

## LCQ2: Provision of facilities at Hong Kong Port of Hong Kong-Zhuhai-Macao Bridge for visitors to Hong Kong

Following is a question by the Hon Michael Tien, and a reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (December 12):

Question:

In 2015, the Government commissioned a consultant to conduct a Planning, Engineering and Architectural Study for Topside Development at Hong Kong Boundary Crossing Facilities Island of Hong Kong-Zhuhai-Macao Bridge (HZMB), and expected that the study would be completed by February 2017. However, the said study is expected to complete in 2019, as currently shown on the Planning Department's website. In this connection, will the Government inform this Council:

(1) of the reasons why the completion of the aforesaid study needs to be deferred to 2019, and the latest progress and outcome of that study;

(2) whether the facilities recommended for construction in the consultant's latest proposal include a large entertainment centre providing shopping, catering, cinema and other diversified indoor entertainment facilities with characteristics, so as to attract visitors coming to Hong Kong through HZMB on one-day tours to stay in the Hong Kong Port area for spending, thereby alleviating the current situation of an excessive number of visitors flocking to Tung Chung; if so, whether those facilities will be provided outside or within the closed area of the Hong Kong Port; if not, whether the Government will request the consultant to conduct a study in this regard; and

(3) whether it has, by drawing reference from the HZMB Macao Port Park-and-Ride Scheme, examined the provision of car parks at the closed area of the Hong Kong Port for inbound private cars, so that visitors to Hong Kong may, after parking their cars, change to public transport for entering the urban areas of Hong Kong together with other passengers in their cars, thereby alleviating the traffic burden on the road networks?

Reply:

President,

After consulting the Transport and Housing Bureau, my reply to various parts of the question is as follows:

The Hong Kong Boundary Crossing Facilities Island of Hong Kong-Zhuhai-Macao Bridge (BCF Island) is located at the landing point of the Hong Kong-

Zhuhai-Macao Bridge (HZMB). It is close to the Hong Kong International Airport and is a key gateway for Hong Kong to connect the Pearl River Delta and the rest of the world. To explore the optimum utilisation of the 150-hectare BCF Island, the Civil Engineering and Development Department (CEDD) and the Planning Department (PlanD) commissioned the "Planning, Engineering and Architectural Study for Topside Development at the Hong Kong Boundary Crossing Facilities Island of Hong Kong-Zhuhai-Macao Bridge" in January 2015. The initial concept of the study was to develop economic industries such as tourism, retail, creative industries, exhibition tourism, commercial and professional services as well as logistics on the BCF Island.

To consult public views on the initial development concept, the CEDD and PlanD conducted a community engagement exercise in mid-2015. The public generally welcomed conducting studies for the topside development, supported the strategic goal of "capitalising on the bridgehead economy" and agreed to the topside development of diversified economic industries. At the same time, the public also proposed that traffic connection between the topside development and the other districts and provision of adequate parking spaces for local and incoming vehicles should be considered in detail in the study. Some views also suggested the study team comprising the relevant departments and consultants to consult the Airport Authority Hong Kong (AAHK) for coordination of proposed developments on the Airport Island and the BCF Island with a view to enhancing Hong Kong's role as a regional trans-shipment centre. Based on the recommendations and opinions collected in the community engagement exercise, the study team reviewed the planning proposals and implementation plans for different land uses (including the inbound private carpark) and conducted relevant technical feasibility assessments (e.g. traffic impact assessment, environmental impact assessment, etc.) and financial viability assessment. The study process needs to take into account various factors, including the development constraints of the BCF Island and the development opportunities of the adjacent Airport Island.

In terms of constraints, since most of the land in the BCF Island falls within the closed area, except the development projects for the closed area, the topside development and its access must be segregated from the closed area due to security requirements. We also need to ensure that the development proposal will not affect the daily operation as well as the security requirement and arrangement for the customs/quarantine clearance of the crossing boundary point. Since the BCF Island is in proximity to the Airport, the building height on the island is subject to airport height restrictions. The planning of the BCF Island also needs to consider factors such as noise impacts. The above constraints will affect the topside development of the BCF Island, such as the inappropriateness for residential development due to aircraft noise. On the other hand, the above constraints will affect the development costs of the topside development of the BCF Island. If individual land use proposal involves conversion of most or even the whole part of the closed area into non-closed area for development, we need to construct large-scale platforms and elevated transport infrastructure to segregate the topside development from the closed area. In addition, to ensure the 24-hour normal and safe operation of the boundary control point, construction works need to be carried out in phases, and sufficient temporary

traffic, security and safety protection measures should be provided during the construction period. Therefore, as compared with conventional land development projects, the topside development would involve higher development costs. All these will affect the technical and financial viability of different land use proposals.

As for the adjacent Airport Island, the AAHK is actively promoting a number of large-scale development projects in recent years. Among them, construction works for the SkyCity's hotel project with more than 1 000 rooms commenced in 2017 for completion in 2020 and 2021. In addition, the development and management rights of the SkyCity's integrated retail, dining and entertainment facilities with an area of 350 000 square metres were granted in April 2018 for completion in phases from 2023 to 2027. Compared with the existing Cityplaza shopping mall with an area of about 100 000 sq m and the Harbour City shopping mall of about 200 000 sq m, the SkyCity will become the largest retail, dining and entertainment complex in Hong Kong upon completion. It will provide facilities such as transport interchange and at least 2 800 parking spaces to meet the needs of visitors. In June 2018, the AAHK also granted the development and management rights of a high-end logistics centre covering an area of approximately 5.3 hectares at the southern cargo area of the Airport. The logistics centre is expected to be in operation in 2023 and would further strengthen the leading position of the Hong Kong International Airport as an international aviation and cargo hub. Besides, the Government will discuss with the AAHK on the second phase expansion plan of the AsiaWorld-Expo.

The above-mentioned latest developments on the Airport Island cover a wide range of airport-related industries such as hotels, retail, dining, entertainment, logistics and exhibitions. To ensure synergy be created between the BCF Island and the development on the adjacent Airport Island, the Chief Executive announced in this year's Policy Address that the Government would invite the AAHK to submit a development proposal for the topside development of the BCF Island. The government's vision is that the topside development of the BCF Island, together with the Airport's Three-runway System, the high-end logistics centre, the SkyCity development project and the future development of the AsiaWorld-Expo on the Airport Island, will turn Lantau into an "Aerotropolis" connected to the Guangdong-Hong Kong-Macao Greater Bay Area and the world. After announcement of the Policy Address, the Government formally issued an invitation letter and received a reply from the AAHK last month agreeing to submit a proposal which includes exploring the feasibility of providing an inbound private carpark at the topside development. The development proposal will cover the entire BCF Island including the closed area on the Island.

After completion of the study and submission of development proposal by the AAHK, the Government will carefully consider relevant recommendations before finalising the development plan for the topside development of the BCF Island and will consult the public in due course. Although the study on the topside development of the BCF Island will be extended as a result, this arrangement will facilitate the long-term development of the BCF Island. It will also help create an "Aerotropolis" with high economic efficiency and

diversified employment opportunities to consolidate and enhance Hong Kong's position as an international business centre.

On the other hand, although the topside development of the BCF Island is still under study, the Government has been monitoring closely the influx of visitors into Tung Chung and other areas since commissioning of the HZMB and has held a number of inter-departmental meetings. Working with bus companies and local tourism trade, a number of measures have been implemented to divert the flow of visitors within a short period of time. These measures include actively arranging for setting up temporary small-scale shops in the passenger clearance building of the HZMB BCF, launching an online pre-booking system for coaches to improve the queuing and boarding arrangement for feeder bus at the boundary control point. In the medium term, we believe that the large-scale retail, dining and entertainment complex of the SkyCity, which are expected to be opened in phases from 2023, would help divert visitors.

Thank you, President.

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## **LCQ14: Nuisance caused by wild pigs**

Following is a question by the Hon Steven Ho and a written reply by the Secretary for the Environment, Mr Wong Kam-sing, in the Legislative Council today (December 12):

Question:

Cases of wild pigs appearing in country parks, farms and urban areas have been heard from time to time in recent years. Some members of the public have pointed out that wild pigs eat and damage crops as well as tip over rubbish bins, thereby jeopardising environmental hygiene and posing threats to the personal safety of the public. Given the outbreak of African swine fever (ASF) in recent months on the Mainland, they are worried about wild pigs spreading ASF to the pigs in pig farms. On the other hand, the Government launched in October last year a two-year Pilot Study on the Contraception and Relocation of Wild Pigs (Pilot Study). As at September this year, the Government conducted 30 operations under the Pilot Study and captured 101 wild pigs, among which 33 female wild pigs were administered with contraceptive vaccine and six wild pigs received permanent surgical sterilisation. The Government also relocated another 72 captured wild pigs to the countryside far away from residential areas. In this connection, will the Government inform this Council:

(1) whether it will consider conducting an assessment of the number of wild pigs and the number of wild pig herds across the territory as well as their fertility trend; if so, of the details; if not, the reasons for that;

(2) of the estimated expenditure of and the manpower needed for the Pilot Study; the locations to which the aforesaid 72 wild pigs were relocated and the location selection criteria (whether they include distance from farms); whether it has reviewed if the number of operations was on the low side; whether it will increase the number of operations and review the effectiveness of the Pilot Study; if it will review, when the outcome will be published; if not, of the reasons for that;

(3) given that the Government has commissioned a local university to examine and improve the design of refuse collection facilities to prevent wildlife animals from foraging food from refuse, of the progress of such work, and whether the relevant design will be adopted for the refuse collection facilities situated in the vicinity of residential areas, country parks and farms;

(4) as the Government has advised that it will conduct public education to remind members of the public not to feed wild pigs, of the details of such work;

(5) as the Government has advised that infrared cameras will be used to take photos of feeding activities once environmental hygiene problem has been found to have been caused by the feeding of wild pigs, and the photos taken will be referred to the relevant departments for follow-up actions, how the relevant departments follow up those referrals; in respect of the aforesaid work undertaken by the Government in the past three years, of the manpower deployed, the number of prosecutions instituted, the penalties generally imposed and the maximum penalty imposed on the convicted persons, as well as the number of cases involving repeated offenders;

(6) of the Government's suggestions for farmers about how to protect their personal safety when wild pigs intrude into farms; and

(7) whether it has assessed the risk of wild pigs spreading ASF to pigs in local pig farms; whether it will (i) implement measures and provide financial assistance to help pig farm operators guard against ASF, and (ii) formulate a contingency mechanism to deal with the situation of massive deaths of wild pigs; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government is very concerned about the nuisance and potential hazards caused by wild pigs to the public. We are reviewing our existing practices in handling wild pigs and will submit in due course a paper to the panel concerned of the Legislative Council for discussion.

In consultation with the Food and Health Bureau (FHB), our reply to the question raised by the Hon Steven Ho is as follows:

(1) Wild pigs mainly appeared in rural areas of the New Territories in the

past, yet surveys conducted by the Agriculture, Fisheries and Conservation Department (AFCD) have revealed that they now scatter across the whole territory, including the northern part of the New Territories, Sai Kung and Hong Kong Island. As wild pigs normally appear individually or in small groups, making covert movements in their widespread and vast habitats, it is technically difficult to compile statistics on the overall number of wild pigs in Hong Kong.

(2) In response to the objections raised by some concern groups on animal interests, the AFCD, on grounds of safety, has suspended hunting operations by the wild pig hunting teams since 2017, and launched a Pilot Capture and Contraception/Relocation Programme of Wild Pigs (CCRP) in October in the same year. Under the Pilot CCRP, contraceptive treatments are given to wild pigs habituated to feeding and found near the community, and those causing nuisance to the public are relocated to the countryside far away from residential areas and facilities (including farms), such as Tai Tam Country Park and Tai Lam Country Park. During such operations, veterinarians first tranquilise wild pigs with dart guns, then inject a contraceptive vaccine GonaCon™ specially developed for mammals to suitable female wild pigs and microchip them. GPS transmitters are also put on wild pigs before they are released back to the countryside. In addition, the AFCD is examining the feasibility of conducting permanent surgical sterilisation on site for wild pigs.

Since the launch of the Pilot CCRP, three wild pigs were captured in each operation on average, which is more effective than that captured by hunting (less than one each time on average). To assess the effectiveness of the contraceptive vaccine, the AFCD, in collaboration with the United States Department of Agriculture as well as the Department for Environment, Food and Rural Affairs of the United Kingdom, has commenced an on-site study since this February on the effectiveness of GonaCon™ in controlling the breeding of wild pigs. As the adoption of GonaCon™ in controlling the breeding of wild pigs has never been tried out elsewhere in the world, it is premature to comment on the effectiveness of the contraceptive vaccine at this stage. The AFCD expects that the assessments on the effectiveness of GonaCon™ and the feasibility of conducting permanent surgical sterilisation on site will be completed at the end of 2019.

Large in size and aggressive in temper, an adult wild pig may weigh up to 150 kg and measure up to 1.6 m in length. Adult males even have tusks to attack. As it takes at least 10 minutes for the anaesthetic to take effect after successful injection, during which wild pigs will try their best to dash off and become aggressive, the AFCD, on account of operational need and safety, has to deploy 12 to 15 staff to capture wild pigs in each operation. On-site preparation (such as allowing wild pigs to get used to the tools at the trap so as to reduce their alertness) is also required about two weeks in advance of the operation. The expenditure involved for the Pilot CCRP in 2017/18 was \$1.79 million. The AFCD has earmarked \$3.5 million to implement the Pilot CCRP in 2018/19.

(3) To prevent wild animals such as monkeys and wild pigs from foraging food

from refuse, the AFCD commissioned in 2018 a local university to help improve the design of refuse collection facilities being used in residential areas and on the streets. The first batch of design has been completed by the contractor. It is expected that trials will be carried out on site when prototypes are ready early next year.

(4) The AFCD is conducting a series of publicity and education programmes, including promotion on TV, radio and public transportation, as well as organisation of fun day, roving exhibitions, public lectures and visits, to publicise the negative impacts of feeding wild animals. The AFCD has also set up a YouTube Channel and Facebook page earlier, and 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. In addition, the AFCD is promoting public awareness of the wild pig problem through its newly designed posters, banners and leaflets.

(5) If wild pigs are frequently spotted searching for food from feeders in the vicinity of certain residential areas, the AFCD will put up banners or posters at suitable places within these areas to remind the public not to feed wild animals. Where possible, the AFCD will also set up infrared automatic cameras to monitor the feeding and appearance of wild pigs. The information collected will be referred to the Food and Environmental Hygiene Department for follow-ups on the environmental hygiene problems caused by such feeding. Furthermore, under the Wild Animals Protection Ordinance (Cap. 170), feeding of wild animals (including wild pigs) in feeding ban areas such as Kam Shan, Lion Rock and Shing Mun Country Parks, part of Tai Mo Shan Country Park, Tai Po Kau Nature Reserve, area of Caldecott Road and Piper's Hill section of Tai Po Road will be liable to prosecution and a maximum fine of \$10,000. The AFCD conducts regular patrols at the feeding ban areas. There was no prosecution initiated for wild pig feeding in these areas over the past three years.

(6) When encountering wild pigs, members of the public should keep calm and stay away from them as far as possible. One must not get near them or drive them away with any objects lest there should be danger. If necessary, one may hide behind some robust and large barriers, and wait until the wild pigs leave before proceeding with one's activities. If wild pigs are found searching for food on farmland, farmers could erect sturdy fences to protect crops or use infrared auto-trigger lightings to deter wild pigs. Farmers should not drive wild pigs away from the farmland with any object, and should immediately keep dogs under restraint so that the wild pigs will not feel threatened and react in self-defence. When a wild pig is posing immediate threats to life and property, one should report to the police for emergency assistance.

(7) According to the FHB, since the outbreak of African Swine Fever (ASF) found in the Mainland in August this year, the Government has been maintaining close liaison with relevant Mainland authorities on the latest development, so as to prevent the spread of the disease to Hong Kong. The Government has stepped up cleansing and disinfection in various areas,

including boundary checkpoints, transportation and slaughterhouses, etc. In addition, the AFCD has been actively disseminating messages to relevant sectors and pig farmers on how to prevent ASF infection with a view to enhancing their vigilance of this disease. Among others, the messages cover how to implement good biosecurity measures, such as preventing wild animals from entering pig farms. Based on the current biosecurity measures in place in pig farms, it is believed that there will be minimal direct contact between wild pigs and pigs in farms. As the ASF virus can persist for months in pork and pork products, the AFCD has amended the conditions of the livestock keeping licences issued to pig farms to ban the use of kitchen waste and catering waste that may contain or have been in contact with pork or pork products as feeds. To assist pig farmers switching to other suitable feeds and procuring the necessary equipment, the AFCD has set up a special loan scheme under the J.E. Joseph Trust Fund to provide low-interest loan up to \$800,000. The AFCD will continue carrying out farm inspections and educating farmers, with a view to ensuring proper implementation of disease prevention work and good biosecurity measures at various levels. The AFCD has also prepared contingency plans in response to outbreak of ASF at local pig farms which cover culling operations and relevant compensation packages, and conducted a pig culling drill earlier, in order to enhance preparedness for preventing the spread of ASF in Hong Kong.

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## **LCQ18: Baggage carried by taxi passengers**

Following is a question by the Hon Lam Cheuk-ting and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (December 12):

Question:

Regulation 47(3) of the Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D) (the Regulations) provides that taxi passengers may carry free of charge light personal hand baggage, that is to say, light suitcases, hat boxes, attache cases and similar articles, inside the passenger compartment of the taxi (compartment baggage). On the other hand, the Guidelines to Taxi Regulations (the Guidelines) published by the Transport Department (TD) elucidates that "as a general rule, each piece of light personal baggage that is placed inside the passenger compartment can be carried free of charge if its total dimensions (length + width + height) do not exceed 140 cm". It is also elucidated on TD's website that taxi drivers may levy an additional charge for every piece of compartment baggage with total dimensions (length + width + height) exceeding 140 cm. In this connection, will the Government inform this Council:



(1) of (i) the number of complaints, received by the authorities in each of the past three years, about taxi drivers overcharging passengers of the additional charge for compartment baggage and (ii) among such cases, the respective numbers of those in which follow-up actions were taken by the Police and prosecutions were instituted against the drivers concerned;

(2) of the legal basis for the dimension limits specified in the Guidelines and on TD's website for compartment baggage to be carried free of the additional charge; and

(3) whether it has examined if the elucidations, in the Guidelines and on TD's website, for the additional charge for compartment baggage are consistent with the provision in regulation 47(3) of the Regulations; if it has examined and the outcome is in the negative, whether it has assessed if this situation has caused confusion among taxi drivers and passengers and made disputes between them prone to occur, and of the solution for that; if it has not examined, of the reasons for that?

Reply:

President,

My reply to the various parts of the Hon Lam Cheuk-ting's question is as follows:

(1) In the past three years, the number of complaints concerning taxi baggage charge received by the Government and the Transport Complaints Unit as well as the relevant follow-up actions taken are set out below:

Year	No. of Complaints on Taxi Baggage Charge	No. of Complaints Referred to the Police for Follow-up Action
2016	247	70
2017	262	44
2018 (January to October)	241	55

As for the number of cases in which the Police has instituted against the drivers concerned, it will be provided later as it takes time for the Police to collate the relevant data.

(2) & (3) Under regulation 41 of the Road Traffic (Public Service Vehicles) Regulations (Cap. 374D) (the Regulations), no goods other than personal hand baggage shall be carried on a taxi. Regulation 47(2) of the Regulations also provides that no registered owner or driver of a taxi shall charge for the hiring of the taxi a fare exceeding the appropriate scale of fares specified in Schedule 5 (including an additional fare of HK\$6 for every article of baggage). Furthermore, regulations 47(3) and 47(4) also provide that if light personal hand baggage (including light suitcases, hat boxes, attache

cases and similar articles) are carried inside the passenger compartment of the taxi, or if wheelchairs and crutches are carried by a disabled person who is a taxi passenger, the passenger shall not be required to pay the baggage surcharge in respect of these articles.

The existing legislation does not define the size of "light personal hand baggage carried inside the passenger compartment" mentioned in regulations 47(3) and 47(4) of the Regulations. In this connection, having regard to the views of the taxi trade and passengers, and the need to facilitate the daily operation of taxis (including preventing passengers from placing large pieces of baggage inside the passenger compartment so as to reduce the possibility of obstructing the driver's sightline, affecting the driving safety and causing damage to the compartment facilities, etc.), the Transport Department (TD) has introduced some reference guidelines, stipulating that a piece of light hand baggage may be placed inside the passenger compartment and carried free of charge if its total dimensions (the sum of the length, width and height) do not exceed 140 cm. In other words, a taxi driver may charge a baggage surcharge of HK\$6 on each piece of baggage which is placed inside the passenger compartment and has the total dimensions (the sum of the length, width and height) exceeding 140 cm, or on each piece of baggage of any dimensions which is placed inside the luggage compartment.

The relevant reference guidelines do not contradict with the existing Regulations, and have been published in the Guidelines to Taxi Regulations (GTR) compiled by the TD as well as in the "Taxi fare of Hong Kong" section of TD's website. Nevertheless, the TD will continue to monitor the views from the trade and the public, so as to examine whether the provisions of the Regulations and the reference guidelines, as well as the related content published in the GTR and on TD's website can accurately reflect the actual operational circumstances.

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## **LCQ5: Leakage of personal data by commercial organisations**

Following is a question by the Hon Paul Tse and a reply by the Secretary for Constitutional and Mainland Affairs, Mr Patrick Nip, in the Legislative Council today (December 12):

Question:

Following the leakage of the personal data of more than 9 million passengers by Cathay Pacific Airways Limited, the Marriott International hotel group has also leaked the personal data of nearly 500 million customers worldwide. Besides, it was revealed that the website of TransUnion Limited (TransUnion), which holds the credit records and personal data of over five

million members of the public, had serious information security loopholes. After obtaining the personal data of the Chief Executive and the Financial Secretary, reporters of a media organisation successfully impersonated them and obtained their detailed credit reports from the website. Some members of the information and technology sector have criticised that the identity verification procedure of the website is too lax, making the database therein a "doorless coop" which allows indiscriminate access by anyone, thereby giving lawbreakers opportunities to take advantage of the loopholes. Several members of the public have relayed that the successive occurrence of data leakage incidents has caused them to doubt whether commercial organisations are capable of protecting the security of their customers' data, and whether it is the case that the authorities can do nothing about the situation. In this connection, will the Government inform this Council:

(1) whether it knows the progress of the compliance check on TransUnion conducted by the Office of the Privacy Commissioner for Personal Data (PCPD); whether the scope of the compliance check, apart from TransUnion itself, also covers the personal data security protection for TransUnion's customers implemented by those organisations or companies which have business connections with TransUnion;

(2) given that at least five organisations are providing the public, in collaboration with TransUnion, free service of online enquiry of personal credit information, and some of the websites concerned have requested users to authorise TransUnion to transfer their data to its collaborating organisations or the overseas servers of such organisations, whether the authorities have regulated this type of data transfer; if not, of the follow-up actions; whether the authorities have assessed the impacts on the public when there is a leakage of personal data by the collaborating organisations of TransUnions or by their overseas servers; and

(3) as TransUnion's business is currently not subject to any regulation and PCPD can only deal with the situation after occurrence of incidents of personal data leakage, whether the authorities have assessed if the existing regulatory regime is tantamount to a "toothless tiger", not being able to protect the personal data privacy of the public; whether the authorities will consider implementing new measures or enacting legislation to actively regulate such situation; if so, of the details; if not, the reasons for that?

Reply:

President,

On the question raised by the Hon Paul Tse, we have consulted the Privacy Commissioner for Personal Data (PCPD), the Hong Kong Monetary Authority (HKMA) and the Financial Services and the Treasury Bureau. Before responding to each parts of the question, I would first like to briefly describe the relevant background information on the arrangements relating to credit reference services.

TransUnion Limited (TransUnion) is an organisation providing credit reference services. In the mid-1990s, the HKMA conducted a study on the

customer credit quality of authorised institutions and concluded that a comprehensive credit database with extensive participation of the authorised institutions should be established. The HKMA was of the view that the establishment of a full-fledged credit reference services in Hong Kong with the active participation of all authorised institutions (including licensed banks, restricted licence banks and deposit-taking companies) would allow all authorised institutions and the whole banking sector to better understand, and assess more accurately, the creditworthiness of their customers and better manage the overall credit risk in Hong Kong.

Following the implementation of the Personal Data (Privacy) Ordinance (PDPO) in 1996, in order to provide practical guidance for Credit Reference Agencies (CRAs) in Hong Kong, the PCPD issued the Code of Practice on Consumer Credit Data (Code of Practice) in February 1998 to regulate the handling of personal credit data by CRAs and credit providers. The Code of Practice covers areas on the collection, accuracy, use, security, access and correction of data. Four revisions have been made to it since then, with the latest revision made in January 2013.

As the regulatory authority of banks, the HKMA issued a circular to all authorised institutions in March 1998, suggesting the authorised institutions to participate comprehensively in the sharing and use of credit data through CRAs within the ambit of the Code of Practice. At the same time, the HKMA also stipulated that banks must comply with the relevant supervisory requirements set out in the HKMA's Supervisory Policy Manual (SPM) when providing CRAs with and using credit data. In accordance with the requirements, authorised institutions that use the service of a CRA should enter into a formal contractual agreement with the CRA that requires the CRA to formulate effective control systems to ensure that relevant provisions of the PDPO and the Code of Practice are complied with.

Our reply to the various parts of the question raised by the Hon Paul Tse is as follows:

(1) Upon receiving the data breach notification of TransUnion on November 28, 2018, the PCPD initiated a compliance check on the incident on the same day. In the light of information gathered from the check, the PCPD has reasonable grounds to believe that TransUnion has contravened the requirements under the PDPO. On November 30, the PCPD decided to launch an in-depth compliance investigation into TransUnion in accordance with section 38(b) of the PDPO. On the same day, the PCPD also conducted compliance check on five companies offering web platforms or mobile applications for access to the simplified version of credit reports.

The HKMA and the banking industry are highly concerned over the incident as the security of the personal credit information provided to TransUnion by banks may be involved. The HKMA jointly with the Hong Kong Association of Banks have immediately contacted TransUnion to ascertain the situation, and the Hong Kong Association of Banks and the banking industry have maintained close liaison with TransUnion over the past two weeks. A series of requirements have been raised to TransUnion, amongst which TransUnion has been requested to conduct a full investigation into the incident immediately

and to suspend its online enquiry service on personal credit reports immediately until the completion of full investigation and comprehensive upgrade of information security to protect the personal credit information of authorised institutions. TransUnion has now suspended its online enquiry service on personal credit reports. The HKMA will continue to follow up on the matter with the Hong Kong Association of Banks, including requesting TransUnion to thoroughly review all relevant procedures and measures to ensure adequate protection in the collection, handling, storage, security and destruction of personal credit information to meet the security requirements of authorised institutions. The HKMA has also made notifications to the PCPD and expressed concern. The HKMA will continue to maintain close liaison with the PCPD.

(2) According to para. 3.21 of the Code of Practice issued by the PCPD, a CRA shall not transfer consumer credit data held by it to a place outside Hong Kong unless the purpose of use of the data transferred is the same as or directly related to the original purpose of the collection of such data. Irrespective of whether the personal data is stored in Hong Kong or overseas, or transferred to a data processor overseas to act on behalf of a data user, the data user must ensure that the personal data are dealt with properly in accordance with the requirements of the PDPO.

(3) Under the current legal framework, CRAs are not regulated by the HKMA. CRAs (including TransUnion) provide credit reference services to banks in Hong Kong and other credit institutions, and they shall comply with the relevant provisions of the PDPO and the Code of Practice. As the regulatory authority for banks, the HKMA requires banks to comply with the provisions of the PDPO when carrying out relevant businesses, to ensure that personal data of customers are properly safeguarded when providing data to and using the service of CRAs. An authorised institution using the service of any CRA must enter into a formal contractual agreement with the CRA that requires the CRA to formulate effective control systems for personal credit data. An authorised institution may consider whether to terminate its relationship with a CRA if it is aware of unacceptable practices of the CRA, or serious breaches of the requirements of the PDPO or the Code of Practice.

According to paragraph 3.12 of the Code of Practice issued by the PCPD, a CRA shall take appropriate measures in protecting personal credit data in its daily operations to safeguard against any improper access to personal credit data held by it, including monitoring and reviewing on a regular and frequent basis the usage of the database, with a view to detecting and investigating unusual or irregular patterns of access or use, etc. In response to this incident, we will urge the PCPD to conduct a comprehensive review of the Code of Practice with reference to the findings of the compliance investigation upon its completion, and consider the need for further revisions to improve the operation of the Code.

Thank you, Acting President.

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## LCQ6: Support for nurturing of local technology talents

Following is a question by the Hon Charles Mok and a reply by the Secretary for Innovation and Technology, Mr Nicholas W Yang, in the Legislative Council today (December 12):

Question:

In the World Talent Report 2018 published by the International Institute for Management Development in Lausanne of Switzerland, Hong Kong's ranking has fallen from the 12th place of last year to the 18th of this year, and Singapore, which ranks the 13th, has replaced Hong Kong as becoming the highest ranking economy in Asia. There are comments that in order to enhance Hong Kong's international competitiveness and to ensure the diversification of its economy, the Government needs to strengthen its work in the areas of "talents investment and development", "appeal to and retention of talents" and "readiness for talents", step up its efforts to promote the upgrading and transformation of various industries through application of innovation and technology, and enhance the training of local technology talents. In this connection, will the Government inform this Council:

(1) whether it will formulate a comprehensive strategy for training of talents, and conduct studies on the impacts of artificial intelligence, including studying the impacts of the technological development in areas such as artificial intelligence, machine learning and robotics on various industries in the next decade, as well as draw up specific targets in respect of training of talents;

(2) whether it will provide tuition fee subsidies and other incentives (e.g. providing employers with a double tax deduction for training expenditure) to encourage local technology talents to enroll in local and overseas technology training courses and massive open online courses and obtain recognised professional qualifications; and

(3) whether it will analyse the competitive strengths and weaknesses of various major industries, as well as their needs for and challenges in undergoing upgrading and transformation; whether it will formulate corresponding support strategies to assist enterprises (especially small and medium enterprises) in increasing investment in the application of digital technologies for upgrading and transformation, and to assist practitioners in the industries in acquiring the required skills?

Reply:

President,

Having consulted relevant Government bureaux and departments, our reply to the three parts of the question is as follows:

(1) With the wave of innovation and technology (I&T) sweeping through the world, robotics, artificial intelligence and machine learning etc. are undergoing rapid development and revolutionising the traditional business models. Automation is also expected to bring about certain degrees of transformation in industry structures and job requirements. To compete in such a rapidly evolving environment, the local labour force should continuously update and enhance their knowledge and skills through education, retraining and up-skilling, etc., in order to keep abreast of the latest technology development and enhance their digital literacy, such that they can work complementarily with technology and grasp the opportunities brought by technology development.

In recent years, various international institutions and enterprises have published research reports on the impact of artificial intelligence. A research report pointed out that more routine tasks, such as data processing and machinery operation, have a higher chance of being automated. On the contrary, less routine tasks, such as those involving communication, management, decision-making, planning and creation, have a lower chance of being automated. The Human Resources Planning Commission chaired by the Chief Secretary for Administration has initially examined and discussed the impact of automation on human resources and the labour market.

Government bureaux and departments will, through various measures, facilitate industries to capitalise the opportunities brought by technology development, as well as encourage and assist workers of different industries in receiving training and improving skills to embrace the challenges of automation.

(2) The Government has been nurturing local technology talent through different measures. The Innovation and Technology Bureau (ITB) has earlier briefed the University Grants Committee (UGC)-funded universities on the trends and development of manpower requirements in the I&T sector. In view of the demand of the industry, the UGC-funded universities have responded positively in their Planning Exercise Proposals for the 2019/20 to 2021/22 triennium by, inter alia, proposing more cross-disciplinary programmes, such as those relating to artificial intelligence and financial technology, with a view to providing industries with more technology talent.

In respect to self-financing post-secondary education, the Government launched the Study Subsidy Scheme for Designated Professions/Sectors (SSSDP) in the 2015/16 academic year on a pilot basis to subsidise about 1 000 students per cohort to pursue designated full-time locally-accredited self-financing undergraduate programmes in selected disciplines, with a view to nurturing talent for specific industries with keen manpower demand. The SSSDP has been regularised from the 2018/19 academic year and the number of subsidised self-financing undergraduate places has been increased to about 3 000 per cohort. Current students of the designated programmes may also

receive the subsidy from that academic year. In the 2018/19 academic year, there are a total of 37 programmes offered under the SSSDP, including five computer science programmes and four financial technology programmes which provide 306 and 265 subsidised first-year intake places respectively.

The Government has recently announced a series of enhancement measures of the Continuing Education Fund (CEF), including increasing the subsidy ceiling from \$10,000 to \$20,000 per person, re-activating closed CEF accounts to also benefit relevant holders and expanding the scope of CEF courses to all eligible courses (including technology courses) registered in the Qualifications Register. The related measures will be implemented from April 1, 2019.

On the other hand, the ITB launched the Reindustrialisation and Technology Training Programme in August this year to subsidise local companies on a 2:1 matching basis to train their staff in advanced technologies, especially those related to "Industry 4.0", thereby encouraging companies to arrange technology training for their staff. As at the end of last month, there have been 67 open courses registration under the scheme in just three months. The technology areas involved included "Industry 4.0"-related technologies, information technology, textiles and clothing, biomedicine and medical care, automotive technology and environmental protection etc. The scheme has approved 90 training grants applications, involving 148 trainees and a funding amount of around \$1.2 million.

(3) Government bureaux will actively review the competitive advantages and challenges of various industries under their policy purview, and take appropriate measures as necessary to assist enterprises in enhancing their competitiveness through upgrading and transformation. The ITB will provide assistance from the technological perspective, such as encouraging enterprises to conduct more R&D activities, subsidising companies in using technologies to upgrade and transform, etc.

In regard to the manufacturing industry, the Government actively promotes re-industrialisation to develop high-end manufacturing based on new technologies and smart production without occupying much land. The latest Policy Address proposed to create the \$2 billion Re-industrialisation Funding Scheme to subsidise manufacturers to set up smart production lines in Hong Kong; and allocate an additional \$2 billion to the Hong Kong Science and Technology Parks Corporation for building dedicated manufacturing facilities in Industrial Estates required by advanced manufacturing sector, thereby promoting re-industrialisation.

In addition, the ITB rolled out the \$500 million Technology Voucher Programme (TVP) in November 2016 to subsidise local small and medium enterprises in using technological services and solutions to improve productivity, upgrade and transform. We have relaxed the eligibility of TVP since February this year, including allowing applications from non-listed enterprises of all sizes, in order that more enterprises could benefit from the scheme. After implementation of the enhanced measures, the numbers of applications and approved projects have increased substantially. As at the



end of last month, the scheme has approved 939 applications with a total funding amount of \$130 million.