

LCQ10: Aircraft noise mitigating measures

Following is a question by the Hon Michael Tien and a written reply by the Acting Secretary for Transport and Housing, Dr Raymond So Wai-man, in the Legislative Council today (May 16):

Question:

The Civil Aviation Department currently implements a number of aircraft noise mitigating measures, such as (i) refusing to allow aircraft which do not comply with the prescribed noise standards to land and take off at the Hong Kong International Airport (HKIA), (ii) encouraging airlines to deploy newer and quieter models of aircraft and (iii) adopting a set of "Radius-to-Fix" flight procedure. Such flight procedure allows aircraft which can use satellite-based navigation technology in their flights to adhere closely to the nominal centre line of the flight track when they take off towards the northeast and make south turn to the West Lamma Channel, and thus enables the aircraft to keep a distance away from the areas on the vicinity of the flight paths (e.g. Ma Wan), thereby reducing the impact of aircraft noise on those areas. In this connection, will the Government inform this Council:

(1) of the respective numbers of times, as recorded by the various aircraft noise monitoring terminals in late hours (i.e. between 11pm and 7am of the next day) in each year from 2012 to 2017, for which aircraft noise levels reached (i) 70 to 74 decibels (dB), (ii) 75 to 79 dB and (iii) 80 dB or above;

(2) among the take-off flights in each year from 2012 to 2017, of the respective numbers and percentages of those which adopted the Radius-to-Fix flight procedure; the measures taken by the authorities since 2012 to encourage airlines to adopt such flight procedure;

(3) whether it is feasible for all take-off flights to adopt the Radius-to-Fix flight procedure; if not, of the ceiling percentage, and whether the authorities have estimated the respective numbers of times for which aircraft noise levels reaches (i) 70 to 74 dB, (ii) 75 to 79 dB and (iii) 80 dB or above will be recorded by the various aircraft noise monitoring terminals in late hours when the percentage of flights adopting such flight procedure has reached the ceiling;

(4) of the progress and specific achievements (e.g. the number and percentage of flights for which quieter types of aircraft were deployed by airlines) made by the authorities in each year from 2012 to 2017, in respect of (i) refusing to allow aircraft which do not comply with the prescribed noise standards to land and take off at HKIA, and (ii) encouraging airlines to deploy newer and quieter models of aircraft; and

(5) of the aircraft noise mitigating measures, apart from the aforesaid three

measures, which are currently implemented by the authorities and their effectiveness?

Reply:

President,

The Civil Aviation Department (CAD) is conscious of the impact that aircraft operations have on the local communities and has implemented a number of aircraft noise mitigating measures based on the guidelines of the International Civil Aviation Organization (ICAO) to alleviate the noise impact on areas in the vicinity of flight paths.

Our reply to the various parts of the Hon Michael Tien's question is as follows:

(1) The CAD has 16 noise monitoring terminals (NMT). The aircraft noise events recorded between 11pm and 7am the following day by these terminals from 2012 to 2017 are set out at Annex 1.

(2) and (3) The CAD has implemented the Radius-to-Fix (RF) turn flight procedures since 2012 to allow aircraft equipped with satellite-based navigation technology to adhere closely to the nominal centre line of the flight track when departing to the northeast of the Hong Kong International Airport (HKIA) and making south turn to the West Lamma Channel. This keeps the aircraft at a distance away from areas located in the vicinity of the flight paths (particularly Ma Wan), and reduces the impact of aircraft noise on these areas.

The CAD has not set any "ceiling" for the utilisation of the RF turn flight procedures. Whether an aircraft can adopt the flight procedures is mainly dependent on the equipment of the required navigational equipment on board, the relevant training for the flight crew members, and the respective operational approval issued by the aviation authority of the place of registry of the aircraft concerned.

Amongst all aircraft departing towards the northeast direction from the HKIA, the proportion of aircraft adopting the RF turn flight procedures between 11pm and 7am the following day from 2012 to 2017 are set out at Annex 2. The figures show that the utilisation rate was steadily increasing since the implementation of these flight procedures in 2012.

The CAD has also been closely following up on the overall adoption of these procedures. Between 2012 and 2018, the CAD has conducted four surveys to gather relevant information from airlines on the utilisation of the RF turn flight procedures. The latest information shows most of the new aircraft types are already equipped with the required navigational equipment. As a result of the fleet modernisation by the airlines, more suitably equipped aircraft will enter into service. The CAD will continue to encourage airlines to adopt these flight procedures and closely monitor the effectiveness.

(4) Aimed to reduce aircraft noise at source, only aircraft that comply with

the noise standards stipulated in Chapter 3 of Part II, Volume I of Annex 16 to the Convention on International Civil Aviation (Chapter 3 noise standards) and the relevant standards of noise prescribed in the Civil Aviation (Aircraft Noise) Ordinance (Cap. 312) are permitted to operate in the HKIA since 2002. Such restriction is in line with practices in other major international airports. According to the CAD's record, there were no non-compliant aircraft operated in the HKIA between 2012 and 2017. There was also no record of refusal of application for the use of aircraft which did not comply with the relevant noise standards at HKIA.

In addition, with effect from 2014, the CAD no longer allows aircraft which are marginally compliant with the Chapter 3 noise standards to land and take off in Hong Kong. To further strengthen this measure, the CAD is also planning to impose more stringent requirements with additional operating restrictions on aircraft which do not comply with the noise standards in Chapter 4 of Part II, Volume I of Annex 16 to the Convention on International Civil Aviation (Chapter 4 noise standards (see Note 1 below)), or equivalent, to operate at the HKIA from 10pm to 7am on the following day starting from the summer of 2019. Airlines have been consulted on the plan, and they showed understanding and support. This measure, when implemented, will further alleviate the aircraft noise impact on the local communities.

Apart from the above measures, as newer-model aircraft are benefited from the advancement of aviation technology, aircraft engines are quieter than before and the improved design of airframe has also helped reduce noise significantly. The CAD has been encouraging airlines to use newer-model and quieter aircraft. Many airlines are progressively modernising their fleet. Based on our statistics, the percentage on the use of newer passenger and cargo aircraft (see Note 2 below) operating at HKIA during night period has increased from 66 per cent in 2012 to 85 per cent in 2017. As the number of newer-model and quieter aircraft in their respective fleet continues to increase, the aircraft noise impact will be further alleviated in the long run.

(5) The other noise mitigating measures introduced by the CAD in addition to the above three are:

(i) between midnight and 7am, subject to acceptable operational and safety considerations, arriving aircraft are required to land from the southwest. This measure aims at reducing the number of aircraft overflying populated areas such as Sha Tin, Tsuen Wan, Sham Tseng and Tsing Lung Tau;

(ii) between 11pm and 7am, subject to acceptable operational and safety consideration, aircraft departing to the northeast of the HKIA are required to use the southbound route via the West Lamma Channel. This measure aims at reducing the number of aircraft overflying populated areas such as the Kowloon Peninsula and Hong Kong Island;

(iii) all aircraft approaching the HKIA from the northeast between 11pm and 7am are required to adopt the Continuous Descent Approach (CDA), subject to operational considerations. As aircraft on CDA fly higher and normally on a lower power/low drag configuration, noise experienced in areas such as Sai

Kung and Ma On Shan will be lowered; and

(iv) aircraft departing to the northeast of the HKIA are required to adopt the ICAO noise abatement take-off procedures so as to reduce the noise impact on areas located in the vicinity of the HKIA. Aircraft adopting these procedures are required to reduce their power upon reaching an altitude of 800 feet or above to abate aircraft noise.

The CAD's regular reviews of the noise mitigation measures showed that the above measures are effective in alleviating the aircraft noise impact on the local communities. Taking the noise data of the CAD recorded at Ma Wan NMT as an example, the number of noise events of high decibel level (80 decibels or above) during the night period in 2017 have significantly reduced by 80 per cent compared with 2012, and those of 70 decibels or above during the night period have also reduced by 33 per cent during the same period.

Note 1: Part II, Volume I of Annex 16 to the Convention on International Civil Aviation sets out the aircraft noise standards formulated by the ICAO at different times. The aircraft noise standards of Chapter 4, which are applicable to aircraft for which the application for a Type Certificate was submitted between 2006 and 2017, were more stringent than those of Chapter 3. Generally speaking, the noise levels of Chapter 4-compliant or equivalent aircraft were lower than those of Chapter 3-compliant aircraft.

Note 2: Newer passenger and cargo aircraft cover aircraft types such as Airbus A320, A330, A340, A350 and A380 and Boeing B777, B747-8 and B787, etc.

[LCQ13: A listed company allegedly releasing misleading information](#)

Following is a question by the Hon Chan Chi-chuen and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (May 16):

Question:

In March 2017, ZTE Corporation (ZTE), a listed company in Hong Kong, entered into a plea agreement with the authorities in the United States (US) in respect of ZTE's violation of the US export control laws. Under the agreement, not only was ZTE required to pay a substantial amount of penalty, but the US authorities would also impose a denial order for seven years that would restrict and prohibit, among other things, ZTE from applying for or using any licenses, or buying or selling any item exported from US that was subject to US export control regulations. However, the aforesaid denial order was suspended subject to ZTE's compliance with the requirements under the agreement, and would be waived after a seven-year suspension period. On April

15 (US time) this year, the US authorities announced the activation of the denial order with immediate effect until March 13, 2025 as ZTE had failed to fully comply with the agreement. The Chairman of ZTE later admitted that the sanction had a great impact on the company and would plunge the company into a state of shock immediately. On the other hand, ZTE stated in the Notes to Financial Statements in its Annual Report 2017 that, for a comprehensive execution of the agreement, the company would take a series of measures to ensure its compliance with the obligations under the agreement, and thus ZTE believed that it was unlikely that the company would violate the agreement. Some investors opined that ZTE's statement in that annual report had misled them, and hoped that the Securities and Futures Commission (SFC) would immediately conduct a proactive investigation into the matter. In this connection, will the Government inform this Council if it knows:

(1) whether SFC has received, since April this year, any complaint about ZTE having allegedly misled its investors; if so, of the number of such complaints;

(2) whether SFC will take the initiative to investigate whether ZTE has made false or misleading statements; if not, of the reasons for that; and

(3) whether, in the light of this case, SFC will examine the introduction of a mechanism for class actions so that minor shareholders who have been misled and thus suffered losses may claim compensations from the companies and persons concerned through such mechanism; if so, of the details; if not, the reasons for that?

Reply:

President,

Our reply to the three parts of the question is as follows:

(1) and (2) The Securities and Futures Commission (SFC) follows its established procedures in handling complaints involving matters under its statutory powers and responsibilities and in carefully assessing the allegations made therein. The SFC will take appropriate actions if irregularities, including those in respect of non-disclosure of inside information by listed companies, are detected. The SFC will not comment on any specific case.

(3) The Law Reform Commission (LRC) published a report in 2012, recommending an incremental approach to implementing a class action regime in Hong Kong. The class action regime proposed by the LRC is to start with consumer cases, covering tortious and contractual claims made by consumers in relation to goods, services and immovable property. The Department of Justice has established a cross-sector working group to study and consider the proposals of the LRC's report on class action. The working group will take into consideration views from different sectors and strike a balance for the overall benefits of our society. It will make recommendations to the Government upon completion of the study. Our understanding is that according to the LRC's recommendation regarding the introduction of a class action

regime, disputes among company shareholders or issues of shareholders' rights would not be covered at the initial stage.

At present, the Government has no plan to introduce a class action regime for disputes among company shareholders or issues of shareholders' rights. However, under the existing rules, the Court already has unfettered discretion to handle proceedings involving the same interest of numerous persons through "representative proceedings" should the plaintiffs satisfy the threefold test of establishing "a common interest, a common grievance and a remedy which is beneficial to all the plaintiffs".

LCQ2: Illegal carriage of passengers for reward

Following is a question by the Hon Frankie Yick and a reply by the Acting Secretary for Transport and Housing, Dr Raymond So Wai-man, in the Legislative Council today (May 16):

Question:

On the 19th of last month, a serious traffic accident occurred in Kowloon City killing one person and injuring four others, and all of the four vehicles involved in the accident were damaged. It has been reported that a private car, which was involved in the accident, was being used for illegal carriage of passengers for reward (commonly known as "white licence cars' service") at the time of the accident and had a passenger on board. Some members of the insurance industry have pointed out that the third party risks insurance for vehicles being used as white licence cars may be rendered invalid as a result of such use. While the e-hailing platform concerned claimed that a third party risks insurance policy had been taken out for the white licence car concerned, the details of the relevant policy have never been made public. Regarding white licence cars' service, will the Government inform this Council:

(1) whether it has assessed the insurance protection currently provided for the drivers and passengers of white licence cars, the drivers and passengers of other vehicles, the passers-by, etc, involved in traffic accidents involving white licence cars; and

(2) whether it will step up, from the public education, legislation and law enforcement fronts, its efforts in clamping down on white licence cars' service, such as reminding members of the public that they may not be protected by a third party risks insurance if they travel on white licence cars, amending the legislation to raise the penalties on drivers of white licence cars, as well as setting up a reporting hotline; if so, of the details; if not, what other measures are in place to eradicate white licence

cars' service?

Reply:

President,

The Government has all along been concerned about the situation on illegal carriage of passengers for reward by private cars. Section 52(3) of the Road Traffic Ordinance (Cap. 374) (RTO) stipulates that no person shall drive or use a private car, or suffer or permit a private car to be driven or used, for the carriage of passengers for hire or reward unless a hire car permit is in force in respect of the vehicle. Otherwise, it is an offence. Under section 14 of the Road Traffic (Public Service Vehicles) Regulations (Cap. 374D), an application for a hire car permit shall be made, together with supporting documents, to the Commissioner for Transport (the Commissioner) by the registered owner of the private car concerned to the satisfaction of the Commissioner that the application has met the specified requirements. One such requirement is that there is in force in relation to the private car a third party risks insurance policy which complies with the Motor Vehicles Insurance (Third Party Risks) Ordinance (Cap. 272).

My reply to the various parts of the Hon Frankie Yick's question is as follows:

(1) As advised by the Financial Services and the Treasury Bureau (FSTB), when taking out a third party risks insurance policy for a private car, the policyholder is generally required to provide information on the uses of the vehicle, which will form the basis of underwriting. If the policyholder fails to truthfully disclose that the vehicle will be used for hire or reward, the policy may be invalidated. Based on the established practice of the insurance industry in handling traffic accident cases, the insurance company will first compensate the third party whose injury or death has been caused by the traffic accident, and then recover the loss from the vehicle owner. If the vehicle owner or driver has died in the accident, the insurance company is still entitled to recover the loss from the estate of the deceased. The coverage of statutory third party risks insurance does not include the personal injury or death of the vehicle owner or driver.

As for the traffic accident referred to in the Hon Frankie Yick's question, the Insurance Authority (IA) understands from the relevant insurance company that the insurance policy taken out by online car hailing company Uber aims to insure passengers and third parties against injury or death caused by ride-sharing trips. In order not to affect the investigation and subsequent legal proceedings, the FSTB and IA will not comment on the accident.

(2) The Government has been combating illegal carriage of passengers for reward through publicity and education campaigns as well as law enforcement efforts.

In respect of publicity and education campaigns, the Transport Department (TD) has been making use of various channels, including

broadcasting announcements of public interest on radio, displaying samples of Hire Car Permits (HCPs) on the TD's website, and putting up posters in public places. These efforts serve to promote to the public that when they use hire car service, they should ensure the private car concerned is issued with a valid HCP; and educate the public on how to identify licensed hire cars. In the related publicity and education campaigns, the TD has also reminded the public that the third party risks insurance for an illegal hire car may be invalidated. The TD will further strengthen public education work, including increasing the number of channels for broadcasting announcements of public interest and the frequency of such broadcast on radio, increasing the number of government venues for displaying posters, etc. The TD will keep up with its efforts to promote the online enquiry system for HCP on the GovHK website through the TD's mobile applications, and continue to communicate with the transport trades so as to remind drivers of the need to abide by the law. In addition, the Police will continue to arrange stand-up briefings with the media after taking enforcement actions on illegal carriage of passengers for reward. In the briefings, the Police will publicise the risks involved in using illegal hire car service and remind citizens that the third party risks insurance for the hire car concerned may be invalidated.

On the other hand, the Government has been taking stern enforcement actions against illegal carriage of passengers for reward and will not condone such activities. Section 52 and Schedule 4 of the RT0 stipulate that an offender who uses a private car or light goods vehicle (LGV) for the illegal carriage of passengers for reward, or who solicits or attempts to solicit any person to travel in such vehicles, is liable to a fine of \$5,000 and three months' imprisonment on the first conviction. The licence of the subject vehicle may also be suspended for three months. On the second or subsequent conviction, the offender is liable to a fine of \$10,000 and six months' imprisonment. For a subsequent offence in respect of the same motor vehicle, the licence of that vehicle may be suspended for six months. Under section 69 of the RT0, a court may order a person convicted of any offence under the RT0 in connection with the driving of a motor vehicle to be disqualified to drive for such period as the court thinks fit. The aforesaid provisions are also applicable to companies or persons who provide booking services for illegal hire car service through smartphone applications or online platforms. The TD is currently reviewing the need to raise the penalties for the relevant offences so as to enhance the deterrent effects.

The Police will also continue to step up efforts to combat the offences. Between 2015 and 2017, the Police has undertaken enforcement actions on 126 cases concerning illegal carriage of passengers for reward by private cars or LGVs. The Police will continue to combat the offences through targeted operations, including collecting intelligence, investigating and following up on referral cases as well as complaint cases. Members of the public may report to the Police if they find any cases of illegal carriage of passengers for reward. The contact information of the relevant police stations and traffic report rooms can be found on the web pages of the Hong Kong Police Force.

LCQ20: Protecting consumers' rights and interests of online shoppers

Following is a question by the Hon Paul Tse Wai-chun and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (May 16):

Question:

Recently, some members of the public have complained that allegedly deceptive online shopping advertisement pages, which offer high-priced authentic commodities (e.g. famous brand headsets, electronic game players, video recording equipment, intelligent robots, sneakers and pricey jewellery) for sale at low prices, are prevalent on the social media platform Facebook. It is learnt that such pages mostly use "closure of physical shops", "presence of defects in the commodities" or "detention of goods by the customs and excise authorities" as a pretext for commodities being sold at prices as low as about 10 per cent or 20 per cent of the original prices, and are uploaded with captured images of bills to prove the authenticity of the goods concerned, which lured members of the public to rush to place purchase orders. Some of the pages even use the addresses of shops selling authentic goods as collection points in order to dull the vigilance of members of the public. However, members of the public who had made payments for the purchases found out that (i) they had been defrauded only when they went to pick up the goods at the relevant addresses, or (ii) the goods did not match the descriptions only after they had unwrapped the package of the goods delivered by couriers. Subsequently, when those members of the public tried to take up the matter with the sellers, they found out that the pages in question had been deleted and the sellers could not be contacted. In this connection, will the Government inform this Council:

- (1) of the number of reports of online shopping fraud received by the Customs and Excise Department, the Police and other relevant government departments in the past three years, the amount of money involved and the respective numbers of relevant prosecutions and convictions;
- (2) of the policies or measures in place to assist members of the public who have been defrauded in recovering the payments made to fraudsters;
- (3) how the Consumer Council followed up the aforesaid type of complaints in the past three years;
- (4) how the authorities follow up those online shopping fraud cases which were found upon investigation to have involved overseas criminal syndicates; whether they will take the initiative to contact the relevant departments of the countries concerned to seek assistance from them;

(5) as more and more members of the public make use of social media platforms for online shopping, whether the authorities have studied new measures and policies to combat online shopping frauds so as to protect the consumers' rights and interests; and

(6) as it has recently been reported by the media that the credit card data of customers amassed by several online shopping platforms are available on websites associated with illegal activities (commonly known as "dark webs"), and the situation is serious, whether the authorities have received relevant reports; if so, of the details; the measures the authorities have put in place to protect the personal confidential data of members of the public from being stolen and used when they shop online?

Reply:

President,

After consulting the Security Bureau, the Constitutional and Mainland Affairs Bureau, the Office of the Government Chief Information Officer (OGCIO) and the Consumer Council, my reply to the six parts of the question is as follows:

(1) The number of complaints against unfair trade practices related to online shopping received by the Customs and Excise Department (C&ED) and the relevant enforcement statistics in the past three years are set out at Table 1. As some complainants did not provide information on the amounts involved in the complaint cases, C&ED does not have statistics on the amounts involved. The figures of online shopping fraud cases received by the Police in the past three years are set out at Table 2. The Police do not maintain prosecution and conviction figures for online shopping fraud cases (Note 1).

(2) In criminal cases (including fraud cases) handled by the Police, upon handing down judgments, the court will issue orders to direct the handling of lost properties or cash involved which were seized by the Police as exhibits during the investigation. If the court is satisfied that an exhibit belongs solely to a particular victim, it may issue an order for its return. In addition, if a bank account is found to be used for handling criminal proceeds, the Police will, where appropriate, request the bank to freeze the relevant suspicious assets. During such period, the victim may consider claiming compensation for the loss suffered through civil action. If necessary, the victim may obtain their documents relating to the case from the Police to take forward such procedures.

On the other hand, under section 36 of the Trade Descriptions Ordinance (Cap. 362) (the Ordinance), aggrieved consumers may institute civil claim for damages if they have suffered loss or damages due to conduct directed to them which constitutes a fair trading offence (Note 2). Separately, under section 18A of the Ordinance, where a person is convicted of any of the fair trading offences, the court may order the convicted person to compensate any person for the financial loss resulting from the offence.

(3) Consumers who have disputes with online traders may seek assistance from the Consumer Council. The Consumer Council acts as a conciliator in handling disputes between consumers and traders. It assists traders and complainants to resolve their disputes, for example, by trying to contact the traders with a view to helping both parties develop mutually acceptable agreements. In cases that involve suspected illegal conduct, the Consumer Council will refer the cases to law enforcement authorities for follow-up.

(4) In handling cases of online fraud, if the Police needs to conduct investigation or adduce evidence in respect of incidents which took place outside Hong Kong, the Police will exchange intelligence and seek co-operation with relevant law enforcement agencies outside Hong Kong, and the Interpol. Besides, if local or websites outside Hong Kong are found to be conducting illegal activities, C&ED may demand such websites to remove the relevant contents or links. Depending on the need and circumstances, joint operations with enforcement agencies outside Hong Kong may also be conducted.

(5) The Police are committed to combating technology crimes (including online shopping frauds). Since 2012, the Police have put "combating technology crime" as one of the Commissioner of Police's Operational Priorities, and have been enhancing their technology, equipment and resources input in this regard. In July 2017, an enforcement action codenamed "Operation DRUMSKY" was launched to combat online shopping frauds, in which 30 persons were arrested and 162 cases and loss of about HK\$890,000 were involved. In addition, C&ED attaches great importance to protecting consumer rights. C&ED will monitor different types of illegal online activities by using advanced tools for evidence collection and investigation, and initiate appropriate follow-up actions and prosecutions on complaints received.

Apart from proactive law enforcement, publicity and education are equally important in protecting consumer rights. In the study report on online shopping published by the Consumer Council in 2016, the Council reminds consumers that as online shopping becomes increasingly popular, they should be aware of some common problems associated with it. The report also gives a number of recommendations to traders, encouraging them to strictly comply with the law, adopt good business practices and enhance customer service. The "CHOICE" Magazine published by the Consumer Council has in recent years featured a good number of articles on the subject of online shopping, including giving tips to consumers on what they should pay attention to when making a purchase online by "cash on delivery" in the March 2018 issue. C&ED also reminds consumers from time to time to stay vigilant when shopping online and procure products from reputable traders. They should not trust advertisements at suspicious websites or social networking platforms easily, and should examine goods when accepting delivery to avoid incurring losses.

On the other hand, the Police's Commercial Crime Bureau established the Anti-Deception Coordination Centre in July 2017 to reinforce the combat against deception cases and raise the public's anti-deception awareness. Its major duties include monitoring and analysing the trends of deception cases, with a view to formulating and implementing combating strategies; co-

ordinating anti-deception publicity work; setting up a 24-hour hotline "Anti-Scam Helpline 18222" to facilitate public enquiries and provide timely assistance; and expediting the investigation of similar deception cases and minimising the loss of victims. The Police will regularly produce short videos and anti-crime information, as well as advise the public of the latest modus operandi of fraudsters through the Police's electronic platforms, including YouTube, the Hong Kong Police Mobile Application, the Police website, the Police Facebook page and the "Fight Scams Together" scam prevention information platform. The Police also disseminate anti-crime messages to the public through Police Magazine and traditional media (i.e. television, radio and newspapers).

(6) OGCI0 attaches great importance to cyber security education and protection, and has been paying close attention to information security threat intelligence, including information circulated in the "dark web". That Office has not received any report so far regarding customer data of online shopping platforms being circulated in the "dark web". It will continue to work with the Hong Kong Computer Emergency Response Team Co-ordination Centre to constantly remind businesses and the public to stay vigilant, adopt suitable security measures on their computers and use Internet services safely, in order to protect personal information and guard against cyber attacks. Separately, the Office of the Privacy Commissioner for Personal Data (PCPD) has not received relevant reports either. PCPD from time to time issues or revises Codes of Practice and Guidances, such as the "Guidance for Data Users on the Collection and Use of Personal Data through the Internet" and "Protecting Privacy – Using Computers and the Internet Wisely", so as to assist data users of various trades to understand the requirements they must comply with in the online collection and use of personal data, and to remind the public to protect their personal data when using the Internet.

The Police have also been monitoring different types of alleged illegal acts on the web (including the "dark web") and will take appropriate actions in light of the circumstances. Thus far, the Police have not received relevant reports related to customer data of online shopping platforms being circulated in the "dark web". From time to time, the Police would remind the public to be vigilant when conducting online transactions, for example to patronise businesses with good reputation. Members of the public who suspect unauthorised use of their credit cards or leakage of relevant information should report to the Police as soon as practicable.

Note 1: Currently, as a general practice, prosecution and conviction statistics are only compiled in respect of offences in the law (e.g. "obtaining property by deception" or "theft") but not specific cases. Since a particular case could involve various offences in the law (e.g. online shopping fraud cases may involve "obtaining property by deception" or "dealing with property known or believed to represent proceeds of indictable offence", etc), prosecution and conviction statistics by case nature cannot be provided.

Note 2: The Ordinance prohibits specified unfair trade practices deployed by

traders against consumers, including false trade descriptions, misleading omissions, aggressive commercial practices, bait advertising, bait-and-switch and wrongly accepting payment.

LC: CS presents Government Minute in response to Report of Public Accounts Committee No. 69

Following is the speech (translated from Chinese) by the Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, in presenting the Government Minute in response to the Report of the Public Accounts Committee No. 69 in the Legislative Council today (May 16):

President,

Laid on the table today is the Government Minute (GM) responding to Report No. 69 of the Public Accounts Committee (PAC).

I welcome the submission of Report No. 69 by the Chairman of PAC to the Legislative Council on February 7, which embodies a conclusion of and recommendations on the chapter of "Procurement and maintenance of government vessels" in the Director of Audit's Report. I am also grateful for the time and effort that the Chairman and Members of PAC devoted to investigating this subject.

There had been some inadequacies in the Marine Department's (MD) procurement of government vessels before 2013. There has also been persistent manpower shortage in two professional grades of MD. We are pleased to note that the PAC Report recognises a series of reform measures implemented by MD in the Government Fleet Division (GFD) and the improvement measures and work adopted to resolve the manpower shortage problem of MD's professional grades in recent years.

We accept PAC's various recommendations and have set out in detail the specific responses of the Transport and Housing Bureau (THB) and MD in the GM. Today, I would like to highlight the key measures that the Government has taken to improve MD's work in procurement and maintenance of government vessels, including those implemented and the progress made.

In May 2013, the Government established the Steering Committee on Systemic Reform of the Marine Department (the Steering Committee) chaired by the Secretary for Transport and Housing, who personally steered and monitored MD in conducting the review and reform. The Steering Committee published its Final Report in April 2016, which recommended MD to replicate the good

practices introduced in certain divisions in other divisions of MD, notably GFD, to improve its operations and procedures. In this connection, MD's Task Force on Reform has been stepping up its efforts in reforming GFD since 2016, with a series of reform measures progressively implemented to further enhance the efficiency of GFD.

The slow progress in the procurement of government vessels during the period from 2010 to 2013 has led to the ageing of major vessels in the government fleet. MD has strengthened the management oversight of GFD since December 2015 to better monitor the implementation of various improvement measures. To expedite the procurement of government vessels, additional resources had been obtained for the Government New Construction Section to create time-limited posts for setting up two teams to clear procurement backlogs, and arrangement was made for the secondment of two Supplies Officer grade officers with rich procurement experience from the Government Logistics Department to assist professional grade staff in MD in vessel procurement.

The reform measures of GFD have started to deliver results. For instance, as compared with only two to three tenders each year before 2016, MD has expedited vessel procurement with a total of 15 tenders issued involving 63 government vessels for six departments between 2016 and 2017.

For government vessels which have reached their reference serviceable lifespan but are still in operation, MD has strengthened the inspection and maintenance work for the hull, machineries and equipment of the vessels during maintenance services to ensure that the vessels are safe and efficient to operate.

In improving the management of maintenance materials in the Government Dockyard, MD has completed the review on over 2 000 items without movement for more than 20 years and is now reviewing the items without movement for less than 20 years. The disposal of obsolete/dormant items, in accordance with the procedures stipulated in Stores and Procurement Regulations (including commercial disposal or dumping, etc.), has been conducted in phases following the review. MD is also proceeding with the enhancement of the Government Fleet Information System with a view to strengthening its analytical capacity and management reporting functions to facilitate the stock management of the Government Dockyard.

On the issue of manpower shortage of the professional grades staff in MD, the Administration is pleased to note that the Standing Commission on Civil Service Salaries and Conditions of Service has completed a grade structure review (GSR) for the two professional grades of MD, i.e. the Marine Officer and Surveyor of Ships grades, and will seek the approval of the Finance Committee (FC) of LegCo soon. Subject to the approval of FC, we will implement the recommendations of the GSR as soon as possible to resolve the manpower shortage and succession problems of the two grades in the long run.

THB will continue to perform the duties of a policy bureau. Through regular meetings with the senior management of MD, THB will closely monitor the Department's overall work performance and progress on various issues and,

as and when necessary, discuss with MD the issues requiring the Bureau's attention and provide policy steer and guidance. Moreover, THB also maintains ongoing daily communications with MD on different issues requiring policy inputs, and arranges visits to the facilities and offices of MD by the senior management of the Bureau from time to time to gain a more comprehensive understanding of the issues MD is facing at the operational level, so as to enable THB to formulate policies in a timely and effective manner. Other than these, THB will assess and monitor the performance of MD in various aspects with reference to certain indicators developed and adopted, and in case a target is not met or when the performance has deteriorated, examine the issues and reasons with MD, keep in view the ongoing development of these matters as well as consider whether further steer and guidance from the Bureau is necessary.

The Government also attaches great importance to the manpower training of the maritime sector. In April 2014, \$100 million was established to set up the Maritime and Aviation Training Fund (MATF), which aims to attract and encourage young people and in-service practitioners to receive aviation and maritime education and training, thereby enhancing the overall competitiveness and the professional standards of the industries. As at end-2017, 12 maritime-related training subsidy and incentive schemes were implemented under MATF, benefitting over 2 780 students and maritime practitioners and involving an amount of \$31 million. Furthermore, the Manpower Development Committee (MDC) has also been set up under the Hong Kong Maritime and Port Board since the Board's inception in April 2016 with a view to facilitating the formulation of manpower development strategies. In summary, in response to the manpower shortage problem faced by the industry, THB will continue to work closely with MDC, industry stakeholders and relevant education institutions to explore and devise new measures or enhancements to the existing initiatives under MATF. Besides, THB would embark on a review of the overall implementation and effectiveness of MATF, with a view to mapping out its way forward.

President, I would like to thank the Chairman and all Members of PAC again for their efforts and guidance. THB and MD will strictly follow their responses in the GM and implement improvement measures in a timely manner in order to enhance the overall service quality of the government fleet.

Thank you, President.