need to improve guidelines on handling stray dogs and cats

11) Regarding paragraphs 3.12 to 3.15, will the Administration inform this Committee:

(a) given that stray dogs and cats not reclaimed within 96 hours or after four days and considered not fit for rehoming (i.e. due to failing either health or temperament assessment) would be euthanized, of the justifications for setting this threshold;
According to the Rabies Ordinance (Cap. 421), where an animal has been seized and detained under section 7 and no person has within 96 hours after such seizure notified the Director of Agriculture, Fisheries and Conservation (DAFC), an authorised officer or a police officer that he is the keeper of the animal, it shall be presumed until the contrary is proved, that the animal was abandoned. DAFC may dispose of the subject animal in a way as he considers appropriate, including arranging for rehoming or euthanasia. Nevertheless, for dogs with microchip implanted, AMCs will try to locate their owners based on the information on the microchips. In general, they will stay in the AMCs temporarily for 10 to 20 days. If owners have lost their animals, 96 hours is a reasonable period of time for them to report their loss. Allowing all animals to stay longer in AMCs would significantly reduce the space for keeping other animals, including those in good health, having a gentle temperament and suitable for adoption. These animals could otherwise be able to stay in the AMCs for a longer period of time to wait for adoption. Moreover, some of the animals received by AMCs are not fit for rehoming due to various reasons, including the risk of carrying zoonotic diseases, health or temperamental reasons.
(b) of the staff establishment to be stationed in Animal Management Centres to observe stray dogs and cats, and the ratio of the average number of staff members deployed to the number of stray dogs and cats observed; and
Currently, there are about 50 staff in AFCD's four AMCs who are responsible for observing and taking care of the animals. In 2018, AFCD received 2 943 cats and dogs through different channels. Since the number of cats and dogs stay in AMCs varies each day and the length of their stay also varies, therefore, the actual number of cats and dogs attended by each staff member cannot be accurately calculated.

(c) the reasons for not documenting euthanizing two dogs and a cat during the four-day detention period?
The 47 cats and dogs mentioned in the Audit Report were euthanised due to their low chance of survival because of injury or illness, or some had a temperament that was not suitable for rehoming as assessed by veterinary officers in accordance with AFCD's guidelines. However, the staff concerned forgot to record the reasons for euthanasia of three of these animals in the computer system, resulting in incomplete information. AFCD has already reminded relevant staff that the reasons for euthanising animals must be properly recorded.

Need to enhance monitoring of rehoming partners

12) Regarding paragraph 3.17, will the Administration inform this Committee:

(a) of AFCD's existing procedures for transferring stray dogs and cats to rehoming partners;
If the animals being abandoned or left unclaimed are assessed to have a gentle temperament and are in good health by veterinary officers of AFCD, AFCD will notify its rehoming partners, which will conduct further assessment on the animals in AMCs where necessary. If the animals are considered to be suitable for rehoming, the rehoming partners will submit the applications and collect the animals. Members of the public who wish to adopt animals may apply for rehoming in accordance with the guidelines of the rehoming partners.
(b) of the prerequisites and procedures for applying to become a rehoming partner;
The applicant organisation must be registered under the Companies Ordinance (Cap. 622) or the Societies Ordinance (Cap. 151). The organisation must also be a charitable organisation registered under section 88 of the Inland Revenue Ordinance (Cap.112). During the process, if the organisation is charging a rehoming or adoption fee in return for transferring ownership of the animal, it must apply for an exemption from holding an Animal Trader Licence under section 5A of the Public Health (Animals and Birds) (Trading and Breeding) Regulations (Cap. 139B). In addition, the applicant organisation also has to submit further information, including the background, structure, activities and financial status of the organisation, whether it has a membership scheme for adopters, a mechanism in place for assessing potential adopters as well as follow-up and record-keeping system. If the applicant organisation has premises for keeping animal, relevant information must also be submitted to AFCD for approval.

(c) as the Director of Audit's Report had pointed out that of the 16 animal welfare organizations ("AWOs"), seven had become rehoming partners for more than 10 years, and that there was a risk that some rehoming partners had not been visited by AFCD for a considerable period of time, of the details and the meaning of "there was a risk that some rehoming partners had not been visited for a considerable period of time"; of AFCD's guidelines on and manpower for visiting rehoming partners; and
In general, AFCD will visit the relevant facilities of the animal welfare organisations (AWOs) while assessing their applications, and will only visit them where necessary. AFCD has not drawn up guidelines on visiting rehoming partners. AFCD will draw up visiting guidelines and visit the facilities of rehoming partners regularly in order to ensure proper running of the facilities.
(d) of the relevant requirements for AWOs in submitting rehoming records, the purpose of so doing, whether a sample copy can be provided; if no records have been submitted, how AFCD will follow it up; why AFCD can tolerate non-submission of rehoming records?
AFCD currently maintains liaison with rehoming partners and regularly reminds them of the need to submit rehoming records in a timely manner. Through collecting rehoming records, AFCD obtains useful information to assess the rehoming capacities and frequencies of AWOs in order to timely review and enhance the programme. A copy of rehome record being used by AWOs is enclosed.

Need to ensure that sterilisation requirement of rehomed dogs and cats is followed

13) Regarding paragraphs 3.23 and 3.24, will the Administration inform this Committee:

(a) whether procedures have been formulated to ensure the sterilization of rehomed dogs and cats which have not been sterilized at AFCD-engaged veterinary clinics; and
At present, AFCD requires its rehoming partners to perform sterilisation for animals (cats, dogs and rabbits) referred by AFCD. Due to various factors, the rehomed animals might not be suitable to undergo sterilisation immediately. Thus, the rehoming partners will decide the most suitable time to perform sterilisation for them based on the condition of the animals concerned, thus the animals may be sterilised after they have been rehomed. AFCD will also follow up with the rehoming partners regularly on whether the rehomed animals have undergone sterilisation.

(b) whether it has assessed the feasibility of making it a mandatory requirement that dogs and cats must be sterilized at AFCD-engaged veterinary clinics before being rehomed?
Please see the response to Question 13(a) above.

Need to keep in view implementing of TNR trial programme

14) Regarding paragraphs 3.26 to 3.30, will the Administration inform this Committee:

(a) whether AFCD will adjust the trial programme concerned at present; of the details of the measures in place to deliver the expected results of the programme; and
Since the findings of the "Trap-Neuter-Return" Trial Programme for Stray Dogs show that average lifespan of stray dogs may be lengthened under regular feeding and care given by carers, AFCD will make reference to the findings to determine the duration of the programme if there is any future attempt for AWOs to run the programme at specific locations.
(b) of the details and amounts of funds allocated to the two AWOs taking part in the programme; whether any manpower requirement for those AWOs are specified; if completion of the programme within the stipulated timeframe is not possible, whether AFCD will provide supplementary funding to the AWOs concerned, and how it will handle such situation?
The distribution of labour and resource allocation of the said programme is divided into two parts: the programme coordinators (i.e. AWOs) are responsible for feeding, capturing and performing sterilisation for dogs while AFCD is responsible for monitoring and analysing the effectiveness of the trial programme, providing technical support when necessary, and deploying staff to handle complaints in relation to the programme. AFCD and the programme coordinators will bear the respective manpower resources and relevant expenses in relation to the programme. AFCD has not specified any manpower requirement for the programme coordinators.

Part 4: Publicity, Prosecution and Other Administrative Issues

Need to ensure display of banners at blackspots and congregation spots

15) Regarding paragraphs 4.9 to 4.13, will the Administration inform this Committee:

(a) apart from putting up banners at animal nuisance blackspots and animal congregation spots, what initiatives will AFCD take to improve the blackspots for and congregation spots of monkeys, wild pigs and feral pigeons;
Wild animals appear and congregate when acquiring food from human feeding or food remains from human. AFCD strives to strengthen public education, including displaying banners at nuisance blackspots and congregation spots, enhancing public knowledge of wild animals and promoting the prevention of feeding wild animals. From 2018 onwards, AFCD has commissioned OPCFHK to offer educational activities and eco-tours in the feeding ban areas (including Sha Tin, Wong Tai Sin and Tsuen Wan Districts) during weekends, with a view to enhancing public knowledge and spreading the message of no feeding of wild animals. Moreover, from 2019 onwards, school talks have been provided to districts frequented by wild animals (including Sha Tin, Southern, Yau Tsim Mong and Tsuen Wan Districts) to further disseminate message on prevention of wildlife nuisances and stop feeding wild animals. AFCD has just conducted a series of publicity and education programmes, including promotion on TV, radio, public transportation, thematic websites as well as organisation of fun day, roving exhibitions, public lectures and visits, to publicise the negative impacts of feeding wild animals. AFCD has also launched the TV Announcements in the Public Interest together with a series of micro-movies titled "Don't Feed Wild Animals and Feral Pigeons" to inform the public about the negative consequences of feeding wild pigs, monkeys and feral pigeons, etc.
(b) apart from the blackspots and congregation spots, whether AFCD has put up relevant banners in other places; and
Where appropriate (e.g. sufficient space is available), banners in relation to monkeys, wild pigs and feral pigeons will be displayed at the feeding and congregation blackspots.
(c) why such banners were not put up at all animal nuisance blackspots and animal congregation spots in the past?
Please see the response to Question 15(b) above.

Need for timely prosecution action

16) Regarding the two cases referred to in paragraph 4.20, whether AFCD has reviewed the respective reasons why the 31 prosecution cases were withdrawn from 2014-2015 to 2018-2019; regarding the two cases for which prosecutions were time-barred and hence AFCD had not instituted any prosecutions, whether human errors or manpower deployment issues were involved?
From 2014-15 to 2018-19, 31 cases were dropped by AFCD due to insufficient evidence. Two cases were time-barred and no prosecution had been instituted due to the delay in processing the cases. AFCD will learn from the incidents and carefully review the workflow and monitoring procedures to improve the existing enforcement and prosecution procedures.

Need to enhance practices on surveillance of African Swine Fever

17) Regarding the pilot programme for further enhancing the surveillance of African Swine Fever ("ASF") mentioned in paragraph 4.30, will the Administration inform this Committee:

(a) of the coverage of the pilot programme; whether AFCD will, in implementing such programme officially, consider implementing the programme throughout Hong Kong; if not, of the reasons for that; and
The pilot programme to strengthen the surveillance of African swine fever on wild pigs currently mainly covered areas in the vicinity of pig farms (including the north of Shang Shui and east of Lam Tsuen Country Park). AFCD, after reviewing the pilot programme and considering the factors concerned (e.g. the number of wild pig carcasses collected), will adjust the programme, which will include extending the scope of surveillance to cover the whole New Territories by phases.
(b) of the numbers of wild pig deaths that were found in Hong Kong each month since ASF was first found in August 2018 on the Mainland; of the locations where such deaths were found?
The number of wild pig carcasses collected by FEHD from August 2018 to November 2019 by district is set out as follows:

Month	Hong Kong Island and Outlying Islands	Kowloon	New Territories
August 2018	9	3	3
September 2018	10	1	9
October 2018	7	4	8
November 2018	15	0	13
December 2018	11	4	19

January 2019	10	1	21
February 2019	11	1	8
March 2019	13	1	5
April 2019	7	0	8
May 2019	8	1	7
June 2019	7	0	8
July 2019	19	1	21
August 2019	22	1	20
September 2019	18	4	34
October 2019	14	2	20
November 2019	13	1	19
Total :	**194**	**25**	**223**

(II) For the Environment Bureau

Need to expedite conducting population surveys of wild pigs

18) What is the overall division of responsibilities and organization within the Administration in relation to the control of wild monkeys and wild pigs? How many parts of such work will be outsourced to contractors?
Please see the response to Question 9 above.

Rehome record for AWO

AFCD Ref.			Animal Particulars					Organization Ref.		
Ref No.	Date of Application	Date of rehome to Organization	Species	Breed	Age	Sex	AVID no.	Date of rehome to adoptor/Outcome	Adoptor	Desex status

中華人民共和國香港特別行政區政府總部教育局
Education Bureau
Government Secretariat, The Government of the Hong Kong Special Administrative Region
The People's Republic of China

本局檔號 Our Ref.:EDB(SE&KG)/4-35/1/1(C)2
來函檔號 Your Ref.: CB4/PAC/R73

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17 January 2020

Clerk to Public Accounts Committee,
Legislative Council Complex,
1 Legislative Council Road,
Central, Hong Kong
(Attn.: Mr Anthony CHU)

Dear Mr CHU,

Public Accounts Committee
Consideration of Chapter 5 of the Director of Audit's Report No. 73
Special education

Your letters to the Secretary of Education dated 19 and 20 December 2019 on the captioned subject were well received. Please find the English version of our responses to the matters set out in Part (I) of the Appendix to your first letter. The Chinese version of our responses will be sent to you as soon as possible.

For enquiries, please contact the undersigned at 2892 6501.

Yours sincerely,

(Godwin LAI)
for Secretary for Education

c.c. Director of Social Welfare (Fax no.: 2838 0757)
Secretary for Financial Services and the Treasury (Fax no.: 2147 5239)
Director of Audit (Fax no.: 2583 9063)

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Public Accounts Committee
Consideration of Chapter 5 of the Director of Audit's Report No. 73
Special Education

(I) For the Education Bureau

Part 2: Provision and management of school places and boarding places

1) According to paragraph 2.3 and 2.4 (b), the Education Bureau ("EDB") did not provide special school places for children with physical disability ("PD") and/or those with intellectual disability ("ID") at Outlying Islands, Sha Tin and Sai Kung regions. As at July 2019, EDB had no plan to provide school places for children with PD in the Outlying Islands region and for children with severe ID ("SID") in Sha Tin and Sai Kung region.

   (a) Please tabulate numbers of students who live in one region but who have to attend a special school in another school region, and their respective school regions, breakdown by regions and types of schools.
   (b) What is the intention to adopt a regional basis for providing school places? Does EDB consider the present distribution of school places not satisfactory? What are the principles to place children to schools at non-residing region? What measures has EDB taken to facilitate affected children to go to school?
   (c) According to paragraphs 2.14(b) and 2.15, Secretary for Education ("SED") has agreed to consider expanding the scope of target students of special schools as far as practicable. What is the result of consideration? Is there a timetable for review? When will this review be completed? Does EDB plan that eventually all children with PD or with SID can be catered for in their own regions? What other measures will EDB take to address the issue?

   (a), (b) and (c)
   In the two decades from 1970, especially with the implementation of nine-year compulsory education in 1978, provision of special education services expanded rapidly with an increase in the number of special schools. Unlike the ordinary schools in the case of which there are well-specified standards for new schools to be set up to meet local school place demand, planning of special schools to meet specific local needs is not pragmatic since the number of children with more severe or multiple disabilities to be placed in different types of special schools is low and the location of their residential homes are scattered and random in nature. Therefore, special

schools are provided to meet territory-wide requirements while the location of new schools should be as widespread as possible to cater for children with various types of disabilities. When planning for new special schools and reprovisioning of existing special schools, due regard is given to the regional needs to reduce the imbalance of school provision among regions. In this regard, for planning purpose, schools for children with PD (PD schools) and schools for children with ID (ID schools, including schools for children with mild ID (MiID schools), schools for children with moderate ID (MoID schools) and schools for children with severe ID (SID schools) are reviewed and planned on a regional basis, namely Hong Kong Island, Kowloon and Tseung Kwan O, Sha Tin and Sai Kung, Tai Po and North, Kwai Tsing and Tsuen Wan, Tuen Mun and Yuen Long, and Outlying Islands. Having said so, availability and suitability of site for building special schools is one of our major restrictions. For example, for students having mobility problems, such as student with SID and PD, low-rise school building is preferred hence a large base area is required and smaller sites are not suitable. On top of that, all SID schools are provided with a boarding section. In sum, planning and establishing every type of special schools in every region was not the policy intention of the EDB owing to the comparatively small number of students requiring special school placement.

Hitherto there is no PD and ID schools in the Outlying Islands region. Nevertheless, the construction works of a new ID school in Tung Chung has been completed and the school premise has been handed over to the School Sponsoring Body (SSB) in November 2019. The EDB aims at operating the new school soonest possible and the SSB is actively preparing for the commencement of the new school within the 2019/20 school year. From the perspective of provision, the new school is provided with facilities required to cater for students with SID, which are similar to those for students with PD. If assessed to be suitable and with parental consent, students with PD residing in the Outlying Islands Region could also be admitted to the school. As for the students with SID living in the Sha Tin and Sai Kung region, currently they could be placed in SID schools located in the Kowloon and Tseung Kwan O region and/or the Tai Po and North region. Should they require boarding service, they could be placed in SID schools with a boarding section at other regions.

As a supplementary measure to the special school planning work so as to facilitate the placement of children with ID and PD in appropriate special schools, a referral and placement (R&P) mechanism has been established

by the EDB. The EDB has reviewed the R&P mechanism regularly to cope with any establishment and reprovisioning of special schools throughout the years. A major revision to the R&P mechanism for ID schools was made in 2012 in response to the strong request of parent associations for providing more school choice for parents.

According to the prevailing R&P mechanism, each ID school has its own catchment area, that is, the primary catchment area (PCA). Parents are recommended to choose an ID school the PCA of which covers their residential location so as to reduce the time spent to and from school. Apart from PCA, the EDB has divided Hong Kong into five extended catchment areas (ECAs) including (i) Hong Kong Island and outlying Islands (excluding Tung Chung); (ii) Kowloon, Tseung Kwan O and Sai Kung East; (iii) New Territories East and Sai Kung West; (iv) Tsuen Wan, Kwai Chung, Tsing Yi and Tung Chung; and (v) Tuen Mun and Yuen Long. They are the regions of the R&P mechanism and are different from the seven regions for school planning purpose. Parents can apply for an ID school of the corresponding category for their children in the ECA to which their residential district belongs. The ID schools would provide school-bus service within the PCA and ECA as far as possible to help students to attend schools. This arrangement was made so as to address the parents' request for more school choice. Besides, parents may apply for an ID school of the relevant type for their children in the territory without restrictions of districts or regions, that is, a school in the territory catchment area (TCA). For the placement of children with PD, each of the seven PD schools has its own catchment area for admitting children living in its vicinity. Parents are recommended to choose a PD school nearer to their residence and they may discuss with the EDB if a school in another district (that is, a PD school with different catchment area) is preferred due to exceptional circumstances.

There are different reasons given by parents to request placing their children to a ID school outside PCA/ECA or to a PD school in another district, such as children being taken care of by a guardian living outside the PCA/ECA or in another district, children living in small group homes or parents requesting for admission to a specific school because of religious reason or to facilitate their children to receive services from rehabilitation centres near that school, etc. Furthermore, it is worth noting that not all the ID schools and PD schools operate a boarding section. Therefore, cross-area referrals are common and sometimes

inevitable for students requiring boarding service (boarders), especially 7-day boarders. Nevertheless, boarders do not need to travel between school and home during school days thus attending a school outside one's residential district would not be a hindrance to them.

In the past five school years from 2014/15 to 2018/19, unless specifically requested by parents for placing their children in an ID school outside PCA/ECA or a PD school with different catchment area, or requested for boarding placement for the children, the parents of children with ID could choose an ID school under PCA/ECA and the parents of children with PD could also choose a PD school the catchment area of which covers their residential location. Taking the situation of the 2018/19 school year as an example, the numbers of students enrolled in MiID schools, MoID schools, SID schools and PD schools are 3 218, 2 040, 706 and 907 respectively. The numbers of children who have been placed in an ID school outside PCA/ECA or a PD school with different catchment area due to various reasons as mentioned above, including cases due to the preference of the students' parents, are low and tabulated in the table below:

Regions of R&P Mechanism	**MiID School**	**MoID School**		**SID School**		**PD School**	
	Day Students	Boarders	Day students	Boarders	Day students	Boarders	Day students
Hong Kong Island and Outlying Islands (except Tung Chung)	2	100	3	0	0	17	1
Kowloon, Tseung Kwan O and Sai Kung East	13	1	8	25	4	10	3
New Territories East and Sai Kung West	16	0	1	21	0	8	1
Tsuen Wan, Kwai Chung, Tsing Yi and Tung Chung	13	0	6	0	4	0	1
Tuen Mun and Yuen Long	0	22	3	13	0	1	0
Sub-total	44	123	21	59	8	36	6
Total	44	144		67		42	

Note: The statistics are compiled based on the residential address provided by the parents to the EDB at the application stage. The numbers may have been changed afterwards.

2) Low enrolment rates of certain special schools and schools for social development ("SSD") were found at Table 6 in paragraph 2.5 and Table 7 in paragraph 2.7. According to paragraph 2.15(c), EDB would discuss with SSD(s) with very low enrolment rate on the feasibility of their conversion to other types of special schools that have higher demand. A 2-year pilot scheme of special units has been carrying out in SSDs starting from 2019-2020 to 2020-2021 school year to provide intensive support for students with autism spectrum disorders in ordinary schools who display very severe adjustment problems. In this connection,

(a) How did EDB collect and calculate these enrolment rates?
(b) What are the reasons for the low enrolment rates of some SSDs?
(c) Do the enrolment rates in Table 6 and Table 7 include students leaving that school year or students of other categories (i.e. short-term adjustment programmes at SSDs)? How would the enrolment rates change if the said students are not counted in calculating the enrolment rates?
(d) What types of special schools does EDB consider to convert these SDD(s) to? Is EDB confident that the discussion with the SSD(s) would be fruitful? Has EDB commenced the discussion with the relevant SSD(s)? What is the progress?
(e) What are the details of the 2-year pilot scheme? What is the number of target students? What progress has been made?

(a)

The enrolment rates were gathered from the special schools based on their enrolment situation on 15 September in each of the 3 respective school years i.e. 2016/17, 2017/18 and 2018/19.

(b)

The admission of students to SSDs is gauged by a vetting committee founded under the Central Coordination Referral Mechanism (CCRM) for SSDs. Since its inception in 1994, the vetting committee makes reference to a set of criteria in a guideline developed between the EDB, the Social Welfare Department (SWD) and the SSDs to recommend suitable students to attend SSDs. The guideline comprises concrete illustrations to guide the vetting committee to determine the severity of emotional and behavioural difficulties displayed by students, thus informing their needs to attend a SSD. Referrers for SSDs can access the guideline from the webpage of the EDB and the link is appended below for easy reference.

https://www.edb.gov.hk/attachment/en/edu-system/special/support-subsidy/special-school/ccrm/ssd_3_Conceptual%20Framework%20and%20Illustrations_eng.pdf

Whilst the guideline has been updated in 2017 after a comprehensive review with key stakeholders, the basic criteria of admission to SSDs remain unchanged and a stable success rate of the applications to SSDs is observed in the last five years or so. The EDB also arranges periodic briefing sessions to share with personnel of ordinary schools and social services units the support programmes at SSDs, and encourage them to refer suitable students to the SSDs.

We understand that, with the provision of information and briefing, personnel of ordinary schools and social services units are well informed of the support programmes at SSDs available for their students with emotional and behavioural difficulties. At the same time, we observe that over the years, ordinary schools have gradually built up their capacity to cater for students with emotional and behavioural difficulties with the increase in additional resources, professional support and teacher training made available for the implementation of integrated education (IE), as well as an additional teaching post of Special Educational Needs Coordinator (SENCO) in the staff establishment. School-based educational psychology service and additional school social workers have also been provided for the public sector primary and secondary schools in recent years. The enhanced competency of ordinary schools and additional resources and manpower for them to manage students with diverse needs, including those with emotional and behavioural difficulties, might have led to less referrals made to the SSDs.

(c)

The enrolment rates in Table 6 and Table 7 were derived based on the number of students enrolled in SSDs (including students under the short-term adjustment programme) as at 15 September of the respective school years. The rates were a snapshot of the utilisation of SSDs. The total number of students with moderate to severe emotional and behavioural difficulties served by SSDs in a school year should be higher than the number of students in SSDs on the above cut-off dates because students upon completion of the time-limited support programme during the school year would be arranged reintegration to the ordinary schools as early as possible. The EDB will convene an ad hoc meeting with all principals of SSDs and superintendents of residential home (RHs) in February 2020 to discuss the recommendations related to SSDs made in Chapter 5 of the Director of Audit's Report No. 73 (DoA's recommendations). We will also discuss with SSDs the compiling of statistics on the total number of

students served by them in the respective school years so as to reflect the full picture of the utilisation rate of SSDs.

(d) and (e)
In order to make good use of the spare capacity of SSDs, as well as the expert skills of the school personnel of the SSDs, the 8 SSDs were invited in April 2019 to try operating a special unit in a pilot scheme from the 2019/20 to 2020/21 school years to cater for students with autism spectrum disorders (ASD) attending ordinary schools who display very challenging behaviours. Each special unit caters for 4 students with ASD with severe adjustment problems. Intensive psycho-social training will be rendered to these students in the special units with a view to improving their social communication, emotional regulation and prosocial behaviours to facilitate their reintegration into ordinary schools.

In the 2019/20 school year, 3 SSDs have rolled out the pilot scheme, with each SSD targeting at supporting a particular group of students with ASD, namely primary male students with ASD, secondary male students with ASD, and secondary female students with ASD respectively. The capacity of the 3 special units altogether is 12 students with ASD. The educational psychologists (EPs) of the EDB have been providing professional support to the operation of the 3 special units in 3 SSDs since August 2019. We will evaluate the effectiveness of the pilot scheme, including comparing the pre-and-post intervention outcomes of the students, and the views of stakeholders before considering expansion of this service mode.

At the same time, the EDB has lined up a meeting with the Hong Kong Special Schools Council (HKSSC) in January 2020 and another meeting with all principals of SSDs and superintendents of RHs in February 2020 to discuss the DoA's recommendations, among which the reasons and appropriate measures to address the low enrolment rates of SSDs will be brought up. We will explore with the SSDs also the feasibility of them converting to ID schools the demands for which are projected to be on a rising trend in the coming years. The overall planning of SSDs will be formulated after we have assessed the effectiveness of the pilot scheme for students with ASD and outcomes of the exploration with the SSDs concerned on changing their clientele and service modes.

3) EDB has been working to increase the boarding places for students with moderate intellectual disability through conversion programme and

construction of new boarding sections and new schools as detailed in paragraph 2.24.

(a) What are the details of a new school for children with ID in Tung Chung which is expected to commence operation in 2020-2021 school year, such as the costs and number of places provided? What is the progress? Can the number of places to be provided meet the demand in the region?
(b) How will the distribution of cross-region intake be after all new schools and its boarding section commence operation in 2025-2026?

(a) and (b)
The new special school in Tung Chung will be provided with 18 classrooms and related facilities for students with MiID, MoID and SID. It also has a boarding section for students with MoID and SID with boarding needs. The construction was at an estimated cost of $334.7 million in money-of-the-day prices in 2017. The project was completed and handed over to the SSB in November 2019. The school aims at providing education and boarding services for children with ID with priority to those residing in the Islands District. The school could provide 198 school places and 60 boarding places. Apart from meeting the demand for school places and boarding places from children with ID residing in the Islands District, the new special school will also help meet the overall demand for boarding places from children with MoID from other districts.

Review of catchment areas of special schools is conducted annually and, subject to the consent of special schools concerned, adjustment will be made to better meet the regional demand. For example, in the school year before the two new ID schools (one with a boarding section) under planning in Kowloon Tong commence operation, the EDB will review comprehensively the PAC and EAC of the ID schools so as to achieve a more balanced supply and demand for ID school places across regions. If the building projects go smoothly, we expect that the two new ID schools and the boarding section could commence operation by the 2025/26 school year. By then, parents would have more school choice and subject to their option, their children would be referred to special schools nearer to their residence.

4) With reference to paragraph 2.12, the discharge arrangements of SSDs are implemented for students under short-term adjustment programme and those not under the programme. Based on paragraph 2.13, there were on average 41% and 46% of SSD students under short and long-term adjustment programmes respectively stayed in schools beyond expected timeframe.

(a) In terms of enrollment procedures and case processing for students in short-term adjustment programme in SSDs, what are the differences in workload and treatment between students who are enrolled in the programme and for those not under the programme?
(b) Based on what criteria/reasons students under short-term adjustment programme were expected to leave school within three months to one year?
(c) What are the reasons for students who are not studying short-term adjustment programme in the SSDs to stay over two years? What is the number of cases for each cause in the past five years?
(d) Based on what criteria/reasons students who are not under short-term adjustment programme are expected to leave within two school years? Why does EDB believe that students would have a significant improvement within two school years? With the start of the new secondary school curriculum, is the two-academic-year programme still a suitable period? Has EDB conducted any study on this? If yes, what are the details? If no, what are the reasons?
(e) As stated in paragraph 2.15 (e), EDB notes that there are a number of reasons whereby students require long time studying in SSDs. This proves that staying at school for two years may be an unrealistic assumption. Is there any review on the two-year stay? If yes, what are the details? If no, what are the reasons?
(f) Does EDB agree that the unexpectedly long period of stay not conducive to fully realizing the aim to provide more intensive guidance to students such that they may reintegrate into ordinary schools as soon as possible? What specific measures have been and will be taken to improve the situation?

(a)

The vetting committee of the CCRM will in general recommend students with moderate emotional and behavioural difficulties to attend the short-term adjustment programme in SSDs. Those students will maintain their registration in their original schools. For students with severe emotional and behavioural difficulties, they are recommended to leave their original schools and enrol in the SSDs. The nature of services for the two types of students in SSDs is basically the same. Counselling and prosocial behaviours training are provided for them on top of their learning of a formal curriculum in class. The major difference of the two types of students is the scheduled timeframe to review their progress and readiness to resume education in ordinary schools. Since the students attending short-term adjustment programme in SSDs are still registered in their original schools, the ordinary schools are expected to keep regular liaison with the SSDs in which their students are enrolled and prepare to reintegrate their students upon their discharge from the SSDs.

(b)

Premised on the principle of IE that it is most desirable for students to learn in the least restrictive environment and not in a segregated setting, the SSDs are established with a view to providing intensive support to the needy students, helping them to overcome their emotional and behavioural difficulties so that they can reintegrate into ordinary schools as early as possible. Research evidence on the efficacy of various intervention programmes for students with emotional and behavioral difficulties suggests that there are three-to-six month programmes that can produce marked and long-lasting positive results. Making reference to these findings and based on the principle of IE, we have set the discharge target for the students in the short-term adjustment programme to be within three to twelve months, thus providing an indicator for the SSDs to work towards. The EDB will collate and present statistical figures on the length of stay of students under the short-term adjustment programme to facilitate the discussion in the meeting with all principals of SSDs and superintendents of RHs in February 2020 to determine the need to adjust the expected duration of the short-term adjustment programme.

(c)

The EDB notes that there are a number of reasons why students requiring prolong study in SSDs, such as the need for completion of senior secondary education, poor family support and awaiting alternative placement, etc. The number of cases not under short-term adjustment programme and with prolong stay in SSDs due to different reasons in the past five years is as follows:

School Year	Need for completion of senior secondary education	Poor family support	Awaiting for alternative study arrangement	Emotional and behavioural problem	Others/ Information not available	Total
2014/15	63	25	15	6	16	125
2015/16	51	30	6	8	16	111
2016/17	62	17	22	13	15	129
2017/18	40	15	14	7	14	90
2018/19	39	15	15	7	19	95

(d) to (f)

Similar to the rationale mentioned in (b) above, we aspire to timely reintegrate the students into ordinary schools so that they can reap the benefits of mainstream schooling. The target for the students of SSDs to stay in school for not more than two years was set years ago after considering research findings that there were programmes lasting for less than two years for students with severe emotional and behavioural difficulties with proven results. According to the experience of SSDs/RHs and statistics collected in the past, most students in SSDs were able to achieve improvement and leave school within two school years. As such, the EDB, SWD and SSDs/RHs have agreed to take two school years as a reference point for follow-up on the long stay cases in SSDs.

Even though we have set a target for SSDs to achieve, we do consider the support and circumstantial needs of individual students. We flexibly allow individual students to stay beyond two years when SSDs report them to have continuous support needs after the review at school. And considering that with the introduction of the New Senior Secondary Curriculum, some students may find it too disruptive to have to adapt to a new school when they have already completed a substantial part of the three-year senior secondary study in one school.

For other prolonged stay cases with other reported reasons, we will review if it is still pragmatic with the change of times to continue expect most students in SSDs to be discharged within two years. This issue will also be brought up for discussion in the meeting with all principals of SSDs and superintendents of RHs in February 2020.

As mentioned above, we expect the students of SSDs to reintegrate into ordinary schools as soon as possible whilst flexibly is allowed for individual students who have support and circumstantial needs to stay beyond the expected duration in SSDs. We will review the viability of the targets for students of SSDs as well as those under the short-term adjustment programme with a view to striking a balance between the principle of early reintegration and the genuine needs of the students.

5) The recent social incidents have caused many students to have emotional/behavioural problems. Does EDB have any plans/preparations, such as reserving resources and school places provided by SSDs to support the learning and accommodation needs of these affected students?

Based on our exchanges with the school personnel, school-based EPs and psychiatrists, the top demand for support of the students who are affected by the recent social unrests is mental health support in consideration of signs of post-traumatic stress disorder, depression and anxiety problems they exhibit. They need counselling services provided by the school social workers, psychological services rendered by the school-based EPs, and where necessary, referral to the psychiatrists for psychiatric treatment. It is doubtful if it is in the interest of these students to change their schools when the students are in the said psychological conditions and are undergoing medical treatment. That said, SSDs are set up to provide education for students with moderate to severe emotional and behavioural difficulties. If there are students whose support needs are commensurate with the targets of SSDs and assessed to be able to be benefited from schooling in SSDs, ordinary schools can make use of the existing mechanism to refer them to the SSDs. It is envisaged that based on the existing enrolment situation of the schools, SSDs have capacity to cater for the increase in demand for their services.

6) As mentioned in paragraph 2.15(d), EDB will consider providing more options of special schools for the school-age students with ID and students with PD subject to their genuine needs. Has EDB completed the review? If yes, what are the review results? If no, when will the review be completed?

Currently, parents of school-age students with ID and PD may discuss with the officers of the EDB during the R&P interviews should they want to choose an ID school outside the PCA/ECA or a PD school with different catchment area due to their special circumstances. In view of the DoA's recommendation, the EDB will discuss with the HKSSC and the special schools concerned in the 2019/20 school year about allowing every school-age student with ID and PD to choose a special school in the territory. Parent associations will also be consulted. Subject to their comments, the EDB will decide whether the proposed arrangement could be adopted, and if it could be, the schedule for implementation.

7) According to paragraph 2.19, as at 15 September 2018, notwithstanding that there were 26 students with SID waiting for seven-day boarding service, there were 40 vacant places for five-day boarding service. According to paragraph 2.35(a), EDB will introduce more support to schools to encourage their converting five-day boarding places to seven-day boarding places. EDB will also discuss with special schools the feasibility of offering vacant

five-day boarding places as a temporary arrangement for students with SID who are waiting for seven-day boarding service.

(a) please set out in a table the differences between the five-day boarding service and the seven-day boarding service for students with SID, in terms of the staffing arrangements, services provided, other resources required, and other aspects?
(b) What criteria does EDB use to determine whether a student needs five or seven days boarding service?
(c) What are the biggest difficulties encountered by special schools for students with SID which are operating a seven-day boarding service? If there is a manpower shortage, please list the types and number. How could the Administration's response to the recommendations in the Audit Report address these difficulties? Please provide the recommendations and the respective action taken by the Administration in a table.
(d) Does EDB consider the imbalance of demand and supply seven-day boarding service not satisfactory? What measures has EDB taken to address the issue? What progress had been made?
(e) What support has EDB introduced to the special schools for conversion of five-day boarding places to seven-day boarding places? Has EDB discussed with the special schools concerned for offering vacant five-day boarding places as a temporary arrangement for students with SID who are waiting for seven-day boarding service? If yes, what are the results? If no, when will EDB discuss with them?
(f) Has EDB studied about changing the special schools that provide five-day boarding services to seven-day boarding services, so that the admissions of schools can be more flexible while suiting the needs of students who are currently waiting for places? If yes, what are the details? If no, what are the reasons?

(a) and (c) to (f)

In view of the increasing demand for 7-day boarding places, the EDB has been communicating with the special schools with a boarding section, in particular those offer solely 5-day boarding service, to identify ways to increase the provision whenever feasible. For instance, we had a formal meeting with the principals of SID schools in January 2019 to discuss, inter alia, the issue of increasing the provision of 7-day boarding service. Principals of SID schools offering solely 5-day boarding service were encouraged to actively explore the feasibility of providing 7-day boarding service in their boarding sections. However, they were reluctant to extend their boarding service owing to various school-based consideration. Among others, readiness of the serving staff to change their mode and

routine of work, the manpower provided by EDB for 7-day boarding service and the anticipated difficulties in recruiting supporting staff were their major concerns.

With a view to addressing the stakeholders' rising expectation for boarding service, meeting the increasing number of boarders in need of 7-day boarding service and catering for the intensive care needs of some boarders, the Chief Executive has announced in the 2019 Policy Address that the EDB would further enhance the staff establishment of the boarding sections in aided special schools starting from the 2020/21 school year. Relevant enhancement measures are as follows:

(i) Upgrading the ranks of warden and assistant warden of boarding sections with a capacity of 40 or above, and increasing the number of assistant wardens and houseparents-in-charge accordingly to strengthen the collaboration between the management teams of boarding sections and school sections in special schools with a view to providing more appropriate life skills training and counselling for boarders;

(ii) Further improving the weekend and Sunday manning ratios for boarding sections so that special schools offering 7-day boarding service will have extra manpower to take care of their boarders; and

(iii) Providing an additional grant for the boarding sections of schools for children with PD, MoID, SID and VI cum ID to employ personal care workers or hire related services.

The staffing arrangements and grants provided for the boarding sections of SID schools offering 5-day boarding services and 7-day boarding services upon the implementation of the above new initiatives in the 2020/21 school year are tabulated in the two tables below for reference:

Staffing arrangement for the boarding section of SID schools

Type of Staff	**Current Provision**		**New Provision**
	5-day boarding service	**7-day boarding service**	**7-day boarding service**
Warden	1		1

Type of Staff	Current Provision		New Provision
	5-day boarding service	**7-day boarding service**	**7-day boarding service**
Assistant Warden	1		(i) 1 (for a boarding section with a capacity of 39 boarders or less) (ii) 2 (for a boarding section with a capacity of 40 boarders or above)
Houseparent-in-charge	1 for every 4 posts of houseparent (for a boarding section with a capacity of 50 boarders and above)		1 for every 4 posts of houseparent (for a boarding section with a capacity of 40 boarders and above)
Houseparent	2 for 8 boarders	1.4 for 8 boarders *	2 for 8 boarders*
Programme Worker (i) 60 boarders or less (ii) 61-120 boarders	(i) 1 (ii) 2	(i) 0.7* (ii) 1.4*	(i) 1* (ii) 2*
Nurse	1 for 25 boarders	0.7 for 25 boarders*	1 for 25 boarders*
Clerical Assistant	1		1
Cook (i) 39 boarders or less (ii) 40-79 boarders (iii) 80 boarders or more	(i) 2 (ii) 3 (iii) 4	(i) 1.4* (ii) 2.1* (iii) 2.8*	(i) 2* (ii)3* (iii)4*
Watchmen	2		4
Janitor Staff	1 for 10 or fewer boarders	0.7 for 10 or fewer boarders*	1 for 10 or fewer boarders*

** The total manpower for 7-day boarding service includes the number of staff for 5-day boarding service plus that for the 7-day boarding service.*

Grants provided for the boarding section of SID schools#

Type of Grant	5-day boarding service	7-day boarding service
Boarding Grant (per boarder)	$1,632	$1,632
Top-up Boarding Grant (per boarder)	NA	$654
Air-conditioning Grant (i) per approved boarding place (ii) per TV/common room (iii) per dining/multi-purpose room	 (i) $1,454 (ii) $12,294 (iii) $12,294	 (i) $2,793 (ii) $46,262 (iii) $46,262
Additional Support Grant* for Enhancing the Support for Boarders with Medical Complexity (MC) in Aided Special Schools (i) Tier 1 support (ii) Tier 2 support * a minimum provision of $182,076 per school per annum for special schools having admitted boarders with MC	 (i) $17,069 (ii) $28,449	 (i) $34,138 (ii) $56,898
Personal Care Workers Grant (*one unit of additional grant for two nurses in the establishment*)	around $225,000 per unit	

 # Grant rates for the 2019/20 school year for reference only.

The EDB has conducted a briefing on the new initiatives for all special schools operating a boarding section in December 2019. Further discussion with those special schools currently offering solely 5-day boarding services will be conducted in the first quarter of the 2020 so as to explore the feasibility of their operation of 7-day boarding service under the enhanced provisions.

(b)

When receiving applications for boarding placement in special schools, we would assess whether the applicants meet the criteria for boarding service (please refer to paragraph 2.16(b) of the Audit Report) based on the professional reports and supporting documents available. The parents/guardians would be advised to apply 5-day boarding placement for the children concerned as far as possible since we consider that family lives are important to children. Should it be confirmed that the carers are unable to take care of the students concerned during weekdays, weekends, Sundays and school holidays, such as the carers are required to work on shift duty,

suffering from serious chronic illnesses or living in remote areas, etc., 7-day boarding service would be granted. Applications for 5-day boarding service would be approved if the carers could take care of their children during weekends, Sundays and school holidays.

8) Has Social Welfare Department made an analysis on the reasons for refusing applications by current students at schools for social development for seven-day boarding and considered providing an appeal mechanism for these cases?

As advised by PAC, the EDB is not required to handle this question.

9) According to paragraph 2.25, there would be a shortfall of boarding places throughout the projection period of seven school years. What are the details of EDB's action plan to address this issue?

Boarding sections are usually co-located with the school sections of special schools with the aim of facilitating students' access to education. The main objective is to cater for the long-term need of students with more severe and multiple disabilities and to facilitate them to receive education during school days. Subject to the projected demand for additional boarding places, the EDB would seek to include a new boarding section in new school building projects and/or to expand existing boarding sections by means of reprovisioning projects and/or conversion works as necessary.

In view of the sustained high demand for boarding service by students with MoID, there are several planned work projects to increase the supply. A new ID school with 60 boarding places for students with MoID and SID in Tung Chung has been completed in November 2019. Four other projects are expected to complete in the next few years. Details are tabulated below for reference:

Region	No. of new boarding places	Expected year of commencement (school year)
A MoID school in Shatin & Sai King	12	2020/21
A MoID school in Tai Po & North	60	2021/22
A MiMoID school in Tai Po & North	60	2021/22
A new MiMoID school in Kowloon & Tsueng Kwan O	80	2025/26

In the interim, the EDB will continue to explore other feasible ways, such as making use of the space available in existing boarding sections of ID schools, to increase the supply with reference to the actual demand for the boarding places. For example, the EDB has invited an SID school to operate 2 additional classes and 20 boarding places for children with MoID on a pilot-basis since the 2017/18 school year.

10) With reference to 2.35(c), EDB will discuss with special schools the procedures for conducting school-based review of students' boarding needs. Guidelines will be issued accordingly. What are the current school-based guidelines for conducting these reviews? Was EDB aware of the difficulties faced by schools in verifying the boarding needs? If yes, what measures have been taken to assist in the examination of boarders? When does EDB expect that new guidelines will be issued?

Special schools with a boarding section are required by the EDB to review the boarding needs of their boarders regularly to ensure that boarding services are provided for those students with genuine needs. All the principals of the special schools are well informed of the request and they would conduct regular review of the boarding needs and status of their boarders using their school-based guidelines as the basis for assessment. The requirement is also stated in the EDB's referral letters for day and boarding placement to remind the schools that boarding service should be provided to those students with genuine needs. Under all circumstances, when there are any boarding places available, schools are required to report to the EDB to ensure effective use of the boarding places, including those boarding places which are made available after their regular review of the boarding needs of their boarders. Under the prevailing practice, special schools are required to report the number of available boarding places to EDB at five intervals of a school year (namely, September 15, November 15, January 15, April 15 and June 15 of a school year) to facilitate our monitoring of their use of the boarding places.

We understand the limitations and difficulties encountered by the special schools in verifying the family problem and situation of their boarders, which will change from time to time. Good practices currently adopted by individual special schools operating a boarding section as well as advice by the EDB would be shared and discussed in the annual meetings with the principals of different types of special schools every school year. In response to the DoA's recommendation, we will consult the HKSSC and special schools about formulating a practical guide for the schools' review of the boarding needs of their boarders in a consistent manner. Subject to their responses, it is expected that the guide could be issued for use in the 2020/21 school year.

Part 3: Staffing of special schools

11) According to paragraphs 3.3, 3.9 and 3.12, there was high wastage of teachers in special schools and unfilled posts of occupational therapists and physiotherapist posts, and other non-professional staff.

(a) What is the latest wastage rate of teachers in special schools? What measures has EDB taken to alleviate the overall shortage problem? Has the vacancy situation been improved by the measures?
(b) Has EDB collected data and analysed the causes and distribution of the teachers' turnover in various special schools? If yes, what are the details? If no, what are the reasons?
(c) Will EDB conduct analysis on wastage rate for specialist and non-specialist staff in the future so as to better monitor the wastage rates?
(d) What measures did EDB take to assist special schools in employing occupational therapist and physiotherapist?
(e) According to paragraph 3.15(a), EDB will pass to the Food and Health Bureau the manpower demand for occupational therapist and physiotherapist in school sector for manpower planning. Has this been done? How many specialist staff will be needed to fill the gap? When does EDB expect that demand from schools can be satisfied? What other measures will be taken to improve the situation?
(f) According to paragraph 3.15(b), EDB will monitor the vacancy situation of non-specialist staff and consider providing more flexibility to special schools in freezing some of those unfilled posts in return for cash grants as appropriate. What is the result of consideration?
(g) What is the cost-effectiveness of the cash grants for hiring temporary staff or purchasing related services against the quality of services received by students? What criteria does EDB use to assess the impact? If negative impacts are found, is there any mechanism for review and improvement?
(h) How many teachers, specialist staff and non-specialist staff who have terminated employment have received special education training? Please provide details; if there are no relevant statistics, why?
(i) What are the reasons for not filling the vacant teacher, specialist and non-specialist positions? How did the shortage of personnel affect the operation of a school? Please elaborate by types of special schools.
(j) Has EDB assessed any factors in the future which may aggravate further the manpower shortage problem, such as the establishment of new special schools and the implementation of other programs leading to a large number of manpower requirements by other schools/institutions? In these cases, will it be more difficult for EDB to implement the recommendations made by Audit? What solutions does EDB have to address the problems?

(a) and (b)

The EDB has all along been providing support to help special school teachers build their capacity and enhance their professional competence. Moreover, we have been implementing various measures to increase the job satisfaction and sense of belongings of special school teachers so as to maintain a stable teaching force in the schools and attract new teachers to join the special school sector. For example, we have collaborated with tertiary institutions to deliver professional development programmes for special school teachers, and organised professional sharing activities, workshops and seminars, etc. to enhance professional sharing among special school teachers. In addition, the EDB has continued to deploy resources in special education and implemented relevant enhancement measures to improve the quality of education. In recent years, the EDB has progressively reduced the class size of various types of special schools so as to allow teachers more capacity to engage in school-based curriculum development, lesson preparation and other professional activities. The ratio of graduate teacher posts in the special schools has been increased to 100% so as to enhance the quality of teaching and attract more talents. Additional manpower and resources have also been provided for special schools to support the teachers and to enhance their career development. The EDB will keep in view the wastage rate of special school teachers and introduce relevant measures as appropriate.

The wastage rate in the past few years are set out in the table below:

School Year	2014/15	2015/16	2016/17	2017/18	2018/19
Number of Teachers Left	111	115	120	115	157
Wastage Rate	6.8%	6.9%	7.1%	6.8%	8.5%

According to the information submitted by the special schools, among the teachers who left the special school sector in the 2018/19 school year, over one-third were transferred to other schools, about one-third were due to personal reasons such as retirement, emigration or family matters, and the remaining one-third did not give a clear indication of their way forward or reason for leaving. There was a larger than usual number leaving special schools to join ordinary schools because starting from the 2017/18 school year and by phases in three school years, each public sector ordinary school would be provided with an additional Special Educational Needs Coordinator (SENCO) post for steering and coordinating services and support for students with SEN. The schools prefer to deploy teachers with training and experience in special education to take up the post. Hence, some schools might have employed special school teachers as SENCO,

giving rise to the larger turnover rate of special school teachers. It seems that the increase of wastage number in the 2018/19 school year is not a major cause for concern. The creation of SENCO posts would be completed by the 2019/20 school year thus there would not be a competition for teachers with special education training after this year. The EDB will, nonetheless, continue to monitor the wastage rate closely and collect the views and sentiments of special school teachers towards their work and introduce/continue effective measures to improve their working environment and support their professional development.

(c) to (g), and (i)

The Government published the report of the Strategic Review on Healthcare Manpower Planning and Professional Development ("Report") in June 2017. Based on the Report, there is a general shortage of healthcare professions, including occupational therapists ("OTs"), physiotherapists ("PTs"). Over the past ten years, the Government has substantially increased the number of University Grants Committee ("UGC")-funded physiotherapy and occupational therapy training places by 130% (from 100 in 2008/09 in total to 230 in 2018/19). In the 2019-20 to 2021-22 UGC triennium, the number of physiotherapy and occupational therapy publicly-funded first-degree intake places is further increased to 150 and 100 respectively. The Government will also count on the self-financing sector to provide training to help meet part of the increasing demand for healthcare professionals. The Government has subsidised 100 students studying in qualified self-financing physiotherapy and occupational therapy training programmes under the Study Subsidy Scheme for Designated Professions/Sectors ("SSSDP") in the 2019-20 cohort. Food and Health Bureau (FHB) will continue to assess the manpower requirements for healthcare professional once every three years in line with the triennial planning cycle of UGC.

Currently, to alleviate the recruitment difficulties of OTs and PTs, special schools may freeze some of the OT and PT vacancies in exchange for cash grants to recruit temporary staff who prefer flexible mode of work or hire related services from NGOs or private companies. To assure the quality of services received by students, circulars are issued to advise the schools to observe the relevant qualifications and requirements as stipulated in the Code of Aid for Special Schools/Code of Aid for Aided Schools for hiring temporary staff or purchase related services. Moreover, the EDB has conducted a review in mid-2018 on the encashment arrangements for the specialist staff as well as the cap for freezing the vacant posts for encashment by collecting the information on the strengths and encashment

situation of the specialist staff. The review result supported the arrangements in general could meet the operational needs of the schools. We will keep on monitoring the actual supply and demand situation along with other relevant factors, and will conduct another review on the above encashment arrangements as and when appropriate.

In formulating new polices, the EDB has all along taken into account views from the sector through our regular meetings with HKSSC and the Task Force on Provision of Education in Special Schools. For non-specialist staff, the difficulties of schools in recruitment are due to the comparatively demanding work nature in special schools which has deterred the candidates to join the sector and are likely to continue. Considering the views and suggestion of the sector, we will provide an additional cash grant for special schools in need to employ personal care workers and/or hire related services to relief the workload of their supporting staff. The cash grant could provide the schools with flexibility in employing extra hands in order to retain their supporting staff currently working in the schools. On top of that, the manning ratio of the boarding section operating 7-day services will also be enhanced. We will continue to incorporate views and suggestions of the sector in exploring feasible solutions to enable special schools to address their non-specialist manpower needs.

(h)
We have not collected statistics on the training background of special school teachers who have left the sector. According to our impression, there is no causal relationship between professional training of special school teachers and the turnover rate of teachers in special schools. Teachers who left the sector comprise those who have received special education training and those who have not received/begun the training. For specialist staff and non-specialist staff in special schools, there is no special education training requirements. Therefore, we do not maintain statistics on the termination of employment of special school teachers, specialist staff and non-specialist staff with/without special education training.

(j)
The EDB monitors the supply and demand for teachers and advises the UGC-funded universities of the manpower requirements in teachers for the planning of teacher training programmes through the triennium planning exercise. We do not envisage that there will be manpower shortage of teachers in special schools. There will be new special schools coming into operation in future years but it should be noted that the increase in number of special schools would provide more choices for parents of students but would not affect the number of students requiring special education hence would largely not affect the specialist manpower required. For specialist

manpower required for special schools, in assessing the manpower required for input to FHB for UGC's triennium planning exercise, the EDB takes into account a host of factors including the special school student population estimate. Moreover, as mentioned above, the EDB will continue to encourage the self-financing post-secondary education sector to offer programmes in selected disciplines (including OT and PT) to nurture talent in support of specific industries with keen demand for human resources. We will also maintain our contact with the FHB with a view to improving the manpower supply for various specialist staff in special schools. For non-specialist staff such as clerical staff, drivers, watchmen and janitor staff, increase in the number of special schools would require an increase in their establishment. The EDB will continue to explore with the sector measures and flexibilities that can be put into place to attract the needed manpower for these posts.

12) According to paragraph 3.17, in view of the different educational needs of students enrolled in special schools, Training Course for Special School Teachers ("TCSST") specifically offered to special school teachers has been launched since 2012-2013.

(a) Are the professional requirements of teachers in special schools in Hong Kong in line with the requirements in other developed regions/countries? What are the details of the requirements? Please compare in a list, with Taiwan and the United Kingdom as examples, among others.
(b) The 240-hour TCSST provided by EDB for special school teachers is theory based. Is this course similar to those international training courses for special education teachers in terms of contents and training hours? Please provide details.
(c) Has EDB studied the relationship between lack of professional training of teachers (Figure 6) and turnover rate in special schools? If yes, what are the findings? If no, why not?
(d) Please list the distribution of the number of in-service special school teachers participated in TCSST and those who do not have special education training qualifications in different types of special schools. What are the difficulties in scheduling teachers to enroll in TCSST?
(e) The employment of teachers in special schools without qualifications in special education training may result in inconsistent quality of care for students with special needs. Has EDB conducted a quality assessment in this regard? If yes, what are the details? If no, why not?
(f) Has the EDB put forward short-term and long-term improvement measures to increase percentage of teachers in special schools with special education and training qualifications background? If yes, what are the details? If no, why not?

(g) Has EDB proposed any measures to increase the training rate for special schools with teachers' training qualification percentage of less than 70%? If yes, what are the details? If no, why not?

(h) According to paragraph 3.19(a), EDB had not promulgated the recognition criteria of structured training courses, and that individual schools did not know the percentages of their teachers who had completed specified education training. Does EDB consider the lack of transparency not satisfactory? When does EDB expect that the information concerned will be provided to schools for their reference?

(a) and (b)

Since the 2007/08 school year, the EDB has been providing serving teachers of ordinary schools and special schools with structured training courses pitched at basic, advanced and thematic levels (BAT Courses) to enhance their professional capacity in catering for students with SEN. With reference to the international practice including that of the United Kingdom, the thematic courses have been organised under three categories, namely (i) behavioural, emotional and social development needs, (ii) cognition and learning needs, and (iii) sensory, communication and physical needs since the 2012/13 school year to provide a more systematic structure of special education training for teachers. In view of the educational needs of students with more severe or multiple disabilities in special schools and with reference to the design of the BAT Courses, a 240-hour Training Course for Special School Teachers (TCSST) has been launched starting from the 2012/13 school year. Tailor-made for various categories of special schools, the course comprises four modules: (i) theories, principles and practices in special education, (ii) academic and learning support, (iii) behavioural, emotional, and social development support, and (iv) sensory, communication and physical support, together with a 6-month practicum specifically designed to allow participants to bring theory to practice in a local context. The participants' feedback has been good and positive.

Regarding the professional requirements for special school teachers, different countries or regions have different education systems, contexts, culture and problems. While some countries impose mandatory qualifications for special school teachers, experience suggests that our current practice, in which the EDB provides teachers with on-the-job training, not only encourages more teachers to serve in special schools, but also allows both schools and teachers to enjoy the flexibility of taking the structured training courses specifically to meet their professional and practical needs. Teachers will be granted paid study leave and the EDB

will offer subsidy for schools to employ supply teachers so as to facilitate schools to arrange teachers to attend the professional development courses. We will continue to monitor the teacher training situation in schools so as to equip as many teachers as possible to have training in special education.

(c)

As mentioned in our reply to Q11(a) above, we have not collected statistics on the training background of special school teachers who have left the sector. According to our impression, there is no causal relationship between professional training of special school teachers and the turnover rate of teachers in special schools.

(d)

Apart from TCSST, in-service special school teachers could participate in the BAT Courses and other relevant special education training. When they have met the requirements set by the EDB, they will be counted as teachers with special education training. Please see below the number of teachers with special education training in different types of special schools in the 2018/19 school year.

Type of School	Number of Schools	Total Number of Teachers	Number of Teachers (%)	
			With SE Training	Without SE Training
MiID School	12	440	316 (72%)	124 (28%)
MiID & MoID School*	5	288	225 (78%)	63 (22%)
MoID School	14	375	294 (78%)	81 (22%)
SID School	10	201	145 (72%)	56 (28%)
PD School	7	230	147 (64%)	83 (36%)
VI School	2	58	41 (71%)	17 (29%)
HI School	1	38	27 (71%)	11 (29%)
SSD	8	174	98 (56%)	76 (44%)
Hospital School	1	68	49 (72%)	19 (28%)

**There are 5 ID schools operate both MiID Section and MoID Section. Since it is common that the teachers will perform their teaching duties in both sections of their schools, we therefore separate the teacher training situation of these 5 schools from that of the MiID schools and MoID schools.*

Based on our understanding from the discussions with special schools, some special schools may have difficulty in releasing teachers to attending the full-time training courses since the teachers have been fully engaged in teaching or other duties. For the SSDs, PD schools and SID schools, they have difficulty in releasing their teachers since the schools find it difficult to employ suitable candidates as supply teachers to support their students with severe emotional and behavioural difficulties/severe and multiple disabilities.

(e), (f) and (g)
All teachers of special schools, whether having obtained special education qualification or not, have been provided with different opportunities for their professional development so as to enhance their professional capacity in taking care of the students with SEN. For pre-service teachers, local teacher education universities (TEUs) have already included a module related to special education or catering for students with SEN in their pre-service teacher training courses. For serving teachers, apart from structured training like BAT and TCSST, the EDB organises different theme-based training activities including seminars, workshops, learning circles and sharing sessions to share good practices and update teachers on the current trend and approach in catering for students with SEN. In addition, to further enhance professional leadership of special school teachers, the EDB will commission a TEU to offer the Leadership Development Programme for Middle Leaders of Special Schools (i.e., vice principals or senior teachers of special schools) to enhance their leadership capacity for effective management.

With the introduction of school-based management, the Government devolves more responsibilities to schools and provides them with greater autonomy and flexibility in their daily operations, resources management and planning for school development. Through school-based management, schools develop their own characteristics, establish their own culture and identity, seek self-improvement and pursues excellence. Hence, special schools would organise their professional development activities for teachers based on their specific needs. Also, special schools could arrange teachers to participate in various support projects/schemes, seminars, workshops, experience sharing sessions, etc. organised by the EDB based on their school-based developmental needs. All the above would help our teachers in special schools to acquire the necessary knowledge and skills in catering for students with SEN.

Upon several rounds of discussion between the EDB and HKSSC and after consulting special schools and their teachers, starting from the 2018/19 school year, each special school is required to achieve up to 85% to 100% of

teachers with special education training by the end of the 2022/23 school year. The EDB will closely monitor the progress of training target achieved by individual special schools and increase the number of training places of TCSST in the following school years if necessary. At the same time, the EDB will encourage special schools to arrange teachers to attend the training courses in a systematic manner, including issuing reminders to schools which has lagged behind the training target, so that the special schools can attain the training target on or before the 2022/23 school year.

(h)

The EDB has reviewed the special education training qualifications of special school teachers according to a set of course recognition criteria internally. After a series of consultation with the relevant stakeholders, including schools, teachers and representatives of TEUs, the EDB will promulgate the recognised special education training courses to facilitate special schools to take measures to achieve the teacher training target by the 2022/23 school year.

Part 4: Grants and support for special education

13) According to paragraph 4.3 and 4.4, special schools did not actively participate in sharing sessions and learning circles.

(a) Does EDB understand the reasons for the low participation rates?
(b) Has EDB completed the review of learning circles as mentioned in paragraph 4.5? What measures have been and will be taken to encourage schools' participation?
(c) Has EDB made investigations and analysis on the needs of sharing sessions and learning circles from the perspective of teachers in special schools? If yes, what are the details? If no, why not?

(a), (b) and (c)

All along, different sections and divisions of EDB organise various professional development activities for special schools every school year. Special schools arrange relevant teachers and staff to participate in the support programmes, seminars, workshops, experience sharing sessions, etc. based on their school-based developmental needs. In recent years, in addition to the development of learning and teaching strategies, they have to inject effort in STEM education, career and life planning education, teacher professional development, etc. In determining the participation of any professional development activities, special schools will consider a number of school-based factors, such as the schools' development needs at different stages, and the priority of their individual major areas of concern. The themes of the sharing sessions and learning circles under Cross-Sector

Communication (CSC) of Tripartite Model of Support (TMS) were designed to meet the needs of those special schools which required further development on learning and teaching strategies. It may not be the priority needs of all special schools at that time and so some special schools may not participate in the activities. It should be clarified that it was not the intention of the EDB that all special schools should join the sharing sessions and learning circles under CSC of TMS. The EDB will continue to collect views from the special schools on their preferred themes of the sharing sessions and learning circles under CSC of TMS so as to address the special schools' needs on professional development.

14) According to paragraph 4.11, not all suspected day students with medical complexity reported by special schools had been assessed due to acute shortage of manpower.

(a) Does EDB consider such way of handling applications not satisfactory? Does EDB agree with Audit that the actual number of day students with medical complexity may be much higher if all suspected cases were assessed?
(b) What difficulties do special schools encounter in taking care of students with medical complexity? Please list them in details.
(c) Are these difficulties some of the major concerns for schools in operating seven-day boarding services and hiring staff?
(d) How does EDB ensure that employees of special schools that provide five- or seven-day boarding services are capable of providing professional and consistent levels of service to students with medical complexity? If there is no relevant training or monitoring mechanism, what are the reasons?

(a) to (d)
To facilitate special schools in enhancing their support for students with medical complexity (MC), an additional grant (hereafter named as the MC Grant) was introduced in the 2014/15 school year. A student would be defined as with MC if the result of his/her medical assessment meets the criteria formulated jointly by the EDB and the Hospital Authority (HA). The MC Grant was provided to schools in accordance with the number of boarders with MC and the tier of support they required and it included a minimum provision per school per annum (basic provision). With effect from the 2017/18 school year, the EDB further extended the MC Grant to cover day students with MC and a basic provision was also given. In other words, from the 2017/18 school year onwards, a special school would receive both the MC Grant for boarders and the MC Grant for day students, together with the respective basic provisions, to cater for a child with MC who is both a day-student and boarder of the school. In the 2019/20 school year, the basic provision of the MC Grant for boarders and the basic

provision of the MC Grant for day students are the same, which ensure that the schools could employ at least one additional supporting staff to provide the needed support. The considerable additional resource for supporting students with MC would enable the special schools to employ additional staff (such as janitor staff, health care worker, etc.), procure health care services, and/or arrange training for their staff. Schools have been advised to use the MC Grant to support the day students and boarders with MC according to the principle of "individual calculation and holistic deployment".

In terms of professional support, the HA has all along been offering the "Children with Medical Complexity Community Support Programme" (CCSP) to support special schools in catering for their boarders with MC. Under this Programme, the CCSP coordinators/Advanced Practicing Nurses (APNs) will pay regular visits to special schools admitted boarders with MC and provide the school staff with training and support services, such as health talks and train-the trainer programmes, to empower them to take care of the students with MC. The para-medical staff such as nurses, PTs, OTs and speech therapists in special schools would work in collaboration with the APNs of the HA to support the boarders with MC, no matter they are 5-day or 7-day boarders. The joint effort of the professional staff of the HA and the special schools could ensure quality services for the boarders with MC. Although CCSP cover solely boarders with MC, owing to the cross-fertilisation effect, the para-medical staff of special schools could apply their knowledge and practical skills in supporting boarders with MC to cater for the needs of the day students with MC in school. Teachers, school-based EPs, school social workers and other non-teaching staff would also work with the para-medical staff as a team to support the day students with MC in a proper manner.

In sum, special schools are provided with additional resources and professional support to cater for their boarders with MC. We do not see that the provision of support for them is a concern for schools to operate 7-day boarding service. As regard the support for their day students with MC, some special schools may receive extra amount of MC grant should each of their day students suspected to be with MC can be assessed and have their medical needs confirmed by the HA. As mentioned in our reply to Q(15) below, the EDB and the Paediatric Department of HA would work jointly to iron out the issue as far as possible.

15) According to paragraph 4.14, some schools may be eligible for additional amount of the Additional Support Grant for Day Students and Day Students cum Boarders with Medical Complexity but have not submitted the suspected medical complexity cases for medical assessment. Also, the

arrangement with the Hospital Authority ("HA") for conducting medical assessments remains a one-off ad hoc task.

(a) According to paragraph 4.16, EDB will continue to explore with the HA the feasibility of regularizing the medical assessment arrangement and collect data from the eligible special schools to ensure that the Additional Support Grant for Day Students and Day Students cum Boarders with Medical Complexity can meet their operational need. What is the progress so far? What measures will EDB take to avoid recurrence of similar problem in the future?
(b) Will EDB put forward a review system to ensure sufficient amount of Additional Support Grant for Day Students could meet the demands, as well as preventing possible problems, such as insufficient funding in the future? If yes, what are the details? If no, why not?

(a) and (b)
The EDB will continue to work closely with the HA to explore the feasibility of regularising the medical assessment arrangement. The EDB has discussed the issue with the HA in a meeting after the release of the Audit Report in October 2019. Meanwhile, the EDB will continue to collect data from the eligible special schools with a view to ensuring that the Day MC Grant can meet their operational needs.

16) According to paragraph 4.20, Audit noted that the inclusion of ceiling hoists in the furniture and equipment list for the new special school in Tung Chung would give rise to inconsistent provision of funding support by EDB to existing special schools and the new special school. Has the furniture and equipment list been improved and the arrangements of funding support simplified? Will EDB regularly review and update the list?

In the new special school project for children with MiID, MoID and SID in Tung Chung, the EDB had recommended the inclusion of ceiling hoists in the furniture and equipment (F&E) list. It was then approved by the Financial Services and the Treasury Bureau (FSTB) on a project basis. The new school could use its Expanded Operating Expenses Block Grant (EOEBG) to fully cover the recurrent cost of the ceiling hoists. F&E procurement lists for new special school projects are prepared on a project basis so as to better cater for the specific needs of the students with SEN concerned. We would continue to keep in view the latest teaching and learning needs of students with SEN and prepare F&E procurement lists of individual special school projects accordingly in future.

For the existing special schools which had used their own funding to install the ceiling hoists previously, they can use their EOEBG surplus to top up no more than 25% of the recurrent cost of non-standard items, such as the ceiling hoists. Such practice is in line with the established rules of EOEBG usage, and is applicable to all aided schools. The EDB will examine the existing provisions and explore feasible ways, as appropriate, to streamline the arrangements of funding support to the special schools to cover the recurrent cost of the non-standard items endorsed by FSTB in the new special school projects.

17) According to paragraph 4.26, many students had their years of study extended by schools after their difficulties in school leaving arrangements were taken into account as one of the factors. In each of the five school years from 2013-2014 to 2017-2018, these students represented 42.7% to 56.8% (averaging 48.6%) of the total number of students who extended their years of study.

(a) Does EDB agree that this reflects the situation that many special school students have remained in schools unnecessarily, which is not in the best interest of the students? Has EDB taken any measures to improve the situation?
(b) Was EDB aware of the unusual extension of years of study before Audit raised the matter? If yes, what measures has EDB taken to address the problem? If no, why not?
(c) For future planning and projection of demand for rehabilitation services for persons with disabilities, how is EDB going to ensure that enrolment demand of special schools leavers can be satisfied? What additional measures will be taken to strengthen the support for special school students on their school leaving arrangements?
(d) What is the service scope and period of school leaving service? How can EDB and the Social Welfare Department ("SWD") ensure that the special schools leavers have a guaranteed quality of life during the waiting period?

(a) and (b)
Under the improvement measures on extension of years of study (EoS) introduced in the 2010/11 school year, the EDB provides special schools with a "pre-set quota" of their respective types so that the schools can have sufficient capacity to cater for students who need to extend their years of study. Special schools are allowed to exercise school-based professional judgment and arrange for students with such a need to extend their years of study according to the objective criteria jointly set by the EDB and the special school sector. General speaking, the approved cases should have genuine needs for extending their years of study. However, throughout the years, we learnt from special schools that quite a number of the cases in

which the students were not able to secure appropriate post-school placement. The EDB considered that the situation was unsatisfactory and had been advising schools to kick start applying the post-school services for their students as early as possible. In order to facilitate direct communication among special schools, Vocational Training Council (VTC), SWD and EDB, the EDB took the lead to set up a communication platform to discuss issues related to post-school placement for special school students in the 2017/18 school year. Starting from that school year, the parties meet annually to exchange the latest information about each other's work in arranging post-school placement for special school students and to allow special schools to update VTC and SWD of the demand of their students for post-school services to for planning purpose. In response to DoA's recommendation, the EDB will keep on working in collaboration with the SWD, VTC and special schools so that appropriate assistance could be provided to special school students in respect of their post-school arrangements.

(c) and (d)

Currently, the school for children with HI, PD schools, MiID schools and MoID schools would refer their prospective school leavers to VTC for assessment to determine which types of post-school institutions or rehabilitation services are more suitable for them. Taking into consideration the requirements of different post-school services, schools would help students submit applications for post-school placement at the age of 15 the earliest in accordance with their interests, capabilities and needs and with parental consent. It is an established practice that the EDB provides the projected number of special school leavers to VTC for planning purpose annually. Upon request, the EDB will also provide SWD with the relevant figures for their reference and planning for the provision of various services for special school leavers, such as sheltered workshops, supported employment service, integrated vocational rehabilitation services centres, etc. As mentioned above, from the 2017/18 school year onwards, the EDB, SWD, VTC and special schools meet annually to discuss issues related to post-school placement for special school leavers. Latest development of various post-school services for special school leavers and relevant information would be shared at the platform. It is expected that through the joint effort of the parties, the support for the special school students in applying for the appropriate post-school placement could be strengthened.

18) According to paragraph 4.30(b), SWD will continue to increase around 1 900 places of Day Activity Centre and Integrated Vocational Rehabilitation Services Centre from financial years 2019-2020 to 2023-2024. What is the progress so far? Do SWD and EDB have other measures to provide assistance to special school students in their school leaving arrangements?

As mentioned in the reply to Q(17), the latest development of the services under SWD would be introduced at the annual meeting on post-school placement for special school leavers among the EDB, SWD, VTC and special schools. Special schools would make use of the latest information about the increase in places of the related services to discuss with students' parents the appropriate post-school placement for their children and help them to apply for the services at appropriate juncture.

Education Bureau
17 January 2020

社會福利署
Social Welfare Department

本函檔號 Our Ref.: SWD/COR/4-35/2
來函檔號 Your Ref.: CB4/PAC/R73
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7 January 2020

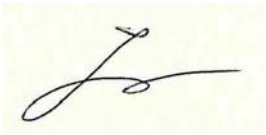
Mr Anthony CHU
Clerk to the Legislative Council Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr CHU,

Public Accounts Committee
Consideration of Chapter 5 of the Director of Audit's Report No. 73
Special Education

I refer to your letters dated 19 and 20 December 2019 in respect of the above subject. Social Welfare Department's reply to the questions set out in these two letters are at Annex.

Yours sincerely,



(Mrs Helen KWOK)
for Director of Social Welfare

c.c. Secretary for Education (Attn: Mr Godwin LAI) – fax no.: 3579 4054
Secretary for Financial Services and the Treasury – fax. no.: 2147 5239
Director of Audit – fax. no.: 2583 9063

Annex

Questions concerning Report No. 73 of the Director of Audit Chapter 5 – Special Education

Part 2: Provision and management of school places and boarding places

Question 19: **In accordance with paragraph 2.26, the utilization of boarding places in residential homes of schools for social development ("SSDs") for girls decreased from 73% in school year 2014-2015 to 43% in school year 2018-2019, and the number of vacant boarding places for girls increased from 55 in school year 2014-2015 to 153 in school year 2018-2019. According to paragraph 2.34 and 2.36, Director of Social Welfare agreed to keep in view the utilization of boarding places in residential homes of SSDs and continue to take measures to make good use of the vacant boarding places where appropriate.**

(a) Please state the reasons of decrease in the utilization of boarding places in residential homes of SSDs for girls.

(b) What measures has the Social Welfare Department ("SWD") taken? Has the utilization of boarding places increased?

Answer 19: Residential homes of SSDs provide intensive support for students of the co-located SSDs who have moderate to severe emotional and behavioural difficulties and cannot adequately be taken care of by their families because of various family problems or crises.

Regarding the utilisation of boarding places in residential homes of SSDs for girls, the decrease in utilisation is due mainly to a decrease in recent years in the number of girls assessed as having the need for this service. To improve the utilisation of these residential homes, SWD and the service operators, in consultation with the Education Bureau (EDB), have put forth the following measures -

(a) admitting girls from a wider range of age and educational level; and

(b) setting aside 32 places at one of the residential homes to serve girls studying or working in the community, in addition to girls studying at the adjoining SSD.

The utilisation rate of girls' homes has since risen to 60.7% in the third quarter of 2019.

For boys' residential homes at SSD, their utilisation has been high in recent years (average 78% from 2014/15 to 2018/19, 82% in 2017/18 and 2018/19; see Table 12, Chapter 5 of Audit Report No.73).

EDB and SWD will continue to monitor the utilisation of the residential homes at SSDs and introduce changes to meet changing societal needs and the needs of specific cases. For instance, the following measures have been taken in recent years -

(a) more active deployment of short-term adjustment programmes at SSDs and corresponding boarding plan for students whose behavioural problems are expected to improve and ready to return to their original schools shortly after receiving the services at SSDs;

(b) under special circumstances, extending residential placement for students who have completed Secondary 3 (and hence should normally be independent for self-care requiring no more residential service) to Secondary 4; and

(c) under special circumstances, providing short-term extended stay for students who should have been discharged due to school transfer or open employment but are in need of short-term extended stay to facilitate their transition.

Part 4: Grants and support for special education

Question 20: **According to paragraph 4.26, many students had their years of study extended by schools after their difficulties in school leaving arrangements were taken into account as one of the factors. In each of the five school years from 2013-2014 to 2017-2018, these students represented 42.7% to 56.8% (averaging 48.6%) of the total number of students who extended their years of study.**

What is the service scope and period of school leaving service? How can EDB and SWD ensure that the special schools leavers have a guaranteed quality of life during the waiting period?

Answer 20: SWD subvents non-governmental organisations (NGOs) to provide the following rehabilitation services to facilitate persons with disabilities aged 15 or above (including special school leavers) to integrate into the community, develop their abilities and cope with changes.

Day Activity Centres (DACs) provide day training for persons with disabilities to acquire self-care skills, social skills and simple work skills, aimed at enabling them to become more independent in their daily living and social functioning, and preparing them for transition to other forms of rehabilitation service or care.

Sheltered Workshops (SWs), Integrated Vocational Rehabilitation Services Centres (IVRSCs) and Integrated Vocational Training Centres (IVTCs) provide one-stop vocational rehabilitation services catered to the needs of persons with disabilities. Supported Employment (SE) and On the Job Training Programme for People with Disabilities support persons with disabilities who are ready for employment in securing and sustaining open employment, through tailored training covering job skills, job attachment and job trial, while providing incentives (e.g. wage subsidy) to encourage employers to offer job opportunities to persons with disabilities.

For persons with disabilities (including special school leavers) who have applied for and are awaiting day or

vocational rehabilitation services, they may utilise the community support services provided by District Support Centres for Persons with Disabilities (DSCs), Social and Recreational Centres for the Disabled (S&RCs), Support Centres for Persons with Autism (SPAs), Home Care Service for Persons with Severe Disabilities, Integrated Support Centres for Persons with Severe Physical Disabilities, Day Care Services for Persons with Severe Disabilities, Parents/Relatives Resource Centres (PRCs) and residential and day respite services. The services cover casework counselling, individual care and nursing, rehabilitation training and exercise, social competence training, respite service, escort service, financial assistance for renting respiratory support medical equipment and purchasing medical consumables.

The above community support services facilitate persons with disabilities (including special school leavers) to live in the community and develop their ability to work. When they become unable to live independently and/or cannot adequately be taken care of through their own means or by their carers/family members, they may apply for suitable residential care services.

To strengthen community support for persons with disabilities and their carers, the Government will increase the number of SPAs from three to five and the number of PRCs from 12 to 19 in the first quarter of 2020, and the number of DSCs from 16 to 21 in 2019-20 to 2021-22. Besides, as announced in the 2019 Policy Address, the Government will provide additional manpower for S&RCs to enhance their function in providing community support, particularly for carers. The Government will also implement a two-year pilot scheme on community care services with a view to meeting the needs of persons with severe disabilities having intensive care needs and living at home, by integrating in a flexible manner the services of day care centres and home care services.

Question 21: **According to paragraph 4.30(b), SWD will continue to increase around 1 900 places of Day Activity Centre and Integrated Vocational Rehabilitation Services Centre from financial years 2019-2020 to 2023-2024. What is the progress so far? Do SWD and EDB have other measures to provide assistance to special school students in their school leaving arrangements?**

Answer 21: For the provision of about 1 900 additional places in DACs and IVRSCs from 2019-20 to 2023-24, around 890 places will be provided in 2019-20, among which 52 DAC places and 466 IVRSC places have commenced service as at 20 December 2019. In 2020-21, around 210 places, including 65 DAC places and 145 IVRSC places, will be provided. The remaining 800 places will be progressively provided in 2021-22 to 2023-24.

SWD will continue to review the service demand of persons with disabilities (including special school leavers) for day training and vocational rehabilitation services, and strengthen the service capacity as appropriate.

With regard to other measures, SWD has been supporting EDB in organising the "Attachment Programme to NGO Rehabilitation Services" (the Programme) for students with intellectual disability who are studying in schools for children with intellectual disability (including the school for children with visual impairment cum intellectual disability) and special schools for children with physical disability, by liaising with NGOs operating day training and vocational rehabilitation services to offer attachment places to participating students. The Programme aims at familiarising participating students with the training offered by SWs, IVRSCs, IVTCs, SE and DACs so that the students may get better prepared for their future placement, and special schools may formulate appropriate school programmes for students interfacing with SWs, IVRSCs, IVTCs, SE and DACs.

SWD will continue to join EDB to review the needs of special school students for rehabilitation services, strengthen support for students on school leaving arrangements, and update and promote rehabilitation services through the

following means -

(a) the annual joint meeting convened by EDB with relevant stakeholders including SWD, Hong Kong Special Schools Council, Vocational Training Council (VTC) as members;

(b) the annual meeting of the Task Force on Provision of Education in Special Schools (Task Force) convened by EDB, which serves as a communication channel between EDB, the education sector, parents' groups and the welfare sector on matters relating to the provision of education services in special schools as well as measures to strengthen support for special school students and leavers; and

(c) the annual Seminar on Exit Pathway for Special School Leavers convened by EDB for special school personnel, at which SWD and VTC are invited to provide up-to-date information on services for special school leavers. SWD will continue to liaise with EDB to invite NGOs concerned to share information on strengthening life planning for special school leavers.

Question 22: **Has SWD made an analysis on the reasons for refusing applications by current students at SSDs for seven-day boarding and considered providing an appeal mechanism for these cases?**

Answer 22: The Central Co-ordinating Referral Mechanism (CCRM) offers a central point to receive referrals for admission to SSD/residential homes. Jointly managed by EDB and SWD, CCRM is responsible for vetting applications and arranging appropriate services for applicants in SSDs/residential homes. A vetting committee under CCRM, comprising an educational psychologist, an educational counsellor, an inspector from EDB responsible for referral and placement, and a social worker from SWD, vets each referral to decide on the suitability of individual students for placement in SSDs/residential homes.

In the past two years (i.e. 2018 and 2019), the vetting committee rejected only two applications referred by social workers from current SSD students for secondary school placement in SSD cum residential home (seven-day boarding service) after their completion of primary school studies in SSD, as both students had shown steady improvement in learning and conduct after receiving the service at SSD cum residential home and were assessed by educational professionals that they could benefit from training in ordinary secondary schools with support services. Upon the explanation given by the vetting committee, the referring social workers agreed with the decision and arranged for both students to study in ordinary secondary schools.

As background, under CCRM, applications for admission to SSDs/residential home are made by social workers, student guidance personnel, educational psychologists, clinical psychologists or psychiatrists (hereinafter known as "referrers") of the students who assess from their professional point of view the need for the referrals. The role of the vetting committee is to centralise and review all the applications to ensure that the education and residential arrangements meet the needs of individual students. In the course of vetting, the vetting committee would discuss with the referrers about the educational and residential needs of the students, and in case of doubt, would request supplementary information such as assessment from psychiatrist, clinical psychologist or educational psychologist to facilitate a review of the students' suitability to receive the service of SSDs/residential homes.

In case the referrer cannot provide the supplementary information required to justify the service need or the vetting committee considers the student not suitable for the service sought, the vetting committee would suggest alternative service arrangements or other support services that can help meet the student's needs. Given such intensive professional exchanges among the vetting committee, the referrers and the receiving SSDs/residential homes, all students would eventually be matched with appropriate services and no request for appeal has ever been

raised over the years. Given the above, there has been no request by stakeholders to set up an appeal mechanism for the CCRM and we do not consider there is a need to do so either.

Social Welfare Department
January 2020

司法機構政務處

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JUDICIARY

Judiciary Administration

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7 January 2020

Mr Anthony Chu
Chief Council Secretary (4)1
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr Chu,

Public Accounts Committee

Consideration of Chapter 6 of the Director of Audit's Report No. 73

Judiciary Administration's work in implementing projects under Information Technology Strategy Plan

I refer to your letter of 18 December 2019 to the Judiciary Administrator. Our responses to the questions raised are attached.

Yours sincerely,

(Miss Winnie Wong)
for Judiciary Administrator

Encl
c.c. Secretary for Financial Services and the Treasury
(Fax no. 2147 5239)

Director of Audit
(Fax no. 2583 9063)

Replies to questions raised by the Public Accounts Committee on Chapter 6 of the Director of Audit's Report No.73 about ITSP and e-Services

Part 2: Progress in Project Implementation and Problems Encountered

Question (1)

Paragraph 2.6(b) states that it was unlikely that Activity C "Implementation of non-court systems" could be completed by December 2019. Please advise: when the Programme Management Office ("PMO") realized that this item could not be completed on schedule, whether it had immediately informed and submitted any highlight report(s) to the Information Technology Strategy Plan Steering Committee ("Steering Committee"); and whether it had consulted the Committee on Information Technology ("CIT") and amended the actual implementation timetable. If yes, what are the details and whether the CIT or Steering Committee had taken any concrete follow-up actions or given any instructions? If not, what are the reasons? Is there any human negligence or violation of any requirements?

1. As indicated in Table 5, Activity C "Implementation of non-court systems" comprises 4 project bundles with a total of 10 applications/systems. It was expected during the audit study that 7 or most of these 10 applications/systems would have been completed by the end of December 2019.

2. The remaining three applications were considered unlikely to be completed by end-2019 because of various reasons.

   (a) For item (iii) about "Integrated Fund Management System" ("IFMS"), as this system needs to interface with the integrated court case management system ("iCMS"), there was a consequential delay of the IFMS because of the longer time taken in the implementation of iCMS.

   (b) As regards item (iv) about the Electronic Information Management System, the Judiciary Administration considered it prudent to adopt pilot runs for some systems to test out the suitable components. Hence, a phased approach was adopted and pilot systems for Electronic Records Management System ("ERMS") and Collaborative

Workspace ("CWS") were delivered in November 2018. But such a phased approach is not suitable for the Knowledge Management System ("KMS"). With the pilot runs, the Judiciary Administration has been reviewing the feedback with a view to implementing a wider roll-out of the ERMS and CWS and also completing the KMS by September 2021.

(c) As regards item (i)(6) about "E-Apostille Service", it commenced relatively late in the overall list of projects and was hence targeted to be completed beyond end 2019.

3. While the Steering Committee was not invited to give explicit approval for the revision of the then anticipated completion dates above, it was kept informed of the implementation progress of the ITSP projects on a regular basis, including the above changes. Arrangements have now been changed so that more explicit approval would be sought from the Steering Committee for such similar changes in the future. The Steering Committee will continue to monitor progress of the various projects above, especially those outstanding items to ensure that timely actions are undertaken.

4. For CIT, since it is a strategic committee, it normally meets less frequently. Despite so, the Judiciary Administration notes that it would be more desirable if CIT is kept abreast of key changes in a more timely manner.

<u>Question (2)</u>

According to paragraph 2.13, the Judiciary faced an acute shortage of system analysts and programmers in 2013-14 to 2018-19. Had the Judiciary evaluated or reviewed the related hiring procedures, employment terms including remuneration package, benefits, etc.? Were the packages offered much lower than the average market rates resulting in poor responses and a shortage level as high as 60%? If yes, what are the details? If no, will there be an immediate review and adjustment?

<u>Question (3)</u>

As stated in paragraph 2.14, the turnover rate of T-contract staff was high, with a rising trend in three consecutive years from 2016-2017 to 2018-2019. Please provide:

(a) From the commencement of the implementation of Information Technology Strategy Plan ("ITSP") till now, in respective of each rank of T-contract staff, the average number of employment years, the number of staff who have left, the number of staff who have worked for less than a year and the percentage of such staff in relation to the respective ranks;

(b) In the light of the high turnover, whether the Judiciary Administration has assessed the reasons why these staff have left and whether there are any new measures or policies to retain talent to ensure the smooth implementation of the rest of the project?

5. According to the Office of the Government Chief Information Officer ("OGCIO"), under the term contract (commonly known as "T-contract") administrated by OGCIO for provision of information technology contract staff in government bureaux/departments/Judiciary ("B/Ds/Jud"), there were 13 T-contractors identified through open tender to provide sourcing and staff management services for B/Ds/Jud during the period from 2013-14 to 2018-19. When there was a service request for T-contract staff, the B/D/Jud concerned could invite all listed T-contractors to propose candidates from the market fulfilling the specified qualification, skill-set and experience requirements for the B/D/Jud to select. The selection procedures were developed in consultation with the Corruption Prevention Department of the Independent Commission Against Corruption.

6. OGCIO has indicated that unlike non-civil service contract staff, T-contract staff were employees of T-contractors. T-contractors were paid service fees (capped by the rates submitted in their tenders) for provision of sourcing and staff management services to B/Ds/Jud. The remuneration packages of T-contract staff were determined by T-contractors (rather than individual B/Ds/Jud) having regard to the staff's individual academic qualifications, professional skills and experience, as well as prevailing manpower market conditions.

7. The Judiciary Administration is given to understand that during the period from 2013-14 to 2018-19, there were over 600 to 800 T-contract staff in the category of Analyst/Programmer engaged for the provision of services in various B/Ds/Jud each year. According

to the OGCIO, it showed that demand for Contract Analyst/Programmer under T-contract was high and the remuneration packages offered by T-contractors were in general competitive to attract and retain qualified talent to work in the Government. The Judiciary has however encountered difficulties in engaging T-contract staff in the category of Analyst/Programmer, probably because of the unique business nature of the Judiciary and the market conditions at the relevant times.

8. As a matter of contingency and having consulted OGCIO, the Judiciary Administration started to engage more junior Systems Analysts to perform both system design and programming work of Stage 1 court systems. This has helped to ease the situation.

9. Details of the engagement duration and turnover of the T-contract staff by rank as requested at question (3)(a) are at the **Annex**. There has been a keen demand for IT talent both in the public and private sectors. Through its on-going communication with the T-contract staff, the Judiciary Administration has gathered that staff have left for various reasons, including better job offers, switching to civil service posts, changes to other types of jobs and personal reasons.

10. To address the manpower shortage, as indicated in its response to the Audit recommendations in paragraph 2.26(c), the Judiciary Administration will continue to monitor the manpower situation and explore all possible means, including considering the engagement of Non-Civil Service Contract staff, to recruit and retain technical staff with suitable skill sets.

Question (4)

As mentioned in paragraph 2.17, the Judiciary Administration was overly optimistic in estimating the time required by the Government Logistics Department and Department of Justice in the tender vetting work, which resulted in a delay of seven months and thirteen months respectively in tender invitation and contract award. What factors made the Judiciary Administration adopt such an "over-optimistic" attitude regarding the work of other departments?

11. At the commencement of the tender preparation period, the Judiciary Administration made an initial assessment on the likely time needed for the process on the basis of the best possible

scenarios. Since then, as the Judiciary Administration interacted with the relevant departments (such as the Government Logistics Department and the Department of Justice) and given the complexity and unique nature of the projects concerned, the Judiciary Administration came up with a more realistic timetable by adopting a more prudent approach and building in more buffer in the timetable.

12. In future, as indicated by the Judiciary Administrator in her reply to the Audit recommendations in paragraph 2.26(b), the Judiciary Administration will adopt the measures stipulated in the recent guidelines/circular memorandum issued by OGCIO and the Financial Services and the Treasury Bureau in planning and arranging future procurement exercises so as to shorten any related tendering process.

<u>Question 5</u>

In relation to the development of the court system, it is mentioned in paragraphs 2.19 and 2.20 that the collection of user requirements was delayed from September 2014 to March 2015. At the same time, the Information Technology Office conducted over 100 briefings for end users. Please explain how the Judiciary collected user requirements; and why, after extending the time for collecting user data, it was still unable to gather the user requirements adequately, resulting in over 1000 change requests, a delay of about 2 years and an additional expenditure of 23 million.

13. For the implementation of the ITSP projects at Phase I, stage 1, two levels of court (namely District Court and Magistrates' Courts) are involved, covering over 30 different types of proceedings. For example, for the District Court, both civil and criminal cases are covered. For civil cases, proceedings such as civil actions, personal injuries cases, tax claims, distraint cases, equal opportunities cases and employees' compensation cases are covered. For the Magistrates' Courts, departmental summons and notices as well as fixed penalty offences of varying nature (including those relating to traffic, vehicle idling, public cleanliness and obstruction, anti-smoking, window inspection and product eco-responsibility) are covered. The process of finalizing user requirements for so many different types of proceedings should be seen in their proper context.

14. While the court procedures and practices for some of these court proceedings are similar, those for the others are more unique. This depends on the relevant legislative basis and the related Practice Directions etc. They are in general complicated. As it is the Judiciary Administration's aim to achieve process automation as far as possible, there was a need for the user teams and IT teams to interactively walk through the detailed steps of each and every type of these proceedings to understand the present workflow and consider ways to automate the future workflow within the legal framework. Many clarifications were inevitably needed.

15. As such, over 100 sets of user requirements were produced and 130 clarification sessions were held. Given the scope and complexity of the procedures and workflow, numerous enhancement items were raised at a later stage of the development in respect of the various types of proceedings.

Question 6

According to paragraph 2.24(a), to enhance accountability, the Judiciary Administration should keep proper and complete meeting records. Please advise this Committee :

(a) At present, what yardsticks does the Judiciary Administration use to determine whether there should be meeting records for internal meetings;

(b) The Judiciary Administration held 19 engagement meetings with the prosecuting departments and agencies. Only internal meeting notes were found for 4 meetings. Please explain why so few meeting notes were prepared.

(c) How will the Judiciary Administration keep proper and complete meeting notes in future?

16. Meeting notes are one form of written records. The Judiciary Administration has kept different forms of written records according to actual operational needs.

(a) For example, for briefings of a general nature, the Judiciary Administration does not normally keep any formal notes as no follow-up actions are generally required.

(b) For meetings which are important and there is a need to record for example the rationale of certain decisions or actions, meeting notes are generally kept.

(c) For other meetings, other forms of written records, such as emails recording the key decisions and the follow-up actions, are more likely to be used.

17. In future, the Judiciary Administration will continue to keep written records of meetings, including meeting notes, as appropriate to ensure that prompt follow-up actions are taken.

Part 3: Project Governance

Question 7

According to paragraphs 3.8 and 3.9, the Steering Committee had held fewer meetings since 2016 and the intervals between meetings had become longer. Why did the Judiciary Administration choose to convene internal meetings, instead of Steering Committee meetings, to handle the substantial delays of major project components? Had the Judiciary Administration assessed whether this had by-passed the Steering Committee and rendered it impossible to consult experts in the Government in a timely manner, exacerbating the overall delay of the ITSP?

18. Since 2016, the ITSP project entered a phase when a lot of detailed internal discussions were needed. So, while the Steering Committee has met from time to time to oversee the strategic position of the projects, the Judiciary Administration considered it more appropriate to convene more internal meetings (such as Internal Monitoring Meetings) to work out the details before reporting to the Steering Committee with comprehensive considerations and recommendations.

19. During the process, the Judiciary's IT team has maintained professional exchanges with the OGCIO on a need basis. So, professional inputs have been sought from the Government as appropriate.

Question 8

As indicated in paragraph 3.10 and Table 10, the CIT did not convene any meetings between January 2018 and June 2019. With no meetings and no papers on the progress of the ITSP, how could the Judiciary Administration ensure that the CIT could fulfil its role in monitoring project progress and offer timely instruction and comments when the project encountered severe delay? What measures will the Judiciary Administration take in this respect?

20. CIT oversees the implementation of the ITSP projects from an overall and strategic position. While CIT may not need to meet very frequently, the Judiciary Administration has now refined the arrangements so that the CIT will meet at least once a year. It will also meet when there is a need, e.g. when there are major issues after discussions with the Steering Committee. Moreover, more papers on progress and other key policy issues would be circulated to CIT members to keep them updated.

Question 9

According to paragraph 3.12, the monthly highlight reports prepared by the PMO were overly optimistic. Despite slippages in all four activities under ITSP Phase 1, the overall project progress was rated as green 50 times in the 65 monthly highlight reports. Was such poor assessment attributable to any human factor which resulted in misleading the Steering Committee and ITSP Delivery and Assurance Team? What measures will the Judiciary Administration take to ensure that the reports submitted to the Steering Committee and ITSP Delivery and Assurance Team are correct so as to monitor project progress effectively?

21. Of the 65 monthly highlight reports, many of them were not submitted in time. So, at the time when the project progress was prepared or reported, some of the issues or concerns might have already been addressed or overtaken by event. As such, the progress reported might not fully reflect the position at the relevant times.

22. The Judiciary Administration agrees that this was not satisfactory and has improved the reporting mechanism so that timely monthly progress reports are now submitted.

Part 4: Other Related Issues

Question 10

Paragraphs 4.6 to 4.12 refer to deficiencies in the Judiciary website. The Judiciary Administrator agreed to take a number of follow up actions in paragraphs 4.14(a) to (e). Please provide the current situation of the improvement measures and the related timetable.

23. The Judiciary Administration has been taking follow up actions to implement the Audit recommendations relating to the Judiciary's website. Details of the latest situation for the respective improvement measures are set out below :

(a) For exploring possible measures to enhance the user-friendliness of the Judiciary's website in disseminating court hearing information as set out in paragraph 4.14(a), the Judiciary Administration is now considering various measures with a view to completing the enhancements by the third quarter of 2020.

(b) Similarly, the Judiciary Administration is now studying possible enhancements to the online Legal Reference System as set out in paragraph 4.14(b) and will consider how best to implement them as soon as practicable.

(c) For paragraph 4.14(c) about enhancing the internal guidelines for webpage owners to ensure the accuracy and consistency of information published through the Judiciary's website, the Judiciary Administration is working on those guidelines with a view to issuing them by the first quarter of 2020.

(d) As regards paragraph 4.14(d) about the need to review the use of online evaluation questionnaires on voluntary mediation, the Judiciary Administration will first consult the relevant Judges and Judicial Officers. If changes are needed, the Judiciary Administration hopes to implement them by 2020/21 after any necessary consultation with external stakeholders.

(e) On paragraph 4.14(e) about the adoption of a "mobile-friendly" design for the Judiciary's e-services, the Judiciary

Administration has been implementing this on an incremental basis. The Judiciary Administration will first implement this with the next issue of the Judiciary's Annual Report in early 2020.

Question 11

Paragraphs 4.16 to 4.19 states that the Judiciary Administration received complaints from Judges, Judicial Officers and court users that the existing courtroom audio-visual (AV) systems were outdated. As early as in 2015, the Judiciary Administration came up with a checklist of services/facilities that would be introduced in court premises in a progressive manner ("the 2015 Checklist"). Please explain why the Judiciary did not follow the 2015 checklist and replace the outdated systems when improvement works were implemented in District Court and Magistrates' Court in 2016. Why did the Judiciary Administration decide to wait and replace the systems by phases from 2020?

24. As explained in paragraph 4.20 of the Audit report, simply replacing the display units alone might not be able to resolve the display quality issues encountered. As an ultimate solution, replacement/upgrading of the whole audio-visual presentation systems ("AVPS") would be required to improve the overall AV support in courtrooms.

25. To enable a more holistic enhancement approach, the Judiciary Administration conducted a review in 2018-19, with the conclusion that a new building level and courtroom level architecture for enabling future A/V and IT implementation and integration would be needed. Adopting this more holistic approach, the outdated/obsolete AVPS in the District Court would be replaced progressively from 2020 to 2022. In short, if the Judiciary Administration simply followed the 2015 checklist, this might have resulted in a waste of resources as technology advances quickly.

26. To meet the operational needs before the completion of the above enhancements, the Judiciary Administration has since December 2016 used a portable solution (i.e. using portable e-presentation systems) to provide better display quality in courtrooms at various levels of courts.

Question 12

Paragraph 4.22 stated that the Judiciary Administration has progressively acquired 20 sets of e-presentation systems as A/V presentation facilities in the courtrooms for shared use in the Magistrates' Courts, the District Court and the High Court. During public order events in the past six months, the Police has arrested over 6 000 people. Many of these cases will use evidence recorded with smart phones and to be played back in courts. Has the Judiciary Administration evaluated whether the existing 20 sets of e-presentation systems are enough. If not, whether the Judiciary Administration will immediately review and update/acquire portable e-presentation systems?

27. At present, some courtrooms are each equipped with dedicated A/V presentation facilities, e.g. all courtrooms in the West Kowloon Law Courts Building as well as a few courtrooms in High Court and the Court of Final Appeal. The 20 sets of portal e-presentation systems mentioned in the Audit report are additional facilities serving similar purposes and they can be shared use among courtrooms without such dedicated A/V presentation systems. Taking both types of facilities together, the Judiciary Administration is so far able to meet the operational needs at the courtrooms at various levels of court.

28. The Judiciary Administration will continue to closely monitor the utilization of these systems. If there are operational needs for more sets of the portable presentation systems, the Judiciary Administration will make arrangements to procure them as appropriate as soon as practicable; and to deploy them for use in an effective manner.

Judiciary Administration
January 2020

Annex

Analysis by Key Ranks of the Turnover of T-contract Staff engaged for the Implementation of Information Technology Strategy Plan

Table 1 : Contract Project Manager

Contract Project Manager		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
(1)	Average no. of staff involved in the implementation of ITSP in the financial year	2.0	4.5	5.5	5.5	6.5	6.0
(2)	Average number of engagement years	0.5	1.0	1.9	2.6	3.1	4.2
(3)	No. of staff who have left in the financial year	1	1	2	0	2	0
(4)	No. of staff who have worked for less than a year and left	1	1	0	0	0	0
(5)	Percentage of the staff under (4) in relation to the average number of staff in the rank in the financial year	50.0%	22.2%	0.0%	0.0%	0.0%	0.0%

Table 2 : Contract Senior System Analyst

Contract Senior Systems Analyst		**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
(1)	Average no. of staff involved in the implementation of ITSP in the financial year	5.0	12.0	14.5	14.5	14.0	16.0
(2)	Average number of engagement years	0.6	1.2	1.7	1.9	2.9	3.6
(3)	No. of staff left in the financial year	0	0	5	4	4	3
(4)	No. of staff who have worked for less than a year and left	0	0	1	3	0	0
(5)	Percentage of the staff under (4) in relation to the average number of staff in the rank in the financial year	0.0%	0.0%	6.9%	20.7%	0.0%	0.0%

Table 3 : Contract Systems Analyst

Contract Systems Analyst ("CSA")		**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
(1)	Average no. of staff involved in the implementation of ITSP in the financial year	3.0	11.0	15.0	27.5	43.5	42.0
(2)	Average number of engagement years	0.1	1.0	1.3	1.5	1.9	2.3
(3)	No. of staff left in the financial year	0	1	6	1	7	13
(4)	No. of staff who have worked for less than a year and left	0	1	1	0	3	2
(5)	Percentage of the staff under (4) in relation to the average number of staff in the rank in the financial year	0.0%	9.1%	6.7%	0.0%	6.9%	4.8%

Table 4 : Contract Analyst/Programmer

Contract Analyst/Programmer		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
(1)	Average no. of staff involved in the implementation of ITSP in the financial year	-	2.0	5.5	10.0	12.0	12.0
(2)	Average number of engagement years	-	0.4	1.0	1.0	1.3	1.9
(3)	No. of staff left in the financial year	-	0	1	5	6	1
(4)	No. of staff who have worked for less than a year and left	-	0	1	4	3	0
(5)	Percentage of the staff under (4) in relation to the average number of staff in the rank in the financial year	-	0.0%	18.2%	40.0%	25.0%	0.0%

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來函檔號 YOUR REF.: CB(4)/PAC/R73

9 January 2020
(By Email)

Mr Anthony Chu
Clerk to Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong

Dear Mr Chu,

Public Accounts Committee
Consideration of Chapter 7 of the Director of Audit's Report No. 73
Statistical services provided by the Census and Statistics Department

Thank you for your letter dated 17 December 2019 regarding the Public Accounts Committee's consideration of Chapter 7 of the Director of Audit's Report No. 73. The bilingual response of the Secretary for Financial Services and the Treasury to the matters set out in Part (II) of the Appendix of your letter is at the Annex.

Yours sincerely,

(Ms Noel Tsang)
for Secretary for Financial Services and the Treasury

c.c. Commissioner for Census and Statistics (fax no.: 2147 5239)
Director of Audit (fax no.: 2583 9063)

Annex

Public Accounts Committee ("PAC")
Consideration of Chapter 7 of the Director of Audit's Report No. 73
Statistical services provided by the Census and Statistics Department

The Response of the Secretary of the Financial Services and the Treasury ("SFST") to Matters set out in Part (II) of the Appendix to the Letter of 17 December 2019 from the Clerk to PAC

Part 3: Population census and by-censuses

10) According to paragraph 3.12(c), while C&SD planned to submit the preliminary accommodation requirements of the joint-user SDB to the Government Property Agency ("GPA") for advice after its second meeting with REO held in September 2019, GPA said that REO and C&SD may approach the relevant department(s) to take forward the site search process under the established mechanism once REO and C&SD agree to develop a joint-user SDB. As the policy bureau of both C&SD and GPA, will the Financial and the Treasury Bureau help coordinate this matter so as to expedite progress?

SFST's Response:

In Chapter 8 of the Director of Audit's Report No. 69 entitled "Provision of government office accommodation and utilisation of government sites", Audit recommended that REO and C&SD, in consultation with GPA, should explore the feasibility of developing a joint-user SDB to meet their periodic accommodation requirements. We note that REO and C&SD have already analysed their periodic accommodation requirements in terms of project timeframes and space requirements, and will soon consult GPA on accommodation issues while finalizing their assessment on the feasibility of developing a joint-user SDB. We will closely monitor the follow-up actions of the departments concerned and stand ready to render facilitation to expedite process as and when necessary.

- End -

香港特別行政區 政府統計處
Census and Statistics Department
Hong Kong Special Administrative Region

來函編號	Your reference : CB4/PA/R73
本處檔案編號	Our reference : ( ) in CENST/HQDIRP/1-60/3 Pt. 3 19
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8 January 2020

Mr Anthony CHU
Clerk to Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr CHU,

Public Accounts Committee
Consideration of Chapter 7 of the Director or Audit's Report No. 73
Statistical services provided by the Census and Statistics Department

I refer to your letter of 17 December 2019 on the captioned subject. Please find attached our responses in the Appendix.

Yours sincerely,

(Leo YU)
Deputy Commissioner for Census and Statistics

cc. Secretary for Financial Services and the Treasury (fax no. 2147 5239)
Director of Audit (fax no. 2583 9063)

Appendix

Public Accounts Committee ("PAC")
Consideration of Chapter 7 of the Director of Audit's Report No. 73
Statistical services provided by the Census and Statistics Department

The Response of the Commissioner for Census and Statistics ("CC&S") to Matters set out in Part (I) of the Appendix to the Letter of 17 December 2019 from the Clerk to PAC

Part 2: Statistical surveys

1) According to paragraph 2.8(c), in conducting in-depth quality checks of General Household Survey, there was inadequate follow-up of non-contact cases due to wrong/no telephone numbers and cases with duplicate telephone numbers. According to paragraph 2.18(a), Commissioner for Census and Statistics ("CC&S") has said that starting from January 2020, the Census and Statistics Department ("C&SD") will step up the checking on non-contact cases due to wrong/no telephone numbers and implement a new checking mechanism for cases with duplicate telephone numbers. What enhanced checking measures will be implemented?

CC&S' Response:

Hitherto, the non-contact ("NC") cases due to wrong/no telephone numbers identified in Stage 1 in-depth quality checks ("QCs") of General Household Survey ("GHS") were not subject to field verification. To enhance the checking measures, starting from January 2020, 10% of such NC cases will be randomly selected for field verification by GHS Central Field Team ("CFT"). In Stage 2 in-depth QCs, the current target of selecting 20-30% of such NC cases for field verification by CFT will be maintained.

Enhanced checking also applies to cases with duplicate telephone numbers but different addresses. With effect from January 2020, all these cases will be checked and the dubious cases will also be sent to CFT for field verification.

2) According to paragraph 2.30 and the Note to Table 4 in paragraph 2.26, while population censuses/by-censuses provided a full coverage of all private quarters in Hong Kong by a large sample size, statistics on the number of SDUs in 16BC were only released in 12 districts because of precision consideration. Please elaborate on the meaning of precision consideration. Was it related to low enumeration rate? How will C&SD improve the enumeration process to enable the release of statistics on the number of SDUs in all 18 districts in 21C as far as practicable?

CC&S' Response

16BC was a large-scale sample survey covering around one-tenth of quarters of Hong Kong. The large sample can support reliable estimation of the total number of SDUs in Hong Kong. As for breakdowns for individual District Council districts, the precision of relevant statistical estimates was affected by a number of factors, including the prevalence of SDUs and the successful enumeration rate for the district concerned. For instance, in districts where SDUs were less common, the sample size in 16BC could not support an accurate estimation of the number of SDUs in those districts.

To improve the enumeration rate of SDUs in 21C so as to enable dissemination of accurate SDU statistics for all 18 districts as far as practicable, C&SD will update the SDU data in the sampling frame (see the response to Q3 below for more information), step up publicity efforts to enhance awareness and cooperation of respondents living in SDUs, obtain administrative data containing SDU information from relevant government bureaux and departments to facilitate identification of SDUs during field enumeration, engage organisations providing services to households living in SDUs to help promote 21C among their clients, enhance enumerators' training on data collection related to SDUs, and deploy more manpower resources on enumeration of SDUs.

3) According to paragraph 2.32, as of March 2019 there were only about 46 500 known sub-divided units ("SDUs") (i.e. about 50% of the 92 656 SDUs reported in the 2016 Population By-census ("16BC")) recorded in the sampling frame (i.e. Frame of Quarters). C&SD has planned to visit all private residential buildings aged 40 years or more in built-up areas (covering 22 000 buildings and 410 000 quarters) to update the SDU data in the

sampling frame before the conduct of the 2021 Population Census ("21C"). What is the progress?

CC&S' Response:

C&SD has already started visiting private residential buildings aged 40 years or more in built-up areas for the purpose of updating the SDU information in the Frame of Quarters since April 2019. The target is to visit 22 000 buildings comprising 410 000 quarters in total. According to C&SD's plan, 50% of the targeted buildings will be completed by mid- 2020 and all targeted buildings by end-2020, well before the data collection work for 21C.

4) According to paragraph 2.33, of the 92 656 estimated number of SDUs reported in 16BC, only 50 623 (54.6%) were derived from the 5 440 successfully-enumerated cases (in the 299 300 sampled quarters) and 42 033 (45.4% of 92 656) SDU cases were based on imputation. As compared with the overall response rate of 79% for 16BC, the response rate of the survey on SDUs under 16BC was 54.6% only. According to paragraph 2.35, C&SD said that the response rate of surveys on SDUs had all along been relatively low compared to other household surveys. Does C&SD consider that a heavy reliance on imputation was unsatisfactory? According to paragraph 2.37(b), C&SD will explore further measures to improve the success rate of SDU enumeration under population censuses/by-censuses as far as practicable. What is the progress?

CC&S' Response:

Imputation for non-contact cases in statistical surveys is a common practice in the international statistical arena. Almost 70% of the imputed SDU cases in 16BC (i.e. 31.5% points out of 45.4% points for the imputed number of SDUs) were in fact based on SDU data available from the Frame of Quarters ("FoQ"), which is a reliable data source based on actual field enumeration. In other words, among all cases for deriving the estimates of number of SDUs, a high proportion of 86.1% were obtained through field enumeration (i.e. 54.6% successfully-enumerated cases in 16BC plus 31.5% cases based on FoQ). Thus, C&SD considers that the estimated number of SDUs is statistically sound and reliable.

Having said that, C&SD will introduce further measures to improve the success rate of SDU enumeration in 21C as far as practicable. These measures include stepping up publicity efforts to enhance awareness and cooperation of respondents living in SDUs, obtaining administrative data containing SDU information from relevant government bureaux and departments to facilitate identification of SDUs during field enumeration, engaging organisations providing services to households living in SDUs to help promote 21C among their clients, enhancing enumerators' training on data collection related to SDUs, and deploying more manpower resources on enumeration of SDUs.

5) According to paragraph 2.43(b), among the 984 Consumer Price Index ("CPI") items of consumer goods and services in the prevailing CPI basket, as of June 2019, eight CPI items might have become unpopular (i.e. with over 60% of the price quotations without updated price data in the past 12 months). According to paragraph 2.46(a), C&SD has made efforts in reviewing the CPI items in the rebasing exercise to take into account changes in expenditure patterns and popularity of goods and services, as well as emerging trends (such as those mentioned in paragraph 2.43 including the increasing popularity of online purchases), will be reflected in the 2019-2020-based CPI series. What is the progress of the CPI rebasing exercise?

CC&S' Response:

C&SD has been conducting preparatory work for the upcoming 2019/20 CPI rebasing exercise as planned. The 2019/20 Household Expenditure Survey ("HES") was launched in October 2019 to collect updated data on household expenditure patterns and popularity of various goods and services for updating the CPI basket. To prepare for the increasing popularity of online purchases and the potential new international recommendation to include online purchases from non-domestic online retailers in CPI compilation (paragraph 2.42), C&SD has already enhanced the questionnaire for the HES to collect more comprehensive information on online purchases from the households. Data collection for the survey will be completed in September 2020. According to C&SD's plan, results of the survey and the new 2019/20-based CPI series will be released in April/May 2021.

Part 3: Populating censuses and by-censuses

6) According to paragraph 3.12(c), in September 2019, a second meeting was held between C&SD and the Registration and Electoral Office ("REO") to further explore the feasibility of developing a joint-user specialist and departmental building ("SDB") and to exchange views on the two departments' periodic accommodation requirements in the coming 15 years with a view to linking REO's election cycles and C&SD's population censuses/by-censuses/major survey cycles. What was the conclusion of the meeting? What are the latest developments?

CC&S' Response:

REO and C&SD have taken positive steps to follow up the relevant recommendation in Chapter 8 of the Director of Audit's Report No. 69 entitled "Provision of government office accommodation and utilisation of government sites", i.e. REO and C&SD, in consultation with GPA, should explore the feasibility of developing a joint-user SDB to meet their periodic accommodation requirements.

Specifically, at the meeting held in September 2019, REO and C&SD analysed their periodic accommodation requirements in the coming 20 years (up to 2039) in terms of project timeframes and space requirements, and the initial assessment is set out below –

(a) The periodic accommodation requirements of REO arise mainly from the District Council ("DC") Ordinary Elections and the Legislative Council ("LC") General Election to be held every 4 years, as well as the Chief Executive ("CE") Election and the Election Committee ("EC") Subsector Ordinary Elections to be conducted every 5 years. Basically, REO will need to conduct at least one large scale public election every year from 2019 to 2024. On the other hand, the requirements of C&SD arise from population censuses/by-censuses and two other large-scale household surveys (viz. Household Expenditure Survey ("HES") and Survey on Persons with Disabilities and Chronic Diseases ("SPDCD")), all to be conducted every 5 years. With asynchronous project cycles, it is inevitable that there are years during which the peak requirements of the two departments overlap with each other. A timeline illustrating the occurrence of periodic events of the two departments between 2019 and 2039 is at **Annex**.

(b) As regards the space required, the maximum requirement for office space of REO is 3.7 times that of C&SD, and the corresponding ratio for storage space is even higher at 10.3 times.

With asynchronous project cycles as well as large differences in space required, the accommodation requirements of REO and C&SD may not necessarily complement each other.

C&SD and REO will soon consult the Government Property Agency on accommodation issues while finalising their assessment on the feasibility of developing a joint-user SDB in 2020.

7) According to paragraph 3.23, during 16BC, one of the power banks for use by the temporary field workers caught fire and a few fragments flew out in one of the field centres. According to paragraph 3.29, CC&S agrees with the audit recommendation in paragraph 3.28(b) to issue safety guidelines on proper use of power banks with a view to enhancing field officers'/temporary field workers' safety awareness of using power banks. Have such guidelines been drawn up?

CC&S' Response:

The safety guidelines on the use of power banks have been drawn up after taking into account industry experts' recommendations on best practices. C&SD will continue to update the guidelines for issue and adoption in 21C.

Part 4: Implementation of information systems strategy

8) According to paragraph 4.6, of the nine priority projects under the 2004 Information Systems Strategy planned to be completed fully or partially from December 2005 to December 2008, seven projects had taken more time for implementation/completion as compared with the planned implementation dates (delays ranging from 1 to 7.8 years, averaging 2.6 years), mainly due to the need to review and revise the user requirements and tender documents to include additional system functions. According to paragraph 4.14, CC&S has agreed with the audit recommendation paragraph 4.13(a) to ascertain the user requirements before seeking funding

approval as far as practicable in implementing future information technology ("IT") projects. What is the progress?

CC&S' Response:

Of the nine priority projects, the project which took the longest time for completion was affected by changes in user requirements and tender documents (paragraph 4.9a(i)). Learning from the experience, C&SD has been taking measures to ascertain the user requirements at an earlier stage, including collecting detailed functional requirements from users and drawing up more precise technical requirements with reference to the latest market information from the IT industry before seeking funding for IT projects, with a view to making more realistic pre-tender estimates and avoiding subsequent changes to tender documents as far as practicable.

9) According to paragraph 4.11(a), End-User Computing ("EUC") systems/applications operated like stand-alone "silos" and were developed by individual branches/sections based on their own operational needs. Each branch/section had its own way of managing and storing data. As a result, format and definitions of same data elements varied across EUC systems/applications. What measures will C&SD take to standardise the practice of managing and storing data across EUC systems/applications?

CC&S' Response:

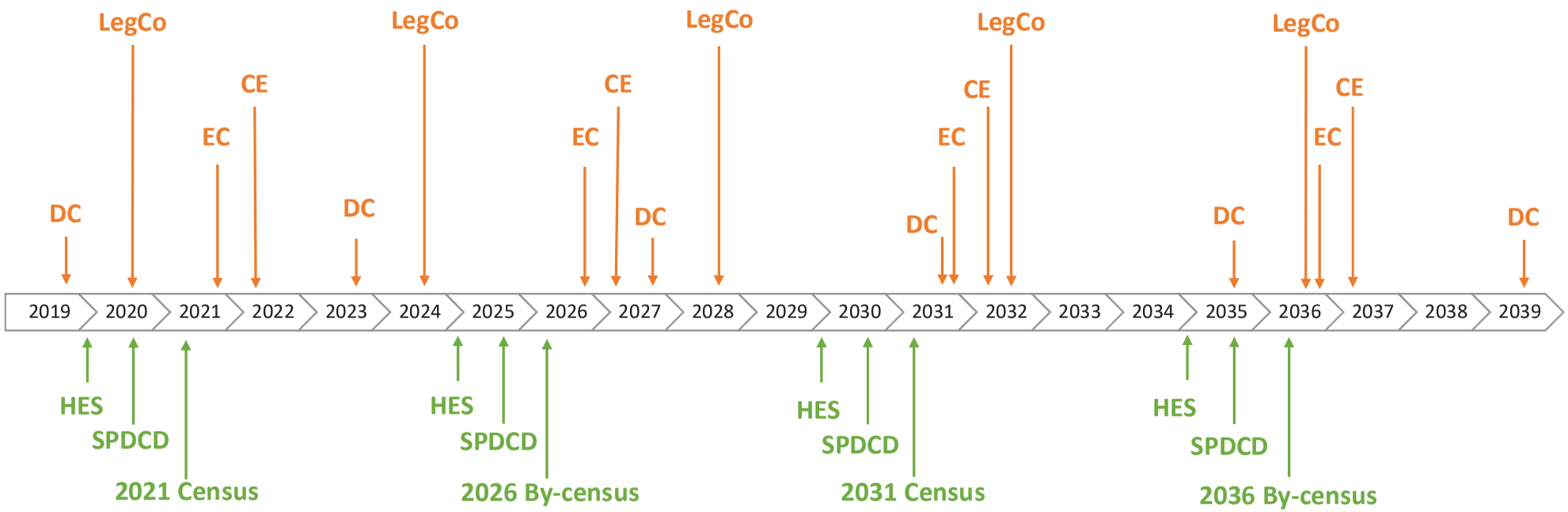
C&SD will develop two common data models with a view to standardising the practice of managing and storing statistical data across EUC systems/applications, one for producing statistical tables and charts on the C&SD website and another for using in data processing and analysis. C&SD is developing the former common data model which will be used across all branches/sections for producing statistical tables and charts on the C&SD website as from late 2020. As for the latter common data model for use in data processing and analysis, C&SD is in the process of seeking necessary resources for the relevant IT project and the current target is to start the development work in 2020/21.

- End -

Annex

Periodic events/projects to be conducted by REO and C&SD between 2019 and 2039

REO



C&SD

Note: The arrows indicate roughly the time position of the peak office accommodation demand of the projects. The peak demands may cover a period of time and office accommodation will also be required before and after the peaks.

Legend
CE – Chief Executive Election
DC – District Council Ordinary Elections
EC – Election Committee Subsector Ordinary Elections
LegCo – Legislative Council General Election
HES – Household Expenditure Survey
SPDCD – Survey on persons with disabilities and chronic diseases

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香港特別行政區政府
入境事務處
Immigration Department
The Government of the Hong Kong
Special Administrative Region

覆函請註明本處檔號 In reply please quote this ref
(109) in ImmD/CR 4-35/1 C(2)

By fax (2543 9197) & by Email

2 January 2020

Mr Anthony CHU
Clerk to the Public Accounts Committee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr CHU,

Public Accounts Committee
Consideration of Chapter 8 of the Director of Audit's Report No. 73
Procurement of goods and services by the Immigration Department

Thank you for your letter dated 17 December 2019 to the Director of Immigration regarding the captioned chapter. Our response to Questions 1 to 10 is attached at **Annex** for consideration please.

Yours sincerely,

(TANG Ho-kong)
for Director of Immigration

Encl.

c.c. Secretary for Security (fax no. 2877 0636)
Secretary for Financial Services and the Treasury (fax no. 2147 5239)
Director of Audit (fax no. 2583 9063)

Chapter 8 of the Director of Audit's Report No. 73
Procurement of goods and services by the Immigration Department
Response to the questions asked

Part 2: Procurement of information and communications technology systems

Q1. According to paragraphs 2.8 and 2.9, of the 13 information and communications technology ("ICT") projects included in the four annual reports on implementation of major ICT projects of May and December 2010, March 2016 and October 2018 submitted to the Finance Committee ("FC") of the Legislative Council ("LegCo") by the Office of the Government Chief Information Officer, 8 were reported as having been completed for about 1 to 10 years, averaging 7.8 years. However, according to paragraph 2.10, a total of $209.1 million was charged to seven of the eight completed projects (ranging from $1.8 million to $69.9 million) after the project completion dates. Why did the Immigration Department ("ImmD") continue to carry out additional work under the seven projects after reporting project closures to FC? Does Director of Immigration agree that, instead of reporting project closures, ImmD should have continued to report project activities to FC until closure of the project subheads?

A1. After completion of all the items and functions under the main contract of the 13 ICT projects mentioned in paragraphs 2.8 and 2.9 of the Audit Commission's Report, Immigration Department ("ImmD") had reported to the Office of the Government Chief Information Officer ("OGCIO") the completion of the projects concerned. OGCIO had then reported the closure of the projects to the FC. However, subsequent to the report of the project closure, improvement works to the system components/functions were necessary for enhancement of service to the public. As the improvement works fell within the project scope, they were charged to the respective project vote.

ImmD agreed to Audit's recommendation that instead of reporting project closure for those projects, we should have continued to report project activities to FC until all improvement works were completed. In the light of Audit's recommendation, ImmD has already revised the relevant guidelines. With immediate effect, the Immigration Department Information Systems Co-ordination Committee ("IDISCC"), which is led by an Assistant Director to steer and monitor the development and implementation of ICT projects in the Department, will monitor the progress of projects and closely review the spending position of projects to ensure that the project activities and project subhead closure will be timely reported to the FC as appropriate and no spending will be incurred after reporting project subhead closure.

Q2. According to paragraph 2.14, up to June 2019, while no expenditure had been incurred for seven completed projects for one to nine years with a total unspent balance of $581.7 million, ImmD had not informed the Financial Services and the Treasury Bureau ("FSTB") of the surplus funds, at variance with the requirements of the Financial and Accounting Regulation 320 which states that where Controlling Officers have reason to believe that funds surplus to requirements exist under a subhead, they shall immediately inform the Secretary for Financial Services and the Treasury so that the surplus may be reserved. According to FSTB, for capital non-works projects (i.e. administrative computer systems funded under Capital Works Reserve Fund ("CWRF") Head 710 and non-administrative computer systems and communication equipment funded under CWRF Head 708) approved by LegCo in the 2019-2020 legislative session and thereafter, it would provide LegCo with quarterly reports on significant deviations between the accepted tender prices of the projects and the estimated provisions in the approved project estimates when the deviations equal or exceed $15 million or 10% of the original estimated provision, whichever was greater, and the excess would be reserved administratively. What measures will ImmD take to ensure compliance with this new requirement for projects approved in October 2019 and thereafter?

A2. To comply with FSTB's new requirement, IDISCC has been tasked to review the tender progress of all ICT projects to be approved by LegCo in the 2019-2020 legislative session and thereafter. In case any significant deviation between the accepted tender prices of the projects and the estimated provisions in the approved project estimates that exceeds the threshold specified by FSTB is found, ImmD will timely report the deviation to FSTB accordingly for the latter to reserve the excess administratively.

Q3. According to paragraph 2.16, ImmD withdrew a new funding bid of $68.58 million in September 2010 after receiving FSTB's request for justification for the proposed new funding bid, as various computerization projects had already been undertaken by ImmD and there was a difference between the estimated project balances and estimated cash flow requirements in the forthcoming years of existing major project votes. In the event, ImmD decided to make use of the existing project votes under the updated Information Systems Strategy to fund the one-off cost of the computer equipment items for the new control point at Kai Tak Cruise Terminal. Has ImmD sought the advice of FSTB on the propriety of charging the new computer systems to existing ICT projects with surplus funds? If yes, what was FSTB's advice? If not, why?

A3. In respect of the funding for the computer equipment for the new control point at Kai

Tak Cruise Terminal, ImmD informed FSTB in September 2010 that ImmD would utilise the existing major project votes and Departmental Expenses, wherever appropriate and as far as possible, to fund the computer equipment items for the New Cruise Terminal. As mentioned at paragraph 2.16 of the Audit Commission's Report, the expenditures incurred in the extension work was within the ambit of the pertinent project votes. In view of Audit's recommendations, ImmD will -

(a) clearly define in the funding application to FC the scope of ICT projects including the number and locations of control points to be covered;
(b) state clearly in the funding paper if any surplus funds will be used for implementing new ICT systems at new control points; and
(c) ensure that expenditure is only incurred within the limits and scope authorised, and consult the FSTB when in doubt.

Q4. According to paragraph 2.18, from 2014-2015 to 2018-2019, in 14 of 16 contracts awarded by tender exercises, the contract prices were lower than the corresponding pre-tender estimates ("PTEs"). In particular, five tenders recorded significant variances between PTEs (comprising mainly a one-off capital cost and/or maintenance cost) and the contract prices, ranging from 31% to 60%. What measures will ImmD take to work out more realistic PTEs in future tender exercises of ICT projects?

A4. With immediate effect, pre-tender market research will be required for every tender in ImmD (see A8 and A9 below). For every ICT project, a pre-tender market research will be conducted upon conclusion of the feasibility study to better understand the market conditions and estimate the tender price. Apart from the information obtained from the pre-tender market research, other relevant factors (such as the recent market and technology trend, projected wages and inflation rate, etc.) will be taken into account in working out a PTE for the project. Moreover, as there may be a time gap between pre-tender market research upon completion of the feasibility study and completion of tender document, ImmD will conduct another market research before the issue of tender invitation with a view to updating and working out a more accurate PTE.

Q5. According to paragraph 2.30, there was a two-year delay in the implementation of the Application and Investigation Easy System and Electronic Records Programme. The delay not only led to the slippage by two years in achieving the intended benefits of savings in staff costs, but also resulted in incurring additional expenditures of $0.76 million to clear the backlog of file conversion. However, ImmD did not recommend the conduct of a Post Implementation Review to look into the causes of deviation and identify necessary improvement measures. What are the reasons for the decision?

What measures will ImmD take to ensure that due consideration is given to significant delays and non-achievement of savings as stated in FC papers in future?

A5. Upon completion of the Application and Investigation Easy System and Electronic Records Programme project, ImmD had in fact conducted a comprehensive review under the Post Implementation Departmental Return (PIDR) mechanism on the overall project implementation. The review identified, among other things, the cause of delay and failure to fully deliver the intended savings in staff costs with a view to avoiding recurrence of similar delay in subsequent ICT projects. Given that the implementation of all sub-systems was completed within budget and the various planned functions as stated in the funding approval were duly delivered, ImmD did not see the need to conduct a Post Implementation Review (PIR) in addition to the PIDR already conducted.

In the light of Audit's recommendation and in order to enhance the management of ICT projects, IDISCC will, apart from closely monitoring the project progress as at present, review every PIDR and make recommendation with regard to the need of conducting PIR in future should there be any substantial delay or non-achievement of intended savings in costs/benefits.

Q6. According to paragraphs 2.35 and 2.38, the tender for the supply and installation of Automated Passenger Clearance System ("APCS") for the two new control points was cancelled in July 2006 because the revised total price of the most advantageous tenderer's offer after tender negotiations was still higher than PTE and also the reference price of supplying the service obtained from the contractor of an existing contract for implementing APCS at other immigration control points. According to paragraph 2.41, given the financial and time constraints and the alternative of requiring the existing contractor to supply the service under the existing contract, a better option for this case could be setting a price ceiling equal to the existing contractor's reference price as a reserve price for internal reference at the outset (i.e. the tender exercise would be cancelled if the price of the most advantageous tender was higher than the reserve price). While noting that setting a price ceiling is not a norm, such arrangement would help ImmD identify the best value-for-money offer. According to paragraph 2.45, Director of Immigration has agreed to consider setting a price ceiling equal to the contractor's reference price as a reserve price for internal reference in similar future tender exercises. What action has ImmD taken in this regard?

A6. ImmD has already issued the following guidelines for tender exercise of ICT project involving existing contractor providing similar service of the tender-

(a) a price ceiling equal to the existing contractor's reference price will be set as a reserve price for the tender concerned for internal reference at the outset;

(b) if the price of the most advantageous tender is higher than the reserve price, ImmD will -

  (i) if time allows, conduct tender negotiation for a price equal to or lower than the reserve price; or

  (ii) if time is constrained for tender negotiation, consider, in consultation with DoJ, cancelling the tender in the public interest; and

(c) subject to legal advice and the approval of the relevant tender board or the Departmental Tender Committee on (b)(ii) above, ImmD will proceed with cancellation of the tender and arrange contract variation with the existing contractor at the reserve price, as appropriate.

The IDISCC will closely monitor the tendering of ICT projects on a monthly basis and ensure compliance of the above guidelines in future.

Q7. According to paragraph 2.42, non-essential requirements were included as mandatory requirements in the first tender issued in November 2005 for Automated Vehicle Clearance System ("AVCS") at Shenzhen Bay Control Point (which was cancelled as only one non-conforming offer was received) but were re-classified as optional tender requirements in the second tender issued in September 2006 (with three conforming offers received). What are the reasons for including stringent requirements in the tender documents of the System as according to Stores and Procurement Regulation ("SPR") 109(c), over-specification and over-prescription in product requirements or mode of service delivery should be avoided? What measures will ImmD take to avoid imposing stringent requirements in the tender document which may deter suppliers from submitting their bids in future?

A7. Before including the requirements concerned into the tender document, ImmD had conducted a feasibility study which confirmed that the requirements were technically feasible in the market. However, during the first tender exercise, no tender was received. In the light of the first tender exercise, we had reviewed the requirements and included them as optional requirements in the second tender exercise to avoid deterring potential suppliers from submitting bids.

To avoid over-specifications/over-prescriptions in future tender exercise for ICT projects, ImmD will, on top of conducting a feasibility study, step up its market research to better understand the technical capability of the potential suppliers and to avoid imposing overly stringent requirements which may deter potential suppliers

from submitting bids. Apart from conducting a market research upon the completion of feasibility study, ImmD will conduct another market research shortly before the issue of tender invitation to keep in view the latest market and technology trend and avoid over-specification/over-prescription in the tender.

Part 3: Procurement of other goods and services

Q8. According to paragraph 3.8, there was a significant over-estimation of PTE in a 36-month transport service for the Castle Peak Bay Immigration Centre awarded in August 2017. According to paragraph 3.9, in approving the award of contract, the Departmental Tender Committee commented that the mark up of PTE by 15% per year with an additional 7.5% for contingency was not well justified. How will ImmD improve the accuracy of PTE in future?

A8. With a view to improving the procurement process, pre-tender market research will be required for every tender in ImmD with immediate effect to better understand the market conditions, the number of potential tenderers, and to more accurately estimate the price of tender, etc. Apart from the information obtained from pre-tender market research, ImmD will also take into account other relevant factors (such as the recent market trend, the supply and demand of the goods or services to be purchased, the projected wages and inflation rate, economy of scale, etc.). Relevant details have been incorporated into the departmental procurement guidelines to be issued shortly (see A9 below).

Q9. According to paragraph 3.25, of the 33 tender exercises examined by the Audit Commission ("Audit"), ImmD had not approached potential tenderers for conducting market research work in 26 (79%) tender exercises, at variance with the requirements of SPR 350(e) and Financial Circular No. 2/2019 of March 2019 which state that departments are encouraged to reach out to the market and conduct a market research to better understand the goods or services likely to be available in the market, technological trends, number of potential bidders, etc. According to paragraph 3.27, Director of Immigration has agreed the audit recommendation in paragraph 3.26(c) to review and update the procurement guidelines to incorporate the new requirements on the new pro-innovation government procurement policy as laid down in Financial Circular No. 2/2019 of March 2019. Has ImmD reviewed and updated the guidelines?

A9. ImmD has completed reviewing the departmental procurement guidelines. The need to conduct a market research for each tender, the factors to be considered for working

out more accurate PTEs (see A8 above) and the requirements on the new pro-innovation government procurement policy as laid down in Financial Circular No. 2/2019 as well as other updates in SPRs have been duly incorporated into the guidelines as appropriate. The revised guidelines have been submitted to the Government Logistics Department (GLD) for clearance. Subject to GLD's clearance, the revised guidelines will be issued as soon as possible. In the meantime, Financial Circular No. 2/2019 as well as Chapter 8 of the Director of Audit's Report No. 73 have been circulated to all divisions and sub-divisions for compliance. Their attention has been drawn particularly to the areas for improvements in procurement of goods and services and the Audit recommendations therein.

Q10. According to paragraph 3.29, of the 122 (61%) of 200 purchases by quotation examined by Audit, in 77 (38.5%) purchases, although bid invitations had been sent to 5 to 36 suppliers, only one bid was received, and in 45 (22.5%) purchases, although bid invitations had been sent to 5 to 41 suppliers, only two bids were received. What measures will ImmD take to improve the competition of purchases by quotation in future?

A10. To improve the competition of purchases by quotation in future, ImmD will take the following measures-

(a) for quotations with consecutive limited response from the market, to conduct market research to ascertain the number of potential bidders who could meet all the essential requirements and would be interested in participating in the procurement exercises with a view to ensuring sufficient competition;
(b) to invite more suppliers/service providers, if available, in each quotation exercise;
(c) to avoid over-specifications/imposing stringent requirements;
(d) to consider bundling the procurement of same or similar service/item to form a longer contract period to enhance attractiveness and achieve better economy of scale; and
(e) where appropriate, to provide reference materials (in formats such as photo, drawing, or sample etc.) in the bid invitation to facilitate better understanding of the quotation requirements by potential bidders.

(English Translation)

APPENDIX 42

政 府 總 部
勞 工 及 福 利 局

香港添馬添美道
政府總部

LABOUR AND WELFARE BUREAU
GOVERNMENT SECRETARIAT

Central Government Offices
Tim Mei Avenue
Tamar, Hong Kong

本函檔號 Our Ref.: LWB CR 4/5110/07 Pt.14
來函檔號 Your Ref.: CB4/PAC/R73

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14 January 2020

Mr Anthony CHU
Clerk to the Legislative Council Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr CHU,

Regarding your letters dated 18 December 2019 addressed separately to the Secretary for Labour and Welfare and the Director of Social Welfare concerning Chapter 10 of the Director of Audit's Report No. 73 on Child Development Fund (CDF), replies by the Labour and Welfare Bureau (LWB) and the Social Welfare Department (SWD) are at Annex.

Yours sincerely,

(signed)

(Andrew Tsang)
for Secretary for Labour and Welfare

c.c. Director of Social Welfare (Attn.: Mrs. KWOK LI Mung-yee, Helen)
Secretary for Financial Services and the Treasury - fax. no.: 2147 5239
Director of Audit - fax. no.: 2583 9063

Annex

Questions concerning Report No. 73 of the Director of Audit
Chapter 10 – Child Development Fund

(I) Labour and Welfare Bureau (LWB)'s reply

Question 1: **According to paragraph 2.5, the Child Development Fund (CDF) would be fully implemented by batches in 3 to 5 years. Paragraph 2.6 mentioned that 8 years had elapsed since the first batch of CDF projects was launched in 2009 which did not appear to tally with the envisaged time frame of fully implementing the CDF in 3 to 5 years. Table 5 also mentioned that, in March 2019, LWB provided an update on the estimated number of participants in the CDF. Accordingly, the total number of participants funded by the financial commitment of $900 million was estimated to be 30 000. However, as at June 2019, the accumulated number of CDF project participants was only 18 140 (i.e. projects had yet to be launched for 11 860 children).**

(a) After 8 years, the actual number of children having benefitted from the CDF only reached 60% of the target. The progress was very slow. Can LWB provide a reasonable explanation?
(b) What practical measures will be taken by LWB to expedite the progress of projects?

Answer 1: When proposing to the Legislative Council (LegCo) in 2008 to create a new commitment of $300 million for establishing the CDF, providing an additional funding provision of $300 million for the CDF in 2015-16, and announcing the injection of an additional $300 million into the CDF in 2018-19, the Government provided the number of beneficiaries for each funding provision and the implementation progress of CDF projects on each occasion. The numbers of beneficiaries mentioned were the rough estimates then. According to the current estimation, the total funding provision of $900 million is expected to benefit about 30 000 children. Regarding the implementation schedule, before the latest injection of $300 million into the

CDF in 2018-19, the CDF had in fact already allocated $541 million (i.e. 90.2% of the funding provision of first $600 million). We will continue to utilise the remaining provision to launch more CDF projects to benefit more children. In taking forward the projects, the Government must ensure that the objectives of the CDF are met. Among these, the mentorship programme is an important component of the CDF. We must ensure that the non-governmental organisations (NGOs)/schools can recruit a sufficient number of quality and committed mentors to join the projects.

To expedite the progress of implementation of CDF projects, the Government had adopted the following practical measures in the past few years:

(1) We have since 2015 adopted a "one-plus-one approach" in awarding CDF projects to NGOs, allowing each selected NGO to be awarded two projects in one go (i.e. the first project and the subsequent second project), so that an NGO with performance in its first project satisfactory to the Government can proceed to implement the second project soonest possible.

(2) Apart from CDF projects run by NGOs, we have rolled out CDF projects through a school-based approach since the 2013/14 academic year to strengthen the community's capacity in supporting CDF projects and extend the reach of CDF projects, with a view to benefitting more underprivileged children. The responses on school-based projects met our expectations, especially in making good use of the school network to recruit participants and mentors.

On the premise of ensuring the policy objectives of the CDF are met, the Government will continue to enhance the implementation of the CDF, taking into consideration the practical experiences and capacity of the operators, etc.

Question 2: **As mentioned in paragraph 2.9, the Audit Commission (Audit) considered that, to improve public accountability, LWB needs to keep the LegCo updated on relevant information about the implementation of the CDF and about the progress of launch of projects. According to the LegCo papers, from 2015 to 2018, when LWB briefed LegCo members on its policy initiatives of the Policy Address, there was only one paragraph mentioning the continued implementation of CDF without detailed updates and review on the implementation of projects.**

Will LWB submit a detailed report to LegCo each year later on, including: (a) the annual expenditure of the CDF; (b) the approved funding amount for and operating performance of each non-governmental organisation ("NGO") operator, including the number of children benefitted, effectiveness of the activities, and financial reports; (c) whether the operator can meet the agreed standards; and (d) the measures to be taken by the Government for addressing the operators' failure to meet the agreed standards?

Answer 2: Since the inception of the CDF, from time to time, the LWB has provided to the LegCo the latest information and progress of implementation of the CDF. When the LWB briefs the LegCo Panel on Welfare Services on its policy initiatives in the Policy Address in future, apart from continuing to provide basic information concerning the CDF (e.g. the timeframe for launching projects, the latest number of children who have benefitted from CDF projects, etc.), we will also provide information on the expenditure of the CDF and the operators' overall performance and compliance with project requirements, etc.

Question 3: **In 2008, the Government commissioned the Department of Applied Social Sciences of the Hong Kong Polytechnic University to conduct an evaluation study on the CDF's pioneer projects, which lasted for 42 months from December 2008 to June 2012. The consulting team conducted five rounds of survey, three rounds of focus group discussion, and collected process data from each NGO operator of the pioneer projects regularly.**

However, no further assessment has been conducted since then. Does the LWB have any plan to commission an external professional organisation to conduct a second detailed assessment for CDF projects and prepare a review report?

Answer 3: From time to time, the LWB has commissioned consultancy studies on the CDF. In 2008 to 2012, LWB commissioned the Hong Kong Polytechnic University to conduct a longitudinal study on the first batch of CDF projects. Apart from this study mentioned in the question, LWB commissioned the University of Hong Kong in 2015 to conduct a consultancy study to assess the long-term impact on participants who had completed CDF projects. LWB has recently commissioned the Hong Kong Polytechnic University in 2018 to conduct a further study to keep track of CDF participants and the comparison group of non-CDF-participants who took part in the aforementioned study. This further study is near completion and the final report is expected to be ready by March 2020.

In summary, the results of the above studies had reaffirmed that the three key components (i.e. personal development plan, mentorship programme and targeted savings) contributed to the objectives of the CDF and had a positive impact on the future development of CDF participants, including: the participants who had completed CDF projects had greater motivation and interest in learning, higher academic expectations, greater self-confidence, and enhanced communication skills; they also considered that they had received higher levels of social support; and had a more positive orientation for their future. Furthermore, the study results had revealed that CDF projects helped the children participants enhance their ability to manage resources, develop persistent savings habits, and formulate a vision for their future.

Question 4: **As mentioned in Case 2 of paragraph 4.8, at a meeting held in December 2018, the Steering Committee on the Child Development Fund (SCCDF)discussed the criteria for inclusion as strategic partners and the nomination of 4 organisations (including Organisation X) as strategic**

partners. A total of 13 committee members (including Member A) attended the meeting. According to the information published on the website of Organisation X, Member A was a committee member of Organisation X. Upon enquiry, LWB informed the Audit that Member A had declared her affiliation with Organisation X at the beginning of the meeting, but Member A's declaration of potential conflicts of interest had not been recorded in the minutes of meeting.

(a) Why was Member A's declaration not recorded in the minutes of meeting? How did LWB know that Member A made a declaration at the beginning of the meeting? Please set out how the Government has handled Case 2, including whether the officer responsible for taking the minutes of meeting has been penalised;

(b) Has the Government investigated whether there are other potential declaration of interest cases similar to Case 2?;

(c) Will the Government review the the system for making declaration of interest for all members of SCCDF and Vetting Committee, including adding a form of declaration of interest, listing out in details the official positions held by each member and whether they have held position in any non-governmental organisations?

Answer 4: Regarding the discussion of the criteria for inclusion as strategic partners at the SCCDF meeting held in December 2018, the criteria concerned were to encourage organisations to become strategic partners of the CDF, actively support the work of the CDF and be committed to continue make contribution in the following year. This matter involved no monetary benefit. Every SCCDF meeting is attended by representatives of the LWB and the SWD. Having regard to the concern raised by the Audit on the record of declaration of interest of one of the non-official members, for future SCCDF meetings, we will remind the responsible note-taker of the meeting to duly record members' declarations made at meetings in the minutes of meetings.

The SCCDF has all along adopted the "one-tier reporting system" as stipulated in a memorandum "Advisory and Statutory Bodies - Declaration of Interests" issued by the Secretary for Home Affairs, i.e. when an SCCDF member perceives a potential conflict of interest in a matter placed before the committee, he/she should make a full disclosure of his/her interest. LWB will review the system for making declaration of interest for the SCCDF from time to time in accordance with the aforesaid memorandum to ensure that the system matches the needs of the SCCDF.

As regards the system for making declaration of interest for the Vetting Committee, all members of the Vetting Committee are government officers who should declare their actual or potential conflicts of interest (if any) in accordance with the established mechanism, which included using a specified form to declare their connection (if any) with the applicant organisations for confirmation by the Chairperson of the Vetting Committee that all members had completed the procedures of declaration of interests and whether any member should withdraw from the meeting before proceeding on vetting the service proposals.

Question 5: **As mentioned in paragraph 4.29, set up in 2008 and having a total financial commitment of $900 million, the CDF is expected to benefit 30 000 underprivileged children through its projects, promoting their longer-term development with the ultimate aim of alleviating inter-generational poverty. Will LWB set a concrete timetable and implement specific policies for the ultimate aim of alleviating inter-generational poverty?**

Answer 5: Inter-generational poverty is a complicated social issue. Alleviation of poverty for different groups involves the work areas of various bureaux and departments. Among these, the objectives of the CDF are to provide support for participating children from a disadvantaged background to widen their horizons, enhance their exposure, help them develop a saving habit and encourage them to plan for the future, and providing these children with more personal development opportunities. Through formulating and implementing personal development plans, the CDF assists

these children to develop positive attitudes, raise their personal capacity and resilience, etc. To sum up, CDF projects aim to lay good foundations for their future growth and development, with the hope of helping them move out of their family poverty situation in the long run.

According to the abovementioned further study which is near completion, in summary, the study result had reaffirmed the contribution of the three key components of CDF projects to the objectives of the CDF in helping the children participants enhance their ability to manage resources, develop persistent savings habits, and formulate a vision for their future. Furthermore, the study result had demonstrated that operators, participants, their parents and mentors consider that CDF had a positive impact on the future development of CDF participants, including raising their abilities to manage resources and plan for the future, widening their personal networks, developing persistent saving habits, greater self-confidence, and enhanced communication skills, etc. These attributes are beneficial to the healthy growth and future career development of CDF participants and will help them move out of their family poverty situation.

(II) <u>Social Welfare Department (SWD)'s reply</u>

Question 6: **As mentioned in paragraphs 2.25 and 2.26, the demand for CDF projects by districts was approximated by the number of children (aged 10 to 16) living on Comprehensive Social Security Assistance (CSSA) Scheme over the territory. However, the Audit noted that the above methodology did not take into account the number of other underprivileged children who were not living on CSSA. Examples of such other children include those whose household income was less than 75% of the median monthly domestic household income.**

Will the SWD review the methodology used in the launch of CDF projects, including proactively reaching out to children from families with household income less than 75% of the median monthly domestic household income, so that more children in need of assistance can benefit?

Answer 6: SWD has accepted the Audit recommendations to make reference to the relevant figures relating to children with low income background (i.e. the number of children aged 10 to 16 whose household income is less than 75% of the relevant median monthly domestic household income) from the Census and Statistics Department before inviting a new batch of NGOs to operate CDF projects. The SWD will also consider several other factors, including the number of children aged 10 to 16 from families receiving CSSA or of low-income by district, the size of the geographical areas and the actual situation of previous recruitment of participants by project operators in various districts, in order to more accurately assess the demand for the CDF and to set more suitable district quotas for NGO-run CDF projects.

NGOs and schools have all along applied for funding from the CDF to operate their projects. They set up mechanisms and adopted different strategies and methods to recruit participants prior to project launch, including proactive reach-out to underprivileged children to recruit them to participate in CDF projects. Where necessary, SWD's district social welfare offices will assist operators to promote their projects to recruit more children in need.

Question 7: **As mentioned in paragraph 3.25, the Audit analysed the timeliness of submission of audited financial reports for 83 completed CDF projects. Audit noted that, as at 31 July 2019, of the 295 reports required to be submitted, 247 (84%) reports had been overdue, with delays ranging from 1 to 1 092 days (averaging 229 days). As mentioned in paragraph 3.26, of the 30 delayed submissions in the 10 completed projects examined by Audit, written reminders were not issued in 24 (80%) cases.**

(a) Please provide the number of written reminders issued to these 247 overdue reports and explain in detail the reasons why written reminders were not issued to all operators with delayed submissions.

(b) Has SWD taken any follow-up actions or even imposed penalties on operators with delayed submissions? If so, what are the details? If not, is SWD condoning delayed submissions?

(c) Will SWD prohibit operators with delayed submissions from applying for the CDF and operating projects in future?

Answer 7: Through telephone and/or email contact, SWD has been issuing operators with advance and post-deadline reminders urging them to submit audited financial reports (AFRs). This notwithstanding, operators have often been late in completing their submissions, mainly because their submitted reports did not comply with the stipulated requirements. SWD had to ask operators repeatedly for clarification, amendment or re-submission of the unclear or inaccurate parts in the reports.

SWD understands that improvement should be made in the follow-up of AFR submissions, and has implemented a series of measures, including issuing reminders since June 2019 to agency heads or even chairpersons of the boards of directors of the operators with regard to their overdue AFRs. SWD is conducting an internal review on the improvement measures and is preparing a draft for an enhanced mechanism. SWD believes that the enhanced mechanism can improve the situation of operators' delayed submission of AFRs.

Despite late AFR submissions by some operators, considering their overall satisfactory performance in services, SWD considers that at this stage a proactive and positive approach should be adopted, including understanding the difficulties encountered and common mistakes made by operators in preparing financial reports, so as to offer more relevant guidance and assistance. For instance, SWD issued financial guidelines and template on 31 December 2019 for operators' reference. For individual operators that still cannot comply with the stipulated requirements or continue to put up a poor service performance, SWD will not rule out consideration of imposition of more stringent monitoring measures.

Question 8: **According to paragraph 3.31, of the 10 completed projects examined by Audit, 6 had surplus funds, which had not been clawed back promptly by SWD. As at**

31 July 2019, of the 6 projects, only 2 projects had the surplus funds clawed back. As mentioned in paragraph 3.30, AFRs are passed to its Finance Branch for review and vetting according to SWD's practices. Consequent upon the review and vetting, SWD's CDF Office will issue letters to the CDF operators demanding refund of any surplus funds (hereinafter referred to as demand notes). According to the service agreements, operators shall return all the surplus funds to the Government within 14 days from the date of the demand note issued by the Government.

(a) Please set out the details of all projects with surplus funds, and the surplus amount of each since the launch of CDF. Has SWD issued demand notes in respect of each of the above projects and requested the operators to return all surplus funds to the Government within 14 days? If not, please specify the reason(s) why demand notes were not issued in respect of each of the projects.

(b) Please set out the details of the projects which had not returned their surplus funds within 14 days from the issuance of demand notes, the number of operators involved, and the amount involved. With respect to these operators who had not returned their surplus funds within 14 days, has SWD demanded the return of funds by other means, including legal action?

(c) Will SWD prohibit operators who had delayed the return of surplus funds from applying for future CDF projects? If so, please provide the details of the operators which have been penalised. If not, is SWD condoning delayed return of funds?

Answer 8: As at 24 December 2019, of the 105 completed projects, SWD has vetted the financial reports of 94 projects (90%), among which 51 projects (54%) should refund surplus funds (see Appendix for details of each batch), with an average surplus of around HK$94,000 to be refunded per project. SWD has issued notifications of refund to all operators that are required to return surplus funds, and has clawed back surplus funds of 49 projects (around 96%). According to records, operators on average returned surplus funds within

25 days from the issuance of notifications of refund. As regards the two projects that have yet to return surplus funds, SWD is following up actively, and expects that the respective surpluses will be clawed back within January 2020.

On the return of surplus funds, SWD considers that at this stage a proactive and positive approach should be adopted, including understanding the difficulties encountered by operators in returning the surplus funds, and providing flexible measures to assist operators with actual difficulties (such as administrative procedures) in returning surplus funds (such as exercising discretion on reasonable grounds to extend the deadline for returning the surplus funds), and at the same time offering recommendations for improvement. For individual operators that still cannot comply with the stipulated requirements or continue to put up a poor service performance, SWD will not rule out consideration of imposition of more stringent monitoring measures.

Question 9: **As stated in paragraph 4.29, the CDF was set up in 2008 with a total financial commitment of $900 million. It is expected to benefit 30 000 underprivileged children through its projects, promoting their longer-term development with the ultimate aim of alleviating inter-generational poverty. Has the SWD followed up regularly on whether the families having completed the projects have their living standards improved and inter-generational poverty alleviated?**

Answer 9: As mentioned in LWB's reply to question 3, LWB commissioned various consultants to conduct study on the effectiveness of various stages of the CDF, including the impact on future development of participants. SWD has all along been involved in the monitoring of each consultancy study in the context of the SCCDF. Therefore, SWD does not plan to conduct separate studies on the participants who had completed CDF projects.

Appendix

Clawing back of surplus funds from 51 projects
(As at 24 December 2019)

Batch	Number of completed projects	Number of projects with surpluses	Number of projects with surpluses clawed back
NGO-run projects			
1	7	3	3
2	15	10	10
3	18	12	12
4	21	9	9
5	27	8	7
Subtotal	88	42	41
School-based projects			
1	7	5	4
2	10	4	4
Subtotal	17	9	8
Total	105 [Note]	51	49

Note: SWD has vetted the financial reports of 94 projects (90%).

16BC	2016 By-Census
AFCD	Agriculture, Fisheries and Conservation Department
ArchSD	Architectural Services Department
ATC	Air traffic control
ATMS	Air Traffic Management System
Audit	Audit Commission
Audit Report	Director of Audit's Report
AUTs	Accessible unisex toilets
AWOs	Animal welfare organizations
B/Ds	Bureaux/departments
C&ED	Customs and Excise Department
C&SD	Census and Statistics Department
CAD	Civil Aviation Department
CC	Consumer Council
CCMS	Complaint Case Management System
CCRP	Wild pig capture and contraception/relocation programme
CCSS	Customer Complaint Settlement Scheme
CDF	Child Development Fund
CFS	Centre for Food Safety
CMIS	Complaints Management Information System
CMS	Contract Management System
CNs	Completion Notices
CPI	Consumer Price Index
CTC	Chinese Temples Committee
CUEs	Common utility enclosures
DC	District Council

DCTs	Deep cleansing teams
DEHO	District Environmental Hygiene Office
DEVB	Development Bureau
EDB	Education Bureau
EMSD	Electrical and Mechanical Services Department
EPD	Environmental Protection Department
FC	Legislative Council Finance Committee
FCS	Food consumption survey
FEHD	Food and Environmental Hygiene Department
GHS	General Household Survey
GMT	Government Monitoring Team
GPA	Government Property Agency
HA	Hospital Authority
HAB	Home Affairs Bureau
HAD	Home Affairs Department
HIs	Health Inspectors
HKAPA	Hong Kong Academy for Performing Arts
HKFIR	Hong Kong Flight Information Region
HKHA	Hong Kong Housing Authority
HKPC	Hong Kong Productivity Council
HKPCO	Hong Kong Productivity Council Ordinance (Cap. 1116)
HyD	Highways Department
iCMS	Integrated court case management system
ICT	Information and communications technology
ImmD	Immigration Department
ISS-2	Updated Information Systems Strategy

ITB	Innovation and Technology Bureau
ITC	Innovation and Technology Commission
ITF	Innovation and Technology Fund
ITSP	Information Technology Strategy Plan
JWG	Joint Working Group on Management of Roadside Skips
KPI	Key performance indicator
LandsD	Lands Department
LCSD	Leisure and Cultural Services Department
LegCo	Legislative Council
LSGs	Lump sum grants
LTP	Leachate treatment plant
LWB	Labour and Welfare Bureau
MAA	Memorandum of Administrative Arrangements
mm	Millimetres
mobile apps	Mobile applications
MOM	Management, operation and maintenance
NGOs	Non-governmental organizations
OFCA	Office of the Communications Authority
OGCIO	Office of the Government Chief Information Officer
PAH	Project Administration Handbook for Civil Engineering Works
PDPs	Personal development plans
PPVL	Pillar Point Valley Landfill
PRL	Private Recreational Lease
PSL	Passenger Service Licence
PSLCs	Passenger Service Licence Certificates

PTRP	Public Toilet Refurbishment Programme
R&D	Research and development
ROCC	Road Opening Coordinating Committee
RTHK	Radio Television Hong Kong
SCCDF	Steering Committee on Child Development Fund
SDP	Surveillance Data Processor
SDU	Sub-divided Unit
SMEs	Small and medium enterprises
SSDs	Schools for social development
SWD	Social Welfare Department
TC	Tourism Commission
TD	Transport Department
TSCA	Tsing Sha Control Area
TV	Television
UUs	Utility undertakings
VSP	Vacant school premises
WSD	Water Supplies Department
WWO	Waterworks Ordinance (Cap. 102)
XP	Excavation permit
XPMS	Excavation Permit Management System