

LCQ16: Alleviating the financial burden on parents of students

Following is a question by the Hon Alice Mak and a written reply by the Secretary for Education, Mr Kevin Yeung, in the Legislative Council today (February 20):

Question:

According to the results of a survey conducted in 2017, 90 per cent of the parents surveyed indicated that the expenses on kindergarten (KG) education had posed a heavy financial burden on their families. In addition, some parents of primary and secondary students (particularly those belonging to the sandwich class) have pointed out that the expenses on textbooks and transportation for their children are costly, and they are unable to benefit from the School Textbook Assistance Scheme (STAS) and the Student Travel Subsidy Scheme (STSS) implemented by the Government because the application thresholds of those Schemes are too high. In this connection, will the Government inform this Council:

(1) among the pupils currently studying in KGs which have joined the Free Quality Kindergarten Education Scheme, of the number and percentage of those who are required to pay school fees; whether the Education Bureau (EDB) will consider enhancing the Scheme by providing KGs with subsidies that are sufficient to meet all operating expenses, so that all pupils in half-day, whole-day and long whole-day KGs are not required to pay school fees, thereby offering genuinely free KG education;

(2) whether the EDB has regularly reviewed and compiled statistics on the items and levels of miscellaneous fees collected by KGs; if so, of the total amount of miscellaneous fees collected on average from each pupil by KGs in each of the past three years; whether the EDB will cap the miscellaneous fees that KGs may collect from pupils;

(3) among primary and secondary students in each of the past three years, of the respective numbers and percentages of those who benefited from STAS and STSS; whether the EDB will lower the application thresholds for those Schemes, including revising the "Adjusted Family Income" Formula and adding tiers of assistance, so that more students can benefit; and

(4) as quite a number of parents have pointed out that the existing subsidy schemes have failed to alleviate their financial burden, whether the EDB will grant an allowance annually to each of the KG pupils as well as primary and secondary students for meeting the expenses arising from the commencement of a new school year, with a view to alleviating their families' financial burden; if not, of the EDB's ways to alleviate the financial burden on parents?

Reply:

President,

My reply to the question raised by the Hon Alice Mak is as follows:

(1) The Government has implemented the new kindergarten (KG) education policy starting from the 2017/18 school year. The objectives of the policy are to provide good quality and highly affordable KG education, enhance the accessibility of students to different modes of services that suit their specific needs and, in tandem, maintain a high level of flexibility, diversity and vibrancy in KG operation. Under the new policy, in principle, government subsidies should be sufficient for KGs joining the kindergarten education scheme (Scheme) to provide quality half-day (HD) services. Individual KGs may need to charge school fees mainly to defray rental expenses that are not fully covered by rental subsidy.

For whole-day (WD) KGs, existing evidence from researches and studies preclude drawing conclusions that WD programmes are more favourable to young children than HD programmes. Although many countries offer WD services for parents as an option, it is not a common practice internationally to provide free WD KG service for all children from three to six years of age. On the basis of co-payment of the Government and parents, WD pupils need to pay part of the cost. Notwithstanding this, to unleash the potential of the local labour force under the population policy, we provide an additional subsidy for WD and Long WD (LWD) services. Parents only need to pay part of the cost. Needy families can be granted fee remission for HD or WD services.

In the 2018/19 school year, 753 KGs have joined the Scheme. Among them, about 520 KGs are offering HD programmes and about 90 per cent of them are free. In terms of the number of pupils, among the about 84 400 eligible HD pupils studying in KGs which have joined the Scheme (Scheme-KGs), around 8 600 (10 per cent) need to pay school fees (provisional figures for September 2018). Separately, about 630 Scheme-KGs are offering WD/LWD programmes. The median school fee per instalment is around \$790 and the overall school fees are at a low level. In terms of the number of pupils, among the about 47 500 eligible WD/LWD pupils studying in Scheme-KGs, around 33 700 (71 per cent) need to pay school fees (provisional figures for September 2018).

(2) KGs selling or providing paid items/services (such as textbooks, exercise books, school uniforms, schoolbags, tea and snacks, stationery, etc., which are generally referred as "miscellaneous charges") must observe the guiding principles set out in relevant Education Bureau (EDB) circulars, including that the purchase of such items or services is entirely voluntary; schools should avoid charging parents in one lump-sum for the whole package of items or services required for the whole school term; the items or services should be directly related to teaching and learning activities; return/refund arrangements should be set out; no profit should be made from the sale of textbooks; and profit for other items, if any, should not exceed the profit limit of 15 per cent of the cost price, etc. KGs should also state clearly in relevant school circulars or letters that the purchase of educational items

or services is entirely voluntary and that parents can select the items according to their individual needs.

As the same items for sale (such as tea and snacks, summer uniforms, winter uniforms, exercise books, etc.) may vary widely in ingredients/materials, quantities, etc. among different schools and the items chosen to buy by individual parents may also be different, it is not appropriate to consolidate the data or present the situation in terms of the average fees, or to set a cap on the fees of the items concerned. Since such items are sold by schools or acquired by schools on behalf of students, the premise is whether parents may purchase them on a purely voluntary basis. To allow parents a better understanding of the situation of individual schools on selling such items or services or purchasing them on behalf of students, all Scheme-KGs are required to list the reference prices of the major items for sale or paid items on their schools' websites and in the Profile of Kindergartens and Kindergarten-cum-Child Care Centres.

(3) and (4) The School Textbook Assistance Scheme (STAS) provides assistance for financially needy primary and secondary students in government, aided, per caput grant schools and local schools under the Direct Subsidy Scheme to cover the costs of essential textbooks and miscellaneous school-related expenses. The Student Travel Subsidy Scheme (STSS) provides travel subsidy for financially needy students receiving formal primary, secondary education or attending a full-time course up to first degree level in an acceptable institution, residing beyond 10-minute walking distance from school and travelling to school by public transport. We encourage parents to send their children (in particular pre-primary children) to schools near their places of residence so as to minimise the time and energy spent by children in commuting. This can also reduce students' travelling expenses. For the school years from 2016/17 to 2018/19 (as at January 31, 2019), the numbers of primary and secondary students benefitting from the above schemes are as follows –

	2016/17 School Year	2017/18 School Year	2018/19 School Year (as at January 31, 2019)
STAS (percentage of the overall population of primary and secondary students (Note 1))	208 316 (34 per cent)	203 521 (33 per cent)	198 015 (32 per cent)
STSS (percentage of the overall population of primary and secondary students (Note 2))	144 424 (21 per cent)	142 896 (20 per cent)	139 128 (19 per cent)

Notes:

(1) The total numbers of primary and secondary students for the school years from 2016/17 to 2018/19 are 620 525, 624 048 and 626 684 respectively (the figures showing the position as at mid-September of the respective school years). The figures cover government, aided, per caput grant schools, local schools under the Direct Subsidy Scheme and special schools.

(2) The total numbers of primary and secondary students for the school years from 2016/17 to 2018/19 are 702 664, 708 645 and 713 979 respectively (the figures showing the position as at mid-September of the respective school years). The figures cover government, aided, per caput grant schools, local schools under the Direct Subsidy Scheme, local private schools, international schools and special schools.

The Government's policy on student finance is to ensure that no student is denied access to education due to a lack of means. The various financial assistance schemes provide support to students and the Government reviews the various student financial assistance schemes from time to time. For instance, the Government reviewed in the 2011/12 school year the income test mechanism for the various student financial assistance schemes and relaxed the income ceiling for full level of student financial assistance under the income test mechanism. Consequent upon the implementation of the improvement measure, the percentage of students receiving full level of assistance increased significantly from about 30 per cent of the beneficiaries in previous academic years to about 60 per cent. The Government also keeps the various student financial assistance schemes under review and will expand the scope of subsidies to enhance support for students from needy families where necessary. For example, the assistance programme "Enhancement of the flat rate grant under the School Textbook Assistance Scheme" under the Community Care Fund has been incorporated into the Government's regular assistance programme starting from the 2014/15 school year; and a "Grant for School-related Expenses for Kindergarten Students" has been provided to eligible KG students to defray school-related expenses incurred from the students' KG education starting from the 2017/18 school year.

On textbook expenses, there are no specified teaching contents for the KG Education curriculum. All along, the EDB emphasises that KG teachers may apply their professional knowledge to design or select different types of learning and teaching resources so as to cater for the physical and psychological development needs of children at different stages and their daily life. As for primary and secondary schools, teachers are also encouraged to develop or select other teaching materials to meet the learning needs of students. The EDB has provided different types of free learning and teaching resources for teachers, such as learning and teaching resource packages for different subjects, the Web-based Resource Platform for Liberal Studies, and the e-learning resources uploaded onto EDB One-stop Portal for Learning and Teaching Resources, so that teachers could select from a wide range of other learning and teaching resources apart from textbooks.

LCQ19: Unauthorised building works and related prosecutions

Following is a question by the Hon Chu Hoi-dick and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (February 20):

Question:

On December 21 last year, the Director of Public Prosecutions (DPP) issued a statement expounding the prosecution decisions made by him in respect of the unauthorised building works (UBWs) at House 3 and House 4 of Villa de Mer, Tuen Mun. DPP would not institute any prosecution against the Secretary for Justice (SJ) on the grounds that there was no evidence indicating that the UBWs at House 4 were constructed subsequent to SJ's acquisition of the unit. As to the UBWs at House 3, DPP would institute prosecution against only one of the two owners of the property (i.e. the husband of SJ). On the other hand, it has been reported that the sale and purchase agreement through which SJ acquired a property in Repulse Bay had expressly stated the existence of UBWs in that property. In this connection, will the Government inform this Council:

(1) whether the authorities instituted, by invoking sections 14(1) and 40(1AA) of the Buildings Ordinance (Cap. 123), prosecutions in the past 10 years against those persons who had commenced or carried out UBWs in their properties but subsequently sold the properties concerned; if so, of the number and details of such cases; if not, the reasons for that;

(2) whether the Buildings Department (BD) will institute prosecution(s) against the former owner(s) of House 4 who carried out the UBWs therein; if so, of the details; if not, the reasons for that;

(3) whether BD has investigated if the UBWs at the aforesaid property in Repulse Bay had been constructed by the person(s) who sold the property to SJ;

(4) of the circumstances, in general, under which a person who holds part of the title to a property (i) is required and (ii) is not required to bear the legal liability for the commencement or carrying out of UBWs at that property; and

(5) as section 14(1) of Cap. 123 stipulates that "[s]ave as otherwise provided, no person shall commence or carry out any building works...without having first obtained from the Building Authority... his approval...and...consent...", whether the authorities regard a property owner who has engaged a contractor to carry out UBWs as a person who has commenced or carried out UBWs under that provision; if so, of the details?

Reply:

President,

The policy that has all along been adopted by the Buildings Department (BD) in its enforcement against unauthorised building works (UBWs) is to require the owner to rectify the irregularities as soon as practicable. If an owner does not comply with BD's statutory orders, the department will consider instigating prosecution. On the other hand, under normal circumstances, the department will not proactively initiate criminal investigation on whether there have been contraventions of the Buildings Ordinance (BO) (Cap. 123), unless there is information showing that registered building professionals under the BO are suspected to be involved in the erection of UBWs, or that any person knowingly submits misrepresented documents to BD or knowingly contravenes section 14(1) of the BO, etc. Under these circumstances, BD will undertake follow-up action, including initiating criminal investigation and considering instigating prosecution subject to the result of such investigation.

The above principle of enforcement policy on whether to initiate criminal investigation applies to all cases related to UBWs. The identity and social status of the person involved are not amongst the considerations. In fact, in handling UBW cases, BD has been acting in accordance with the law and is impartial to all; it has been taking appropriate actions pursuant to the BO and the prevailing enforcement policy.

In consultation with BD, the Development Bureau provides a consolidated reply as follows:

(1) If BD decides to conduct criminal investigation into an UBW case per the above enforcement policy, the investigation target will include any registered building professionals who are suspected to be involved in the erection of UBWs, or any person knowingly submits misrepresented documents to BD or knowingly contravenes section 14(1) of the BO, including current and any former owners. BD will consider whether the evidence is sufficient in deciding whether to instigate prosecution procedures. BD will seek legal advice from the Department of Justice (DoJ) timely as needed. Having checked the records, in the past 10 years, BD had not instigated prosecution against persons who have already sold their properties concerned by invoking section 40(1AA) of the BO.

(2) Regarding the UBWs at House 4 of Villa De Mer, Tuen Mun, as there is no sufficient evidence to establish that any registered building professional is suspected to be involved in the erection of UBWs, or there is any person knowingly submitted misrepresented documents to BD or knowingly contravened section 14(1) of the BO, BD did not instigate prosecution against any person.

(3) Following the above enforcement policy on whether criminal investigation should be initiated, BD did not conduct criminal investigation into the case concerned.

(4) and (5) Under section 40(1AA) of the BO, any person who knowingly carries out building works without having first obtained the approval and consent from the Building Authority (BA) shall be guilty of an offence. If BD conducts an investigation per the above enforcement policy on whether criminal investigation should be initiated, BD will consider whether the evidence collected could sufficiently demonstrate that the persons involved (including the persons who carry out the works and the persons who appoint other persons to carry out the works, no matter whether such persons hold the entire or part of the title to the premises) knowingly contravene the requirements for obtaining prior approval and consent from the BA in deciding if prosecution should be instigated. If necessary, BD will seek legal advice from DoJ timely.

LCQ18: “Smart Tender” building rehabilitation facilitating services

Following is a question by the Hon Yung Hoi-yan and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (February 20):

Question:

The Urban Renewal Authority (URA) has implemented the "Smart Tender" building rehabilitation facilitating services since May 2016, with an aim to provide technical support to property owners/Owners' Corporations (OCs) of private buildings in respect of building maintenance and help reduce the chance of bid-rigging by works contractors. In this connection, will the Government inform this Council:

(1) whether it knows the respective numbers of complaints and reports in respect of suspected bid-rigging activities in building rehabilitation works received last year by URA from property owners/OCs participating in "Smart Tender" (with a breakdown by District Council district) and, among such complaints and reports, the respective numbers of cases referred to law enforcement agencies for follow-up; the respective numbers of cases in which the persons concerned were prosecuted and convicted, as well as the penalties generally imposed and the maximum penalty imposed on the convicted persons;

(2) whether it knows the respective numbers of applications received and approved by URA since the launch of "Smart Tender", as well as the average processing time of the approved applications; among the approved applications, the respective numbers of cases in which the building rehabilitation works have (i) commenced and (ii) been completed and, in respect of the completed cases, the average and the longest time spent on providing services under "Smart Tender" to such cases;

(3) whether it knows if URA has estimated (i) the average number of applications for participating in "Smart Tender" to be received, and (ii) the average manpower and expenditure required for implementing "Smart Tender", in each of the coming three years; whether URA will consider recruiting additional manpower to strengthen the services; and

(4) as some property owners/members of the management committees of the OCs participating in "Smart Tender" have indicated that (i) the various arrangements under "Smart Tender" (e.g. engagement of independent professional, and preparation of inspection reports and tender documents by Authorised Person/Registered Inspector) are time-consuming, and (ii) due to their old age and lack of professional knowledge, it may not be easy for them to understand the advice given by independent professionals on building rehabilitation works, whether the Government knows the measures URA has put in place to improve such situations?

Reply:

President,

The Urban Renewal Authority (URA) has launched the "Smart Tender" building rehabilitation facilitation services scheme in May 2016 with a view to assisting owners in adopting good practices in undertaking building repair and maintenance projects and crowding out the opportunity for bid-rigging syndicates to interfere with the fair operation of the market during the process. "Smart Tender" provides property owners with a series of technical assistance and information to facilitate owners to deliberate and decide on the employment of contractors. Services provided by "Smart Tender" include:

- (a) a "DIY tool-kit" to provide guidelines in organising maintenance works;
- (b) technical advice and cost estimate of the works offered by an independent third-party advisor; and
- (c) an electronic tendering platform for recruiting contractors.

To encourage more property owners to join "Smart Tender", the Government has earmarked \$300 million to enable owners of private buildings to participate in "Smart Tender" at a concessionary rate, and has launched the concessionary scheme in partnership with the URA since October 3, 2017.

In consultation with the URA, the Development Bureau provides a reply to the question as follows:

(1) The URA has not received any complaints or reports from property owners or owner corporations joining "Smart Tender" on the suspected bid-rigging activities since the launch of "Smart Tender".

(2) Since the launch of "Smart Tender" up to January 31, 2019, the URA has received about 700 applications of which some 570 were approved; some 40 were withdrawn by the applicants themselves and some 90 were being processed. The URA advised that the average processing time of an application is about two

months, subject to the time required for owners to provide relevant information (e.g. meeting minutes of owners' general meeting).

"Smart Tender" aims to provide assistance to owners in engaging contractors. The service covers the period from owners' engagement of consultants to owners' selection of contractors by convening owners' general meeting. Of the completed cases, the average period of service is 21 months with 24 months being the longest case. Currently, owners of seven applications have already convened owners' general meetings to engage their contractors of which two applications have completed the required building rehabilitation works.

(3) The URA has been actively promoting "Smart Tender". Specifically, all buildings joining the "Operational Building Bright 2.0" and "Fire Safety Improvement Scheme" are mandated to join "Smart Tender". The number of buildings joining "Smart Tender" is subject to considerations such as whether owners are willing to carry out the building rehabilitation for their buildings, etc, and that the URA is unable to forecast the number of applications for "Smart Tender" in the future. The URA is responsible for the administration of "Smart Tender" as well as the necessary manpower resources and expenditures. The URA indicated that they have adequate manpower and resources to handle "Smart Tender" at present, and they will timely review the relevant requirement.

(4) As mentioned above, "Smart Tender" seeks mainly to provide assistance to owners in engagement of contractors. Therefore, preparation of inspection report and tender documents by Authorised Person or Registered Inspector are the responsibilities of owners and are outside the scope of service under "Smart Tender". Nonetheless, the URA will provide advice to the relevant tasks.

Specifically, the general public may lack the relevant knowledge on engagement of contractors and building rehabilitation, the URA will assign case officer to all buildings joining "Smart Tender" to render assistance including explaining to owners and members of owners' corporations the reports on cost estimates and tendering documents prepared by the independent advisor assigned by the URA.

LCQ22: Enhancing service quality and improving operating environment of taxi industry

Following is a question by the Hon Frankie Yick and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the

Legislative Council today (February 20):

Question:

Some taxi trade organisations have relayed that there are serious succession and ageing problems of taxi drivers. According to their estimation, about 10 per cent of the taxis are currently left idle due to a lack of drivers, causing a decrease in taxi services. As the charges of illegal private car hire services (commonly known as "white licence car services") are not subject to any regulation and tax evasion is possible for the income from such services, some taxi drivers have, in recent years, become drivers of white licence cars so that they can earn a higher income and have a greater freedom in deciding their business hours, thereby aggravating the taxi drivers' wastage. Those organisations are also concerned that the franchised taxis scheme that the Government plans to implement will aggravate the wastage of drivers of conventional taxis. In this connection, will the Government inform this Council:

(1) of the number of holders of a valid taxi driving licence and, among them, the number of those who were issued the driving licence for the first time, at the end of each of the past five years, with a tabulated breakdown of such numbers by the age group (i.e. 29 or below, 30 to 39, 40 to 49, 50 to 59, 60 to 69, 70 to 79 and 80 or above) to which the holders belonged at that time;

(2) of the measures taken by the Government in the past five years (including those for combating white licence car services) to improve the business environment of the taxi trade, so as to increase the income of taxi drivers and attract new blood to the trade, together with the details and effectiveness of each of these measures;

(3) as the Government has plans to relax one of the requirements for applying for commercial driving licences (including taxi licence), namely by shortening the minimum period for which an applicant has held a valid driving licence for private car or light goods vehicle before making the application from three years to one year, whether the Government will consider lowering at the same time the minimum age requirement for applying for such type of licences from 21 to 19, in order to attract young people to join the taxi trade as soon as practicable; if so, of the details; if not, the reasons for that; and

(4) whether it will consider shelving its plan of introducing franchised taxis; if so, of the details; if not, how the Government will prevent the franchised taxis from aggravating the problems of wastage and manpower shortage of drivers of conventional taxis?

Reply:

President,

The Government has been highly concerned about the manpower situation of the transport industry, including the taxi trade, and has been striving to assist the trade in enhancing the service quality and improving the operating

environment so as to attract new blood and alleviate the problem of manpower shortage. My reply to the various parts of the Hon Frankie Yick's question is as follows:

(1) The number of holders and new holders of a valid full driving licence for taxis by age group as at December 31 in each of the past five years is tabulated at Annex.

(2) The Transport Department (TD) has been striving to enhance the operating environment of the trade and has implemented various trade facilitation measures, so as to foster the long-term healthy development of the taxi trade. To further strengthen its interaction and co-operation with the taxi trade and other stakeholders, the TD established the Committee on Taxi Service Quality (CTSQ) in January 2018, which serves as a multi-party platform for discussing various reform strategies and measures under the existing taxi licensing regime. To this end, the measures took forward by the TD, in collaboration with the CTSQ, include (i) updating the "Hong Kong Taxi Service Standard" and "Hong Kong Taxi Service Guidelines" by the TD in July 2018 to clearly set out the conduct and obligations of taxi drivers, taxi owners, agents and passengers under the law; (ii) launching an online training course for in-service taxi drivers by the TD in November 2018 to improve drivers' customer service skills; and (iii) rolling out the enhanced Taxi Driver Commendation Scheme by the TD in October 2018 and organising a prize presentation ceremony in January 2019 to recognise taxi drivers with outstanding service performance, so as to enhance the professional image and service quality of taxi drivers.

Furthermore, the CTSQ has also strived to push TD to enhance the existing mechanism for handling complaints relating to taxi services, with a view to taking actions against drivers who are the subjects of repeated complaints and assisting the taxi trade in setting up a system for self-monitoring and regulation. The TD and CTSQ have also encouraged the trade to leverage on technology to enhance the operational efficiency and service quality, such as setting up or integrating taxi hailing application platforms so as to improve the operating environment.

Meanwhile, the Government extended the validity period of the taxi driver identity plates to ten years in November 2018, so that the drivers need not renew their plates annually, thereby slightly reducing the operating costs. Starting from December 2018, the Government has progressively installed supplementary traffic signs displaying "except taxi pick up or drop off" beneath traffic signs with a no-stopping restriction erected in restricted zones across the territory. This will spare the taxi trade the need to renew the restricted zone permits annually in the future.

The Government approved the taxi fare increase in April 2017 with a view to attracting new blood to the industry by increasing income and to encourage the trade to improve its service and invest more in new facilities, so as to enhance the overall service quality of the taxi industry. The taxi trade has recently submitted a new round of fare increase applications to the Government. The Government will process the applications in accordance with the established mechanism, taking into account factors such as income and

expenditure of drivers, and public acceptability, etc.

Regarding the illegal carriage of passengers for hire or reward by motor vehicles, the Government has been taking a multi-pronged approach comprising enforcement, education and publicity in combating such illegal acts. On enforcement, the Police will continue to take action against such offences through targeted operations, including collecting intelligence, conducting decoy operations, and investigating and following up on complaint cases. Between January 2015 and December 2018, the Police undertook enforcement actions on 195 cases concerning illegal carriage of passengers for hire or reward by private cars or light goods vehicles. Over the same period, there were 75 vehicles on which the TD imposed suspension of vehicle licence and impoundment due to conviction of illegal carriage of passengers for hire or reward.

On publicity and education, the TD has been making use of various channels, including broadcasting announcement of public interest on radio, displaying samples of Hire Car Permits on its webpage, etc. to promote the knowledge on how to distinguish illegal hire services. It has also set up an online enquiry system for the public to check whether a vehicle has been issued with a valid Hire Car Permit. The TD has also reminded the public that the third party risks insurance for any vehicle used for illegal carriage of passengers for hire or reward may be invalidated.

To further increase the deterrent effect against the related offence so as to enhance the protection of the safety and interests of passengers and road users, the Government plans to consult the Legislative Council (LegCo) Panel on Transport on the proposal of raising the penalties for illegal carriage of passengers for hire or reward at the meeting of the Panel in March 2019.

(3) To attract more young drivers to join the industry, the Government proposes to relax the current requirement for applications of learners' and full driving licences for commercial vehicles to have held a valid driving licence of private car (PC) or light goods vehicle (LGV) for a period of at least three years to at least one year (Note). Earlier on, the Government consulted the transport industry, the LegCo Panel on Transport and the Road Safety Council on the proposal and their views were generally positive. The Government will introduce the relevant legislative proposal into the LegCo within the 2018-19 legislative session.

In respect of the proposal of lowering the age requirement for applicants of driving licences for commercial vehicles, having considered the traffic accident statistics in Hong Kong in recent years and made reference to the general overseas practices of setting higher basic age requirements for drivers of commercial vehicles, the Government proposed to maintain the minimum age requirement for applicants of driving licences for commercial vehicles, i.e. 21 years old, at the present stage. After the implementation of relaxation of the period for holding a valid driving licence for PC or LGV from at least three years to at least one year, the TD will review the minimum age requirement for applicants of driving licences for commercial

vehicles on the basis of actual situation and need.

(4) In view of the result of consultation with the LegCo Panel on Transport as well as the general supportive views from the community, the Government has proposed introducing 600 franchised taxis to meet the new demand in the community for personalised and point-to-point public transport service of higher quality and fare as well as with "online hailing" features. The Government is actively preparing the bill for the introduction of franchised taxis, and seeks to submit it to the LegCo in the 2018-19 legislative session.

The upcoming 600 franchised taxis will only account for around 3 per cent of the 18 000-odd taxis in Hong Kong and this should not cause a big impact on the current manpower situation of the taxi trade. Moreover, we propose that when assessing the applications for franchised taxi operators, applicants who propose to maintain an employer-employee relationship with their drivers will be given a higher score in the assessment. An employer-employee relationship should enhance the protection of labour rights of the drivers, provide a more stable job and income, and therefore help attract more new entrants.

As mentioned above in the second part of the reply, the Government has, in recent years, taken a series of measures to improve the operating environment of the taxi industry, enhance the taxi service quality and image of taxi drivers, with a view to attracting more new blood into the industry. Meanwhile, the TD will continue to maintain communication with the taxi trade to listen to and consider their proposed measures, so as to attract more new entrants to the taxi industry.

Note: If an applicant needs to undergo the probationary driving period, he/she will be eligible to apply for a learner's or full driving licence for commercial vehicles immediately upon issue of the full driving licence for PC or LGV after completion of the minimum one-year probationary driving period; if the applicant does not need to undergo probationary driving period (for example, persons who obtained full driving licences by direct issue), he/she will be eligible to apply for the two aforementioned types of commercial driving licences after having held the full driving licence for PC or LGV for at least one year.

LCQ5: Regulation of e-sports venues

Following is a question by the Hon Jeremy Tam and a reply by the Secretary for Innovation and Technology, Mr Nicholas W Yang, in the Legislative Council today (February 20):

Question:

While the Chief Executive said last month that the Government would kick start its efforts in fostering the development of the e-sports industry, some e-sports venue operators have relayed that they have encountered quite a number of operating difficulties. Amusement Game Centre Licences are required for operating e-sports venues and convicted offenders will have a criminal record. However, the relevant licensing conditions are stringent. For instance, an amusement game centre must not be located in premises where another amusement game centre or an educational institution is within a radius of 100 metres from its main entrance. This requirement has made it difficult for them to find venues suitable for operating e-sports venues. Secondly, amusement game centres are categorised into two types: "children's centres" which must deny entry by persons aged 16 or above and "adult centres" which must deny entry by children aged below 16. Substantial investments are involved in operating e-sports venues, but this categorisation requirement has reduced the clientele of e-sports venues and affected their income. As a result, it is likely that the investments made by the operators will go down the drain. In this connection, will the Government inform this Council:

(1) of the respective numbers of persons arrested, prosecuted and convicted in each of the past five years for operating an amusement game centre without a licence; the penalties imposed on those convicted, and the number of such convictions involving e-sports venues;

(2) in respect of e-sports venues, entertainment machine centres and other amusement game centres, of the respective numbers of persons arrested, prosecuted and convicted for committing criminal offences in each of such types of venues in each of the past five years (with a breakdown by category of offences), as well as the penalties imposed on those convicted; and

(3) given that the Innovation and Technology Bureau is, in conjunction with the Home Affairs Bureau and related government departments, formulating a set of guidelines to help e-sports venue operators apply for licences, whether the Government will, when vetting and approving applications for licences submitted by those operators, exempt e-sports venues from complying with the two aforesaid requirements; if so, of the details; if not, the reasons for that?

Reply:

President,

Having regard to its development around the world in recent years, we consider e-sports to be an emerging industry with certain economic potential. With our advanced information and communications technology infrastructure and experience in hosting large-scale international competitions, Hong Kong is well-equipped to develop e-sports. In recent years, quite a number of local e-sports players received accolades in international competitions. In his 2018-19 Budget Speech, the Financial Secretary earmarked \$100 million for Cyberport to promote early stage development of the e-sports industry.

In terms of business operating environment, since e-sports venues can operate in various modes and involve a wide array of activities, these venues may be subject to regulation under different ordinances depending on the actual operation. Operators may hence be required to apply for licences under ordinances such as an Amusement Game Centre Licence under the existing Amusement Game Centres Ordinance (AGCO) (Cap. 435).

According to the Home Affairs Bureau (HAB), the legislative intent of the AGCO was not to promote the business development of amusement game centres but to regulate them by law in order to minimise the nuisance to nearby residents, ensure their operation is safe for customers, and to avoid posing serious and harmful effects on the youth, especially students. We consider that applying squarely the AGCO to the local e-sports industry is not appropriate and applying some of the licensing requirements of amusement game centres to e-sports venues may also hinder the long-term development of the e-sports industry. Hence, in terms of improving business environment and removing red tape and barriers for the e-sports industry, we will adopt an appropriate mechanism to exempt e-sports venues from the requirement of obtaining an Amusement Game Centre Licence. Having consulted HAB and the Security Bureau, our reply to three parts of the question is as follows:

(1) In accordance with Section 4 of AGCO, any person who operates, keeps, manages or otherwise has control of an amusement game centre in regard to the operation of which a licence is not in force commits an offence and shall be liable, on first conviction, to a fine of \$100,000 and to imprisonment for six months; and on a second or subsequent conviction, to a fine of \$200,000 and to imprisonment for one year.

According to the information provided by the Police, between 2014 and the third quarter of 2018, two persons were prosecuted in connection with the offence under Section 4 of AGCO (excluding cases prosecuted by way of summons). They were convicted and sentenced to a fine of \$3,000 and imprisonment for two months (suspended for 15 months) respectively. The Police do not keep other figures related to the above offence mentioned in the question.

(2) The Police do not keep the figures in respect of offences occurred at those venues mentioned in the question.

(3) Provided that an e-sports venue operator can satisfy the specific conditions, we consider that such a venue can be exempted from the requirement of obtaining an Amusement Game Centre Licence under section 3 of AGCO. In considering whether individual e-sports venues can be exempted, the Office of the Government Chief Information Officer will assess factors such as the e-sports venue's detailed operation and equipment specifications, and make a recommendation to the Secretary for Home Affairs for granting an exemption order under section 3 of AGCO. The guidelines being formulated will clearly define the specific conditions for e-sports venues as well as the application procedures and conditions for exemption. For example, the venue should be used mainly for staging e-sports competitions, equipped with the software and hardware configurations, as well as the venue facilities and

layout required for relevant e-sports activities, such as team competition stages and information technology equipment for live online broadcast and real-time competition commentary. We will inform the industry of the details within the first quarter of this year.

Regardless of whether a venue is exempted from requirement of obtaining an Amusement Game Centre Licence by satisfying certain conditions, an e-sports venue operator is also required to apply for other licences depending on the actual operation. Generally speaking, a Places of Public Entertainment Licence is required for e-sports competitions which are open to members of the public, so as to safeguard public order and safety. For events which involve the provision of food and beverages or retail elements, operators are required to apply for other relevant food licences.