

# LCQ22: Hong Kong's participation in affairs of international organisations

Following is a question by the Hon Kenneth Leung and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (February 27):

Question:

It has been reported that the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) collectively signed by 11 countries formally took effect in December last year, marking the birth of a new economic circle accounting for 13 per cent of the global gross domestic product and having a population of over 500 million as well as the world's third largest free trade area. On the other hand, Article 151 of the Basic Law provides that "[t]he Hong Kong Special Administrative Region may on its own, using the name "Hong Kong, China", maintain and develop relations and conclude and implement agreements with foreign states and regions and relevant international organisations in the appropriate fields, including the economic, trade, financial and monetary, shipping, communications, tourism, cultural and sports fields". Regarding Hong Kong's participation in the affairs of international organisations, will the Government inform this Council:

(1) of the decision-making mechanism concerning Hong Kong's participation in the affairs of international organisations and entering into agreements on regional co-operation, and whether the Government will discuss the relevant issues with the Central People's Government or its departments concerned; if so, of the details;

(2) whether it has conducted studies on Hong Kong's accession to CPTPP; if so, of the details; if not, the reasons for that; and

(3) as it has been reported that quite a number of countries around the Pacific Rim are going through the procedures for accession to CPTPP, whether it has assessed, under the circumstances that Hong Kong has yet to accede to CPTPP, the impact of those countries' accession to CPTPP on Hong Kong's economic and trade competitiveness in the coming three years; if so, of the outcome; if not, the reasons for that?

Reply:

President,

In accordance with Articles 116 and 151 of the Basic Law, the Hong Kong Special Administrative Region (HKSAR), as a separate customs territory, may, using the name "Hong Kong, China", participate in relevant international organisations, and sign and implement free trade agreements (FTAs) with its

trading partners.

Making full use of its unique status conferred by the Basic Law and the principle of "one country, two systems", Hong Kong has all along participated in international organisations such as the World Trade Organization (WTO) and Asia-Pacific Economic Cooperation as a full and separate member under the name "Hong Kong, China", and has negotiated and signed FTAs on its own with its trading partners, with a view to pursuing deeper economic integration with different parts of the world. Hong Kong enjoys a high degree of autonomy in the participation in external trade and economic matters. This exemplifies the successful implementation of the "one country, two systems".

With globalisation of the world economy, it has become a major trend for trading partners to enter into FTAs and regional economic co-operation arrangements. As an ardent advocate of free trade, Hong Kong welcomes any initiatives that promote free trade.

Replies to the three parts of the question are as follows:

(1) In selecting and determining Hong Kong's target FTA partners and their relative priorities, the Government takes into account the unique characteristics of Hong Kong's economy and devise a strategy that is in the best interest of Hong Kong, including through the signing of FTAs with economies that have strong economic and trade connections with Hong Kong, markets with development potential or at strategic locations, as well as like-minded trading partners, with a view to expanding Hong Kong's global economic and trade network. Once the priority targets are identified, the Government will explore with the concerned economies the possibility of an FTA initiative and ascertain whether the two sides would like to strengthen bilateral economic ties through an FTA.

So far, Hong Kong has reached agreement on nine FTAs with 21 economies, i.e. Mainland China, New Zealand, the four member states of the European Free Trade Association (Note 1), Chile, Macao, the ten member states of the Association of Southeast Asian Nations (ASEAN) (Note 2), Georgia, Maldives and Australia.

In the Policy Address announced in October 2018, the Chief Executive set out the Government's priorities in signing FTAs in future. Hong Kong is exploring an FTA with the Pacific Alliance (Note 3) and plans to seek accession to the Regional Comprehensive Economic Partnership (RCEP) (Note 4) after its negotiations have been completed. The Government is also exploring with the United Kingdom (UK) options for furthering the economic ties, including the possibility of an FTA in future.

The four members of the Pacific Alliance, namely Chile, Columbia, Mexico and Peru, account for nearly 40 per cent of the gross domestic product (GDP) of Latin America. They are also Hong Kong's major trading partners in that part of the world. Signing an FTA with the Pacific Alliance will help deepen Hong Kong's economic and trade co-operation with Latin America and bring new opportunities to Hong Kong businesses.

All the 16 RCEP participating economies are Hong Kong's important trading partners. Their combined GDP represents nearly one third of the world's total. In 2018, Hong Kong's total trade with the RCEP economies was US\$836.9 billion, accounting for 74 per cent of Hong Kong's total trade. Joining RCEP will enable Hong Kong's entry into the largest FTA in the Pan-Asia region and help strengthen Hong Kong's role as a trading and investment hub in the region.

The UK and Hong Kong have deep and long economic and trade relations. With the launch of the Strategic Dialogue on Trade Partnership, Hong Kong and the UK are exploring the possibility of signing a bilateral FTA after Brexit which will be vital to consolidating and further promoting bilateral trade relations.

The Government is making every effort to follow up on the various new FTA initiatives set out in the Policy Address mentioned above.

(2) As a staunch supporter of free trade, Hong Kong supports the removal of trade barriers and measures that promote free trade. The Government has all along been monitoring the bilateral and plurilateral FTA negotiations of other economies, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) (Note 5) and the above-mentioned RCEP.

The Government has all along been actively seeking to forge FTAs with Hong Kong's trading partners and the Government has an open mind on accession to the CPTPP. The Government notes that, unlike WTO agreements and traditional FTAs, CPTPP has a very extensive coverage, including a number of policy areas beyond core trade issues. The Government will continue to assess the situation.

(3) Broadly speaking, the relaxation of trade restrictions among members of the CPTPP would improve the resources allocation efficiency in member economies, thereby improving their income and production capacity as well. This would in turn lead to strengthening of import demand in those economies and hence boosting worldwide trade flows as well as the global economy.

Such spill-over effect of the CPTPP would benefit both member and non-member economies. Given Hong Kong's close economic relationships with many of the CPTPP members, and that Hong Kong has reached agreement with many of them on FTAs, Hong Kong could potentially benefit from the more active regional economic and trade activities arising from the CPTPP.

CPTPP entered into force for some of the member economies just end of last year. The impact of CPTPP on the global and regional economy would depend on a complex array of factors, including the flexibility of the global supply chain and how businesses react to the new trade terms. Against the backdrop of today's dynamic and fast-evolving global trade and investment landscape, it would take time for the impact to surface.

Note 1: The European Free Trade Association comprises Iceland, Liechtenstein,

Norway and Switzerland.

Note 2: The member states of ASEAN are Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

Note 3: Pacific Alliance comprises Chile, Colombia, Mexico and Peru.

Note 4: RCEP participating economies are the ten member states of ASEAN and its six FTA partners, i.e. Australia, Mainland China, India, Japan, Korea and New Zealand.

Note 5: CPTPP participating economies are Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

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## LCQ7: Monitoring speeding of franchised buses

Following is a question by the Hon Jeremy Tam and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (February 27):

Question:

The Kowloon Motor Bus Company (1933) Limited (KMB) has installed electronic data recording devices (commonly known as "black boxes") on all its buses to monitor the performance of bus captains. Upon detecting instances of speeding, etc., the black boxes issue real-time alerts to the bus captains concerned and automatically generate exception reports for KMB to take follow-up actions. However, a staff union for bus captains has recently pointed out that as the black boxes are erroneous in measuring vehicle speed and their positioning function is inaccurate, the black boxes have often incorrectly identified buses not exceeding the speed limits as speeding, and therefore have mistakenly issued speeding alerts and recorded instances of speeding. The staff union has claimed that there were over 1 000 cases in the past six months of bus captains being wrongly issued warning letters about speeding. In this connection, will the Government inform this Council:

(1) whether it knows (i) the number of bus speeding cases recorded by the black boxes of KMB's bus fleet and (ii) the number of warning letters about speeding issued by KMB to its bus captains, in each of the past three years;

(2) whether it knows when KMB began to use black boxes to monitor bus speed across the board; whether the number of bus speeding cases known to KMB after

using the black boxes has increased significantly when compared with the situation before then;

(3) whether it knows the name of the supplier for the black boxes currently used by KMB; the number of suppliers in the market which supply similar devices;

(4) whether the Transport Department (TD) received any reports or complaints last year about errors of black boxes in measuring the vehicular speeds and positions; if so, whether TD conducted any investigation;

(i) if investigations were conducted and the outcome was that the reports or complaints were substantiated, whether TD has requested KMB to review the bus speeding cases stated in the exception reports generated by the black boxes in the past and revoke the punitive actions taken against the bus captains concerned; whether TD has requested KMB to work out the solutions to the aforesaid problems of the black boxes with the supplier or change the black box supplier; and

(ii) if investigations were conducted and the outcome was that the reports or complaints were unsubstantiated, whether TD has requested KMB to adopt measures to reduce bus speeding instances (including retrofitting speed limiting retarders on all buses), adopt a scientific approach to identify road sections prone to speeding and regularly publish statistics on bus speeding; and

(5) whether it knows if errors have been found in the black boxes of the bus fleets of other franchised bus companies in measuring the vehicular speeds and positions?

Reply:

President,

Under the requirements of the franchise terms, all franchised buses are required to be installed with electronic data recording devices (commonly known as "black boxes"). At present, all franchised bus operators make use of the black boxes to generate real-time alerts to bus captains as well as exception reports automatically when the speed of the vehicle exceeds a pre-set threshold. The franchised bus operators will review the exception reports, investigate improper driving behaviour and take appropriate follow-up actions, such as issuance of verbal advice, verbal warning, written warning; and step up the remedial trainings for the bus captains concerned. The bus captains concerned may be dismissed should circumstances warrant.

On the other hand, the Transport Department (TD) set up in March 2018 the Working Group on the Enhancement of Safety of Franchised Bus (Working Group), which comprises representatives from all franchise bus operators, to consider and study possible measures to further enhance bus safety. Among others, the TD has, through the Working Group, requested the franchised bus operators to liaise with the suppliers of black boxes for their bus fleets to develop a bus monitoring and control system (BMCS) with positioning function,

operational information monitoring function and geo-fencing technology. One of the functions of the BMCS is, by making use of the black boxes and Global Positioning System or other positioning technologies, to conduct real-time monitoring of the bus speed on roads with different speed limits. This will facilitate a more comprehensive monitoring of speeding and enable the generation of real-time alerts to bus captains. All franchised bus operators have commenced a trial of the geo-fencing technology since the third quarter of 2018, and they are fine-tuning their BMCS by using the data collected from the trial, so as to further enhance the system. When rolling out the various safety enhancement measures, including the real-time monitoring of the bus captains, the franchised bus operators will keep good communication with their frontline staff, listen to their views carefully and refine the various measures as appropriate with a view to further enhancing the operational safety of franchised buses.

Our reply to the various parts of the Hon Jeremy Tam's question is as follows:

(1) According to the information submitted to the TD by the Kowloon Motor Bus Company (1933) Limited (KMB), the number of suspected speeding cases recorded by the black boxes in 2016, 2017 and 2018 is 3 223, 2 093 and 6 255 respectively. It should be noted that the figure in 2018 increased noticeably when compared with that in the past two years because KMB enhanced the function of the black boxes and the monitoring standard in 2018. In the past, the system was not able to detect speeding cases not exceeding 70 km/hour on road sections with speed limit of 50 km/hour, and it has now been enhanced to be able to monitor speeding in accordance with the various speed limits of different road sections in conjunction with the electronic map data. The figure in 2018 also includes the bus trips not in service.

When following up suspected speeding cases, KMB will verify the data recorded in the black boxes and the speed limits of the road sections concerned vigorously, and conduct stringent analysis and prudent assessment, before mapping out the appropriate follow-up actions. The number of warning letters issued to KMB bus captains in respect of verified speeding cases is 84, 102 and 790 in 2016, 2017 and 2018 respectively. The figure in 2018 is higher than that in the past two years because of the change in KMB's arrangements on handling speeding cases since mid-2018. The company has cancelled the practice of deducting the bonus of the speeding bus captains as penalty (the related bonus has been incorporated into the basic salary of bus captains to improve the remuneration packages of bus captains) but increased the use of warning letters in order to further improve the situation of bus captains speeding. The abovementioned monitoring in conjunction with the electronic map data is also a reason for the higher number in 2018 when compared with that in the past two years.

(2) The use of black boxes could effectively monitor the speeding situations of bus captains. KMB has been using black boxes to monitor speeding by bus captains since 2008. In 2014, KMB started to make use of black boxes to provide real-time alerts for speeding, and installed at driver cabins driving indicators which will give out light signals and emit sounds to alert the

captains when the bus speed exceeds 70 km/hour. In 2018, KMB enhanced the function of black boxes by using electronic map data so as to allow the black boxes to monitor speeding on road sections with different speed limits automatically and further enhance the monitoring of speeding by bus captains.

(3) At present, the black boxes used by the franchised bus operators in Hong Kong mainly come from two suppliers, namely NEC Hong Kong Limited and ZF Friedrichshafen AG. The current supplier of KMB's black boxes is Openmatics s.r.o, a subsidiary of ZF Friedrichshafen AG.

(4) The TD has not received report or complaint about errors of black boxes in measuring the vehicular speeds and positions. Nonetheless, as mentioned above, KMB made it clear that in monitoring bus speeding and following up such cases, the company will verify the speed data recorded in the black boxes and the speed limits of the road sections concerned vigorously, and conduct stringent analysis and prudent assessment before a decision is made on the appropriate remedial trainings to be received by or disciplinary actions imposed on the bus captains concerned. Furthermore, KMB has set up an independent appeal mechanism to handle appeals made against any disciplinary action to protect the rights of the bus captains concerned and ensure the procedural justice of the review process. The appeal board is a standing mechanism. The appellant can come before the board in person to put up his/her case and the board will process each appeal case.

(5) Other franchised bus operators indicated that no significant errors have been found in the black boxes of their bus fleets in measuring the vehicular speeds and positions. The TD will continue to follow up with the franchised bus operators on the trial of geo-fencing technology to refine the system with a view to further enhancing the operational safety of franchised buses.

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## [Tax measures proposed in 2019-20](#) [Budget](#)

In his Budget delivered today (February 27), the Financial Secretary proposed the following tax measures.

The Financial Secretary proposed a 75 per cent reduction of profits tax, salaries tax and tax under personal assessment for the year of assessment 2018-19, subject to a ceiling of \$20,000 per case. This measure will cost the Government \$18.9 billion, benefiting about 2.05 million taxpayers.

The tax reduction will reduce the amount of tax payable by taxpayers for the year of assessment 2018-19. Taxpayers should file their profits tax returns and tax returns for individuals for the year of assessment 2018-19, to be issued in the coming April and May respectively, as usual. Upon enactment of the relevant legislation, the Inland Revenue Department will

effect the reduction in the final assessment. Tax bills, with the reduction duly reflected, will be issued starting from about late July 2019. As usual, profits tax and personal assessment bills will fall due starting from November this year, and salaries tax in January 2020.

The proposed tax reduction will only be applicable to the final tax for the year of assessment 2018-19, but not to the provisional tax of the same year. Therefore, despite the proposed reduction, taxpayers are still required to pay the provisional tax on time as stipulated in the demand notes that have been issued to them. The provisional tax paid will, in accordance with the Inland Revenue Ordinance, be applied in payment of the final tax for the year of assessment 2018-19 and provisional tax for the year of assessment 2019-20. Excess balance, if any, will be refunded.

The proposed tax reduction is not applicable to property tax. Nevertheless, individuals with rental income, if eligible for personal assessment, may be able to enjoy such reduction under personal assessment.

A taxpayer who is separately chargeable to salaries tax and profits tax can enjoy tax reduction under each of the tax types. For a taxpayer having business profits or rental income and electing for personal assessment, the reduction will be based on the tax payable under personal assessment. It might be different from the amount of tax reduction he would get if he was not assessed under personal assessment. The exact position will need to be evaluated case by case. Individuals having business profits or rental income may make election for personal assessment in their tax returns for the year of assessment 2018-19.

The Financial Secretary also proposed to waive the business registration fees for 2019-20.

The above proposed tax measures will be effected by amending the relevant ordinances. Details of the proposals and examples of tax calculations are available on the website of the Inland Revenue Department ([www.ird.gov.hk](http://www.ird.gov.hk)) for the public's reference. They can also be obtained through the fax hotline 2598 6001.

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## **LCQ19: Reduction of air pollutants emitted by navigation**

Following is a question by the Hon Chan Hak-kan and a written reply by the Secretary for the Environment, Mr Wong Kam-sing, in the Legislative Council today (February 27):

Question:



According to the 2016 Hong Kong Air Pollutant Emission Inventory Report published by the Environmental Protection Department, among the emission sources of the various types of pollutants, navigation emitted the largest quantities of pollutants in terms of sulphur dioxide, nitrogen oxides, respirable suspended particulates and fine suspended particulates, etc. Regarding the reduction of air pollutants emitted by navigation, will the Government inform this Council:

- (1) of the emissions of various types of air pollutants in each of the past two years, with a breakdown by emission source;
- (2) of the respective (i) numbers, (ii) average ages and (iii) types of the marine propulsion systems of the vessels of various licensed ferry operators in each of the past three years;
- (3) of the respective (i) numbers, (ii) average ages and (iii) types of marine propulsion systems of the vessels of various government departments in each of the past three years;
- (4) as the Air Pollution Control (Fuel for Vessels) Regulation (Cap 311AB) provides that from January 1 this year, all vessels (except for vessels of specified types) are required to use low sulphur marine fuel within Hong Kong waters, whether it has assessed the effect of the implementation of such a requirement on improving the air quality in Hong Kong;
- (5) given that the Government has injected \$300 million to set up the Pilot Green Transport Fund (the Fund) to subsidise the testing of green innovative technologies applicable to the public transport sector and goods vehicles, of the number of cases in which the Fund provided subsidies in the past three years for innovative technologies used by ferries and the amounts involved, as well as the respective percentages of such figures in the relevant totals;
- (6) as some members of the transport trade have relayed that the parts and components of water transport carriers are generally more expensive than those of road transport carriers, whether the Government will raise the Fund's subsidy caps for the innovative technologies used by ferries; if so, of the details; if not, the reasons for that;
- (7) given that the Government has implemented a subsidy programme in recent years to assist the transport trade in phasing out pre-Euro IV diesel commercial vehicles, whether the Government has any plan to introduce a similar programme in respect of navigation to phase out vessels with high pollutant emissions; if so, of the details and timetable; if not, whether it will introduce the relevant measures;
- (8) given that the retirement age for franchised buses is 18 years, whether the Government will stipulate a retirement age for licensed ferries; if so, of the details; if not, the reasons for that;
- (9) whether it will take the proportion of green vessels in the total number of vessels of a ferry operator as one of the considerations when vetting and

approving applications for service licence for ferry routes; if so, of the details; if not, the reasons for that; and

(10) as some licensed ferry operators have indicated that the existing power supply facilities at piers fail to meet their needs on switching to the use of electric ferries, whether the Government will consider providing subsidies for operators to upgrade such facilities; if so, of the details; if not, the reasons for that?

Reply:

President,

My reply to the questions raised by the Hon Chan Hak-kan is as follows:

(1) The Environmental Protection Department (EPD) compiles the Hong Kong Air Pollutant Emission Inventory every year to analyse the distribution and trends of major air pollution sources in Hong Kong. While the emission inventories for 2017 and 2018 are still under preparation, those for 2015 and 2016 setting out the emissions of major air pollutants with a breakdown by emission sources are at Annex 1.

(2) According to the information provided by the Transport Department (TD), there are currently 13 licensed ferry operators providing regular passenger ferry services and dangerous goods vehicular ferry services. The number of vessels of various ferry operators, the average ages and types of propulsion system of their vessels during 2016 to 2018 are set out at Annex 2.

(3) According to the information provided by the Marine Department (MD), the number of vessels of various government departments, the average ages and types of propulsion systems of their vessels during 2016 to 2018 are set out at Annex 3.

(4) The Air Pollution Control (Fuel for Vessels) Regulation (Cap 311 sub leg AB) (the Regulation) has entered into force on January 1, 2019. Vessels are required to use compliant fuel, including low sulphur marine fuel with sulphur content not exceeding 0.5 per cent, liquefied natural gas or any other fuel approved by the Director of Environmental Protection, irrespective of whether they are sailing or berthing in Hong Kong waters. It is anticipated that the implementation of the Regulation will reduce about 6 300 tonnes of sulphur dioxide (SO<sub>2</sub>) and 710 tonnes of respirable suspended particulates (RSP) from marine vessels in 2020, compared with 2015 emission levels.

(5) From 2016 to 2018, the Pilot Green Transport Fund (the Fund) approved two trials for testing out diesel-electric propulsion system (note) for ferry at a total amount of \$6 million, accounting for around 3 per cent of the total number of trials approved and about 10 per cent of the funding approved during the said period.

(6) According to the current rules of the Fund, the amount of subsidy for conducting engine retrofit or testing alternative-fuel engines at ferries is capped at \$3 million per device/engine, which is higher than the cap of \$1.5 million per device/engine for retrofitting or converting in-use vehicles with after-treatment emission reduction devices or fuel saving devices. It is stated in the 2018 Policy Address that the Government will review the scope of the Fund with a view to facilitating the transport sector's wider use of green innovative transport technologies. To this end, EPD is conducting the review along the following directions:

(i) while the current conditions for approving subsidy for the trials (i.e. trials of technologies that stand a good chance of coping with local operational requirements and can be adopted by relevant transport sectors for wider use upon successful trials) should be retained, we would review if improvements could be made in various areas including the scope of the subsidy, eligibility for application, subsidy levels, limits on applications and terms for subsidy; and

(ii) for technologies proven upon trials to be mature enough for local application, ways should be explored to encourage their wider use by the transport sectors (for instance, whether the sectors should be subsidised to procure and not just try out such products). Specifications and operational parameters for these technologies should also be set.

(7) The marine transport industry encompasses different types of vessels with different designs, operation modes as well as business models. The service life of vessels may differ greatly and therefore, it is not appropriate to phase out old vessels to reduce emissions of pollutants by adopting a similar programme for phasing out aged diesel commercial vehicles.

Regarding measures to reduce marine emissions, the Government has mandated ocean going vessels, which account for 95 per cent and 68 per cent of the emissions of SO<sub>2</sub> and RSP respectively from the marine sector, to use low sulphur fuel while at berth at Hong Kong waters since July 1, 2015, making Hong Kong the first port in Asia to mandate the fuel switch requirement. On January 1, 2019, we implemented a new regulation requiring all vessels to use compliant fuel within Hong Kong waters, in order to further reduce their emissions (see reply (4)). In controlling emissions from local vessels, a statutory cap of the sulphur content of locally supplied marine light diesel at 0.05 per cent had been imposed since April 1, 2014, which was a 90 per cent reduction as compared with the sulphur content of previously supplied marine light diesel. This measure can reduce about 3 000 tonnes of SO<sub>2</sub> and 230 tonnes of RSP each year.

The Government will continue to closely monitor the global development of technologies and measures to reduce marine emissions and their feasibility of implementation in Hong Kong.

(8) to (10) As for ferry services, operators are required to provide proper maintenance and repairs for their fleets. Services can only be provided after the vessels concerned have passed MD's inspections, certifying that all

necessary safety standards have been complied with. Currently, operations of ferry services (such as types of services, journey time and service levels) vary among one another. The design of the ferries running on the services are also different in terms of carrying capacities, speeds and propulsion systems, etc. From the perspective of monitoring ferry services, the Government has at this stage no plan to set a maximum serviceable year for ferries. That said, the Government has all along been encouraging ferry operators to, with regards to their financial positions, consider upgrading their fleets. Eligible ferry operators may also apply to the EPD for subsidy under the Fund to put projects that might enhance the green performance of their fleets on trial.

When formulating the requirements of tender for ferry services, the TD will, in consultation with the relevant departments such as the MD, the Civil Engineering and Development Department and the EPD, set out the vessel requirements having regard to the operational circumstances of each ferry route including passenger demand, service level, actual pier conditions, etc. The vessel requirements will be one of the assessment items in the tender exercise. In future tender exercises for ferry services, the TD will incorporate green elements, encouraging operators, subject to financial viability of their ferry services, to use green vessels or equipment which have been tested and proven to be suitable for local application.

The Government will explore the launch of a pilot scheme to adopt green technologies in local ferries such as electric propulsion system and hybrid propulsion system, etc., for exploring the full implementation of such technologies in the future to reduce the emissions of air pollutants.

Regarding ferry piers leased to ferry operators, major infrastructures therein including power supply facilities are all provided and maintained by the Government. Yet due to constraints in pier space and structure, not every pier can be retrofitted to increase the power supply. If any ferry operator plans to switch to electric ferries, the Government may consider offering assistance on a case-by-case basis.

note: A trial for testing out a diesel-electric propulsion system for ferry was also approved under the Fund in October 2014; the amount approved for the trial was \$3 million. The trial was completed on December 31, 2017.

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## **LCQ14: Effective implementation of policies by the Government**

Following is a question by the Hon Paul Tse and a written reply by the Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, in the Legislative Council today (February 27):

Question:

It has been reported that recently, quite a number of members of the public were dissatisfied with the Government's implementation of policies. For instances, the raising of the eligible age for elderly Comprehensive Social Security Assistance to 65 has caused a great furore; the arrangements for giving out up to \$4,000 under the Caring and Sharing Scheme have caused nuisance to the public and are time-consuming; the toll adjustment proposal for the rationalisation of traffic distribution among the three road harbour crossings has been temporarily withdrawn as the proposal was ill-considered; and healthcare personnel have staged demonstrations to protest against the Government's failure to squarely address the long-standing overload situation and manpower shortage of the public healthcare system. On the other hand, as revealed by the findings of a global survey, Hong Kong was ranked the seventh among the top ten unhappiest places in the world. The findings of another survey revealed that only 50 per cent of Hong Kong people claimed that they were leading a happy life; most respondents were dissatisfied with the Government's implementation of policies; and the satisfaction level of members of the public with the public healthcare services dropped to a record low in three years. The findings of these two surveys reflect the ineffectiveness of the Government's implementation of policies and its failure to enable members of the public to lead a happy life. In this connection, will the Government inform this Council:

(1) whether the Government has put in place a mechanism for gauging, before the introduction of any policy, the public's overall reaction to and acceptance of the policy concerned;

(2) whether it has assessed if the fact that quite a number of government policies have recently been criticised for causing nuisance to the public as well as being divorced from reality and ill-considered has aggravated the public's sense of alienation from and dissatisfaction with the Government; and

(3) given that the Government of Bhutan, which was once ranked the world's happiest country, has formulated a Gross National Happiness Index, set up a relevant commission and required that before any bill is submitted to the Cabinet, consideration must be given to whether the bill can boost the Index, whether the Government will consider, by drawing reference from this practice, formulating a gross happiness index for Hong Kong residents that comprises elements such as building a just society, promoting economic development, enhancing cultural conservation and environmental protection, and fostering good governance, as well as giving, when formulating policies in the future, consideration to the impacts of such policies on this index?

Reply:

President,

The current-term Government endeavours to "care", "listen" and "act"

while being "innovative", "interactive" and "collaborative" in implementing our policies and measures to serve the people of Hong Kong. The recent concern over some livelihood policies and measures has led us to reflect on and rethink our work. We agree that we could have been more prudent in handling the implementation of the relevant policies and measures and clearer in explaining the policy objectives and implementation details to the public, in addition to the introduction of suitable complementary measures.

My consolidated reply to the three parts of the question raised by Hon Tse is set out below.

In formulating policies and measures, the Government has all along adhered to the principles of openness, transparency and public accountability. Having regard to the nature and needs of individual policy areas, we will assess the implications of our policy proposals on various aspects, including environment, sustainable development, family, economy, finance, manpower, etc. We will also gauge and assess public views and responses by conducting consultation through various channels.

In light of our recent experience in introducing new policies and measures, we will further enhance our work in relation to the implementation of policies and measures. In this regard, the Policy Committee, chaired by the Chief Secretary for Administration, in discussing major items relating to people's livelihood in future, will not only carefully consider and formulate policy direction and content, but also carefully examine their concrete implementation details. Before formally launching any initiative, the relevant bureaux and/or departments will conduct a "reality check" to review the implementation details from the perspective of a member of the public and a user, with a view to ensuring that the proposal will be implemented in a people-oriented, pragmatic and effective manner. Should there be any cross-bureau and cross-department issues, the Policy Committee will also iron out and resolve the issues right away.

In fact, regarding the four cases mentioned in the question, the Government has, having listened to the views of various sectors and individuals of the community, introduced various measures to actively address their demands.

Regarding the formulation of a "gross happiness index for Hong Kong residents" as mentioned in the question, we have no plan to do so at present. Nevertheless, the Government will continue to gauge the views of and engage the public in the course of policy formulation in a humble, receptive and conscientious manner. From policy formulation to implementation, we will carefully examine the details of our proposals and consider their implications and assess the responses from the public. We will also strengthen collaboration among policy bureaux and departments with a view to bringing benefits and convenience to the public.