

LCQ11: Assisting small and medium-sized law firms in applying technologies

Following is a question by the Hon Maggie Chan and a written reply by the Secretary for Innovation, Technology and Industry, Professor Sun Dong, in the Legislative Council today (November 15):

Question:

There are views pointing out that although the Technology Voucher Programme (the Programme) is applicable to the legal sector, its effect on small and medium-sized law firms is limited because their applications for using technology vouchers to purchase hardware equipment are subject to certain conditions, and they cannot meet the application requirements of technology vouchers due to the greater costs of hardware equipment (which are often more than 50 per cent of project costs). In this connection, will the Government inform this Council:

(1) whether it will set up a dedicated scheme under the Programme to support small and medium-sized law firms in using the Judiciary's integrated Court Case Management System and other electronic technologies, with specific measures including relaxing the conditions for purchasing hardware equipment, expanding the scope of hardware equipment covered by technology vouchers (to, for example, cover small hardware equipment used by small and medium enterprises (SMEs) including small and medium-sized law firms), and allowing applicants to purchase hardware equipment directly without the need to purchase supporting software; if so, of the details; if not, the reasons for that; and

(2) whether it will provide SMEs including small and medium-sized law firms with cybersecurity defence equipment dedicated to their use under the Programme to assist them in protecting data; if so, of the details?

Reply:

President,

The Technology Voucher Programme (TVP) under the Innovation and Technology Fund was launched in 2016 to subsidise local enterprises/organisations in using technological services and solutions to improve productivity, or upgrade or transform their business processes with a view to enhancing their long-term competitiveness. At present, TVP provides funding support for up to three-quarters of the cost of each project, with a cumulative funding ceiling of \$600,000 for each enterprise/organisation. As at end-September 2023, 28 189 applications were approved under TVP, involving total funding commitment of around \$4.93 billion. Having coordinated information from the relevant parties, our consolidated reply to various

parts of the question is as follows:

TVP welcomes applications from enterprises/organisations from all industries. Since the launch of TVP, a total of 1 064 applications were received from enterprises of the professional services sector (including legal and accounting services), out of which 921 were approved, involving total funding commitment of up to \$145 million. There was a law firm which made use of TVP to install a document management system to digitise documents and file client emails automatically, thereby improving the efficiency of document searching and filing. There was also a law firm which set up an appointment scheduling system that enabled clients to check the availability of appointment time and make appointments online, reducing workload of staff and avoiding manual error in making more than one appointment for the same slot in the past.

TVP does not have pre-defined eligible types of technological services. Cybersecurity solution is among the list of typical technological services and/or solutions for reference by applicants in the TVP Guidance Notes for Applications. There are applicants who used TVP to customise software and upgrade cybersecurity system of the enterprise to protect customer privacy. Eligible applications will be considered by the TVP Committee.

TVP funding can be used to cover technology consultancy services, purchase, rental or subscription of equipment/hardware, software and technological services or solutions that are part of the project. We hope to encourage enterprises/organisations to review their businesses and adopt suitable technology to tackle business-related challenges, thereby improving productivity or upgrade or transform their business processes, instead of solely procuring off-the-shelf technological products or services. However, we are aware that technological services and solutions will inevitably involve some ready-made elements that are at the same time an essential part of the project. Balancing the considerations above, off-the-shelf/readily available items are generally allowed to constitute up to 50 per cent of the total project cost.

All along, the Innovation and Technology Commission values the industry's opinion on TVP, and conducts timely reviews of the funding arrangements and introduces enhancement measures to encourage and facilitate utilisation of TVP by the industry. TVP, through providing funding support, has been effectively facilitating the adoption of technological services and solutions by various industries to improve productivity, or upgrade or transform business processes and is well-received. We have no plan to introduce a dedicated funding programme for individual sector.

Meanwhile, to facilitate all court users (including the legal practitioners) to handle court documents electronically, it is the intention of the Judiciary that no special digital support facility is required for the use of the integrated Court Case Management System (iCMS). iCMS can be accessed using personal computers or mobile devices with internet connection, commonly used operating systems and browsers. Relevant technical requirements are available at www.judiciary.hk/doc/en/e_courts/AI_TechReq_iCMS_e.pdf.

LCQ2: Protection of occupational safety and health

Following is a question by the Hon Adrian Ho and a reply by the Secretary for Labour and Welfare, Mr Chris Sun, in the Legislative Council today (November 15):

Question:

While the Government amended the legislation in April this year to increase the penalties for occupational safety and health (OSH) offences, fatal industrial accidents still occurred successively in recent months, leading to queries from some members of the public about the existing regime being inadequate in protecting OSH and ineffective in terms of monitoring. In this connection, will the Government inform this Council:

(1) as there are views that the weak management culture of various stakeholders at construction sites has rendered them unable to properly fulfil their responsibilities to safeguard construction site safety, whether the authorities have plans to further amend the legislation to clarify the responsibilities of site owners and various stakeholders, so as to enhance the commitment of site owners to their responsibility for safeguarding construction site safety, thereby enhancing the overall monitoring of the day-to-day operations of construction sites;

(2) as it is learnt that under the existing mechanism, the authorities may take disciplinary actions against contractors involved in criminal prosecutions only after the conclusion of the cases, whether the authorities will revise the approach, such as instituting prosecutions and initiating studies on disciplinary proceedings simultaneously, so as to enhance the efficiency of case handling and minimise the chance for contractors to evade criminal liabilities; and

(3) whether the Government will set an example by taking the lead to step up regulation and law enforcement in respect of the safety of construction sites of the Government and public organisations, as well as promote the review of construction site safety and improve the tendering system on a pilot basis; if so, of the details; if not, the reasons for that?

Reply:

President,

The Labour Department (LD) has all along been attaching great importance to industrial safety, especially the occupational safety and health (OSH) of construction workers. Pursuant to the risk-based principle, the LD has been

formulating and refining the strategies of inspection and enforcement, publicity and promotion, as well as education and training to enhance the OSH level. At the same time, the Development Bureau (DEVB) and the Works Departments under its purview have put great emphasis on the safety supervision of government sites and have adopted a number of initiatives to enhance site safety.

Having consulted the DEVB, my consolidated reply to the questions raised by the Hon Adrian Ho is as follows:

(1) The Occupational Safety and Occupational Health Legislation (Miscellaneous Amendments) Ordinance 2023 (the Ordinance) came into effect on April 28, 2023, after the third reading and passage of the relevant Bill by the Legislative Council on April 19, 2023.

According to current legislation, with regard to extremely serious cases, the LD may take out prosecutions by invoking the "employer general duty" provisions as "indictable offence", and the maximum fines and imprisonment terms have been pitched at \$10 million and two years respectively. The maximum fines for other summary offences have also been adjusted according to their seriousness so as to raise the penalties for OSH offences in general.

The Government will enhance publicity so that the industries and the public understand the new penalties of OSH offences. In addition, the LD will continue to co-operate closely with the Department of Justice to ensure that evidence collection and prosecution work will be properly and effectively done, with a view to striving for sentences to be handed down by the courts with stronger deterring effect that are commensurate with the seriousness of the offences.

The current OSH legislation already covers a variety of duty holders, such as site occupiers, main contractors, sub-contractors, employers and employees, etc, which clearly states the liability of different stakeholders. Therefore, it is not necessary to make further amendments to the OSH legislation for clarifying the responsibilities of site owners and all duty holders.

As a matter of fact, raising the penalties is only one of the strategies to improve the OSH performance of Hong Kong. Many Members pointed out that the said amendments to the Ordinance mark a new starting point instead of an end point. I completely concur with their views. To promote the OSH culture and reduce accidents, the LD will continue to adopt a multi-pronged approach, based on the risk-based principle and keeping close tabs on the OSH risk levels of various industries and the changes, to formulate and adjust the strategies of inspection and enforcement, publicity and promotion, as well as education and training in a timely manner.

(2) As regards private development projects, since end-2022 the Buildings Department (BD) has enhanced the procedures to strengthen the regulation of registered contractors (RC). If an RC is involved in a fatal incident related

to building works, the application for renewal of registration will be referred to the Contractors Registration Committee (CRC) for interview and assessment even if the RC has not yet been convicted. The contractor whose renewal application was rejected by the BD recently was processed in accordance with this arrangement.

To empower the BD to take enforcement actions more effectively so as to enhance the safety of building works, the Government will conduct a review of the Buildings Ordinance in the coming year and put forth amendment proposals. The scope of the review includes streamlining the procedures for making referrals to the disciplinary board, in particular how to expedite the processing of cases and to explore the feasibility of undertaking prosecution and disciplinary actions in parallel. The review will also consider increasing disciplinary penalties (e.g. duration of suspension, level of fines and terms of reprimand, etc.).

(3) The DEVB regulates contractors on the "List of Approved Contractors for Public Works" or "List of Approved Suppliers of Materials and Specialist Contractors for Public Works" ("Approved Lists") who have involved in serious incidents all along, regardless of whether the criminal proceedings have been completed or not. The DEVB will take regulating actions against those contractors as soon as possible, including suspension from tendering for public works contracts and even removal from the "Approved Lists".

In November 2022 and July 2023, the DEVB has successively enhanced the regulating regime, including:

(a) when a contractor in the "Approved Lists" is involved in a serious incident, the DEVB will immediately suspend the contractor from tendering for public works contracts in the relevant works category or categories for at least three months and request the contractor to conduct an independent safety audit;

(b) if the cause of a serious incident is due to a "systemic" deficiency in the contractor's safety management system, the regulating action against the contractor will also be extended to other relevant works categories in the "Approved Lists"; and

(c) as for the regulating action to suspend a contractor from tendering for public works contracts, it is not only confined to not accepting new tender submissions during the suspension period, but also extended to not accepting tenders which were submitted before.

On the tendering system of public works contracts, relevant departments do not adopt "the lowest bid wins" as the principle of tender assessment. Apart from considering the tender price, departments also consider the tenderer's technical capabilities and past performance, in which site safety is an important consideration. Assessment related to site safety contributes to about 30 per cent of the overall technical score. In order to further enhance contractors' awareness on site safety, the DEVB has introduced in this month a new tender evaluation mechanism to deduct the site safety related technical score of a contractor who has involved in a serious

incident, although the incident did not occur in a public works site.

Regarding the enforcement of OSH legislation, the LD impartially upholds the same rigorous regulatory standards regardless the construction sites are under the Government, public organisations or private companies.

Remand person in custody escapes at hospital

â€A remand person in custody of Lai Chi Kok Reception Centre escaped at Queen Elizabeth Hospital (QEH) yesterday (November 14).

On November 10, the 27-year-old male remand person in custody was referred and admitted to QEH for treatment and hospitalisation due to physical discomfort. At about 10.57pm yesterday, he suddenly escaped from the handcuffs tied to the bed and ran away. An officer at the scene instantly ordered him to stop, mounted the chase and called for reinforcement. Soon afterwards, the remand person in custody was recaptured by the correctional officer near QEH.

The case has been reported to the Police. The Correctional Services Department has also appointed a board of enquiry to conduct a thorough investigation of the incident.

The person in custody was remanded for the offence of burglary in July 2023.

Trade consultation on proposed amendments to Buildings Energy Efficiency Ordinance launched

As stated by the Environment and Ecology Bureau (EEB), the Electrical and Mechanical Services Department (EMSD) today (November 15) launched a two-month trade consultation on the proposal to amend the Buildings Energy Efficiency Ordinance (Cap. 610) (BEE0) to strengthen the energy efficiency of buildings and promote decarbonisation in Hong Kong. The trade consultation will end on January 15, 2024.

To enhance promotion of energy saving and decarbonisation in buildings,

"The Chief Executive's 2023 Policy Address" announced that the Government would consult the trade by end-2023 on the proposal of amending the Buildings Energy Efficiency Ordinance, including extending the scope of regulation to more types of buildings, mandating the disclosure of information related to energy audit reports and shortening the interval of energy audits, with the target of finalising the proposed amendments and commencing the legislative work within 2024.

A spokesperson for the EEB said, "Buildings account for 90 per cent of Hong Kong's electricity consumption, and over 50 per cent of our carbon emission is attributable to generating electricity for our buildings. Improving the energy efficiency of buildings will reduce the demand for power consumption and generation, which will not only reduce carbon emissions, but also lessen the financial burden on the public for the increased use of clean fuels for electricity generation. Through the legislative amendment, more buildings will enhance their energy efficiency, and further promote energy saving and decarbonisation."

To prepare for the legislative amendments to the BEE0, the EMSD is consulting representatives of the trades concerned, professional bodies and relevant stakeholders. The EMSD also welcomes views from other sectors on the proposal. The consultation document is available for viewing and downloading on the EMSD's website (www.emsd.gov.hk/beeo/en/pee/BEE0_consult_2023_eng.pdf).

Relevant views may be submitted to the EMSD by post (Energy Efficiency Office, Electrical and Mechanical Services Department, 3 Kai Shing Street, Kowloon Bay, Hong Kong), email (beeo-consultation@emsd.gov.hk) or fax (2890 6081).

LCQ8: Youth Hostel Scheme

Following is a question by the Hon Benson Luk and a written reply by the Secretary for Home and Youth Affairs, Miss Alice Mak, in the Legislative Council today (November 15):

Question:

In the 2022 Policy Address, the Chief Executive proposed to expand the Youth Hostel Scheme (YHS) by subsidising non-governmental organisations to rent suitable hotels and guesthouses for use as youth hostels (i.e. the Subsidy Scheme for Using Hotels and Guesthouses as Youth Hostels (Subsidy Scheme)), with the target of providing about 3 000 additional hostel places within five years. However, the data released by the Home and Youth Affairs Bureau show that as at July 20 this year, the number of hostel places provided by the projects approved under the Subsidy Scheme was 478,

accounting for less than one sixth of the target number under the Subsidy Scheme. In this connection, will the Government inform this Council:

(1) of the latest progress of YHS and the Subsidy Scheme, including but not limited to: (i) the number of hostel places supplied, (ii) the number of hostel places to be supplied under the projects being vetted, (iii) the number of applicants for the projects launched, (iv) the number of successful applicants, (v) the number of tenants already living in the hostels, (vi) the term of residence of hostel tenants, and (vii) the number of tenants who have surrendered their tenancy (set out in a table);

(2) of the number of organisations with which the authorities are negotiating for the supply of hostel places, as well as the approximate number of hostel places involved;

(3) given that the Government obtained approval from the Finance Committee of this Council at the end of last year for the creation of a new non-recurrent commitment of \$1 billion to implement the Subsidy Scheme, of the remaining amount of such funding at present; and

(4) whether it has plans to assist young people whose youth hostel tenancy will soon expire in bridging over to the existing housing ladder; if so, of the details; if not, the reasons for that?

Reply:

President,

After consulting the Development Bureau and the Housing Bureau, a consolidated reply to the various parts of the question raised by the Hon Benson Luk is provided as follows:

(1) to (3) Youth Hostel Scheme (YHS) is an important youth development initiative. Apart from providing a relatively stable and long-term housing option for young people to meet their aspirations of having their own living space, the young people could also benefit from the various support and training activities provided by the non-governmental organisations (NGOs) operating the youth hostels. The Home and Youth Affairs Bureau (HYAB) has been proactively implementing the YHS through a multi-pronged approach. In addition to fully funding NGOs to construct youth hostels on under-utilised sites, the HYAB obtained the funding approval of \$1 billion from the Finance Committee in late 2022 to launch the Subsidy Scheme for Using Hotels and Guesthouses as Youth Hostels (Subsidy Scheme). Furthermore, the Government has identified a site at Tung Chung East and plans for its launch on a pilot basis under the Land Sale Programme, requiring the developer to construct a number of youth hostel units as designated by the Government in addition to private residential units.

There are currently seven youth hostel projects whose construction costs are fully funded by the Government. The first youth hostel providing 80 hostel places has commenced operation by the Hong Kong Federation of Youth Groups upon completion in 2020, while the second youth hostel providing 1 680

hostel places, which is the largest youth hostel in Hong Kong, has started operation by the Po Leung Kuk upon completion in March this year. The two completed projects already account for half of the total provision of 3 400 hostel places under all the seven YHS projects at present. Our target is to complete three more projects to further provide about 1 000 additional hostel places within the current-term Government.

Since the launch of the Subsidy Scheme in early 2023, three projects located in the Hong Kong Island, Kowloon and the New Territories have been approved, offering about 480 hostel places. Our target is to provide about 3 000 hostel places within five years.

Four out of the five operating youth hostels as mentioned above have commenced operation in or after the second quarter of this year. Most of the NGOs running youth hostels are recruiting youth tenants and making move-in arrangements as planned. In general, the first tenancy of the relevant youth hostels should be for a term of not less than two years, which may be renewed upon expiry but the aggregate tenancy period shall not exceed five years. The latest development and relevant information of the concerned youth hostel projects are at Annex.

NGOs operate the youth hostels on a self-financing basis. NGOs under the Subsidy Scheme use the subsidies from the scheme and the rents collected from the youth tenants as their major sources of income to pay off the rent payable to the hotel or guesthouse owners, their own administrative expenses and other expenditures, etc. Since the full resumption of normal travel with the Mainland and the international community, there has been an increasing demand for hotels and guesthouses by visitors to Hong Kong, as compared to the time during the pandemic. In view of the improving operating environment of the hotels and guesthouses, NGOs have encountered greater challenges when negotiating the terms of collaboration with individual hotels and guesthouses, as compared to the period during the pandemic. However, we note that there are hotels and guesthouses which are still willing to fulfil their social responsibilities and responding to the Government's appeal to support youth development through the tripartite collaboration among the Government, business sector and community, and expressing interest in offering rooms to take part in the Subsidy Scheme. The HYAB will continue to proactively communicate with NGOs and relevant stakeholders for implementing the Subsidy Scheme. We will announce the details of new approved project as soon as possible.

As the software and hardware of each project under the Subsidy Scheme differ and the subsidy amount involves sensitive market information, it is not appropriate to disclose the financial details of individual projects.

(4) Other than providing affordable rental housing to low-income persons with housing needs, the Government has been sparing no efforts in identifying land for housing construction and enriching the housing ladder, including revising the pricing policy of the Home Ownership Scheme (HOS) so that HOS price is delinked from private market, making the flats more affordable; launching Starter Homes for Hong Kong Residents (Starter Homes) projects; and regularising Green Form Subsidised Home Ownership Scheme and White Form

Secondary Market Scheme (WSM), so as to provide more opportunities for the youth to purchase subsidised sale flats (SSFs). In fact, among the buyers of SSFs, youth aged 40 or below has been taking up a significant proportion. For example, almost half of the applicants who successfully purchased first-hand HOS flats are youth aged 40 or below; in addition, three quarters of WSM buyers are aged 40 or below. In terms of Starter Homes, more than 85 per cent of those who have applied for purchasing Starter Homes flats were youth aged 40 or below.

The Chief Executive announced in 2023 Policy Address that the Hong Kong Housing Authority (HA) would relax the arrangements on mortgage default guarantee for SSFs, including extending the maximum mortgage default guarantee period of the second-hand market from 30 years to 50 years to allow purchasers to have mortgage loans of longer tenor, so that there would be more flats circulating in the market, increasing the home ownership opportunities for young families. Furthermore, to support families with newborns, the HA will introduce "Families with Newborns Flat Selection Priority Scheme" and "Families with Newborns Allocation Priority Scheme", so as to increase the chance for families with newborns to successfully purchase SSFs and expedite the process of their public rental housing applications respectively. These relevant measures will all help address the housing needs of young people.

We are working in full steam to increase public housing supply by enhancing quantity, speed, efficiency and quality. With an increase in SSFs, we can address the home ownership aspirations of more young families.