

**Sha Tin District Council**  
**Minutes of the 2<sup>nd</sup> Meeting of**  
**the Development and Housing Committee in 2018**

Date : 8 March 2018 (Thursday)  
Time : 2:30 pm  
Venue : Sha Tin District Council Conference Room  
4/F, Sha Tin Government Offices

<b><u>Present</u></b>	<b><u>Title</u></b>	<b><u>Time of joining the meeting</u></b>	<b><u>Time of leaving the meeting</u></b>
Ms PONG Scarlett Oi-lan, BBS, JP (Chairman)	DC Member	2:30 pm	4:25 pm
Mr SIU Hin-hong (Vice-Chairman)	"	2:30 pm	7:37 pm
Mr HO Hau-cheung, SBS, MH	DC Chairman	2:30 pm	6:26 pm
Mr CHAN Billy Shiu-yeung	DC Member	2:34 pm	6:03 pm
Mr CHAN Kwok-keung, James	"	2:49 pm	4:00 pm
Ms CHAN Man-kuen	"	2:30 pm	7:37 pm
Mr CHAN Nok-hang	"	4:17 pm	6:03 pm
Mr CHENG Tsuk-man	"	2:47 pm	6:42 pm
Mr CHING Cheung-ying, MH	"	2:30 pm	7:37 pm
Mr CHIU Chu-pong, Sunny	"	2:34 pm	4:37 pm
Mr CHIU Man-leong	"	2:30 pm	7:05 pm
Mr HUI Yui-yu, Rick	"	2:30 pm	7:30 pm
Mr LAI Tsz-yan	"	2:56 pm	7:37 pm
Ms LAM Chung-yan	"	2:34 pm	4:40 pm
Mr LEE Chi-Wing, Alvin	"	5:17 pm	7:04 pm
Mr LEUNG Ka-fai, Victor	"	3:06 pm	4:17 pm
Mr LI Sai-hung	"	2:39 pm	7:37 pm
Mr LI Sai-wing	"	2:43 pm	3:40 pm
Mr LI Wing-shing, Wilson	"	2:30 pm	7:23 pm
Mr MOK Kam-kwai, BBS	"	2:30 pm	4:27 pm
Mr NG Kam-hung	"	2:30 pm	6:36 pm
Mr PUN Kwok-shan, MH	"	2:30 pm	5:30 pm
Mr TING Tsz-yuen	"	2:30 pm	6:30 pm
Mr TONG Hok-leung	"	2:30 pm	5:57 pm
Ms TUNG Kin-lei	"	2:30 pm	7:37 pm
Mr WAI Hing-cheung	"	2:30 pm	6:41 pm
Mr WONG Fu-sang, Tiger	"	2:30 pm	6:31 pm
Mr WONG Hok-lai	"	2:57 pm	7:37 pm
Mr WONG Ka-wing, MH	"	2:30 pm	3:50 pm
Ms WONG Ping-fan, Iris	"	2:30 pm	6:24 pm
Mr WONG Yue-hon	"	2:30 pm	7:37 pm
Mr YAU Man-chun	"	2:37 pm	3:55 pm
Mr YIP Wing	"	2:30 pm	7:37 pm
Mr YIU Ka-chun	"	2:37 pm	7:37 pm
Ms YUE Shin-man	"	2:47 pm	5:10 pm
Mr YUNG Ming-chau, Michael	"	2:45 pm	7:37 pm
Ms TSANG Yin-kiu, Ellen (Secretary)	Executive Officer (District Council) 3, Sha Tin District Office		

**In Attendance**

Mr WONG Tin-pui, Simon  
Mr YUEN Chun-kit, Derek

Mr TSAI Yu-sing, Eric

Ms NGO Po-ling

Mr LAU Chun-him, Kenny

Mr WOO Tim

**Title**

Assistant District Officer (Sha Tin)  
Senior Executive Officer (District Council),  
Sha Tin District Office  
District Environmental Hygiene Superintendent (Sha Tin),  
Food and Environmental Hygiene Department  
Senior Housing Manager (Tai Po, North and Sha Tin 1),  
Housing Department  
Senior Town Planner/Shah Tin,  
Planning Department  
Senior Estate Surveyor/South East (District Lands Office, Sha Tin),  
Lands Department

**In Attendance by Invitation**

Mr LAM Shing-fung, Billy

Ms HUI Ching-chi, Elaine

Ms LAI Yuen-shan, Helen

Mr LO Tsz-him, Andrew

Mr WONG Wing-tat, Matthew

Mr YEUNG King-hang, Kingsley

Mr SIN Kwok-kei

Mr WONG Yik-kwan, John

Mr LEE Wai-fung

Mr YU Ka-kee

Mr WU Wai-hung

Mr HUNG Tze-kwan

**Title**

Assistant Secretary (Communications and Creative Industries) A1,  
Commerce and Economic Development Bureau  
Assistant Director (Market and Competition),  
Office of the Communications Authority  
Head of Market and Competition 1,  
Office of the Communications Authority  
Senior Regulatory Affairs Manager (Market and Competition 13),  
Office of the Communications Authority  
Regulatory Affairs Manager (Market and Competition 13) 2,  
Office of the Communications Authority  
Head of Market and Competition 2,  
Office of the Communications Authority  
Senior Telecommunications Engineer (Regulatory 12),  
Office of the Communications Authority  
Regulatory Affairs Manager (Market and Competition 21) 1,  
Office of the Communications Authority  
Senior Manager (Building Rehabilitation),  
Urban Renewal Authority  
Senior Community Development Manager,  
Urban Renewal Authority  
Assistant Divisional Officer,  
Fire Services Department  
Senior Station Officer,  
Fire Services Department

**Absent**

Mr PANG Cheung-wai, Thomas, SBS, JP

Mr MAK Yun-pui

Ms TSANG So-lai

**Title**

DC Vice-Chairman (Application for leave of absence received)  
DC Member ( " )  
" (No application for leave of absence received)

**Action**

The Chairman welcomed members and representatives of government departments to the second meeting of the Development and Housing Committee (DHC) of the year.

2. The Chairman pointed out that it was Women's Day and she wished everyone, especially the ladies, good health and happiness. She said she had received two petition letters before the meeting and would follow up on them.

**Applications for Leave of Absence**

3. The Chairman said that the Secretariat had received the applications for leave of absence in writing from the following members:

Mr Thomas PANG	Attendance at another meeting / an activity of an organisation under the Mainland Government
Mr Alvin LEE	Official commitment
Mr MAK Yun-pui	”

4. Members unanimously approved the applications for leave of absence submitted by the members above.

**Confirmation of the Minutes of the Meeting Held on 4 January 2018**

5. Members unanimously confirmed the above minutes of the meeting.

**Discussion Items**

Proposed Estimates under Expenditure Head 2 of 2018/2019  
(Paper No. DH 10/2018)

6. Members unanimously endorsed the above paper.

Subsidy Scheme to Extend Optical Fibre Networks to Villages in Remote Areas in the New Territories and on Outlying Islands  
(Paper No. DH 11/2018)

7. The Chairman welcomed the following government representatives to the meeting: Mr Billy LAM, Assistant Secretary (Communications and Creative Industries) A1 of the Commerce and Economic Development Bureau (CEDB), Ms Elaine HUI, Assistant Director (Market and Competition), Ms Helen LAI, Head of Market and Competition 1, Mr Andrew LO, Senior Regulatory Affairs Manager (Market and Competition 13) and Mr Matthew WONG, Regulatory Affairs Manager (Market and Competition 13) 2 of the Office of the Communications Authority (OFCA).

8. Ms Elaine HUI pointed out that after the Chief Executive put forward the Subsidy Scheme to Extend Optical Fibre Networks to Villages in Remote Areas in the New Territories and on Outlying Islands (the Subsidy Scheme) in the 2017 Policy Address, the CEDB and the OFCA had started preparatory work and briefed the Chairmen and Vice-Chairmen of the 18 District Councils in February. The OFCA would like to brief the DHC members of the Sha Tin District Council (STDC) on the Subsidy Scheme and consult members on the proposed list of villages in the Sha Tin District to be covered by the scheme.

9. Ms Helen LAI briefly introduced the contents of the paper.

10. The views of Mr WONG Yue-hon were summarised below:

- (a) some villages were even more remote than the 30 villages on the proposed

list, such as Yau Oi Village and Pak Tin Village. But they were not included in the Subsidy Scheme. In those villages, even mobile phone signals could not be received. He asked whether the CEDB and the OFCA had decided to include the villages on the list into the Subsidy Scheme just because fixed network operators (FNOs) were willing to install optical fibre networks in those villages. He cited Yau Oi Village as an example, saying that the optical fibre network had reached the Lutheran Theological Seminary at Tao Fung Shan, but not the remaining parts of the road. He pointed out that although there were not many residents in Yau Oi Village, it was necessary to have fibre-based network coverage due to its remote location. Therefore, he opined that the Government should take the initiative to provide a list of villages to be included into the Subsidy Scheme;

- (b) he asked why some villages near those on the list were not included in the Subsidy Scheme. For example, Pai Tau Village was on the list under the Subsidy Scheme, but Sheung Wo Che and Ha Wo Che Villages were not. He pointed out that while some villages hoped to have optical fibre services, the related roll-out was difficult since titles to private roads were involved. He asked whether the CEDB and the OFCA would consider assisting the villages in other ways, such as providing other routes or arrangements for the roll-out of fibre-optic networks; and
- (c) he opined that it was necessary for the CEDB and the OFCA to know which villages were equipped with fibre-optic networks, and which did not and why. He also opined that it should be up to the CEDB and the OFCA to decide the necessity of roll-out for specific villages, instead of considering the economic incentives for FNOs.

11. The views of Mr MOK Kam-kwai were summarised below:

- (a) he opined that the CEDB and the OFCA could have collected related information more effectively if it had consulted the Sha Tin District Office (STDO) on the number of villages in the district. He pointed out that many villages on the list were only place names without any residents;
- (b) he opined that the CEDB and the OFCA had left ambiguities and made mistakes when collecting the information and preparing the paper. He challenged the credibility of the paper, and said he would have no confidence in the CEDB and the OFCA's implementation of the Subsidy Scheme in future;
- (c) he also pointed out that some villages, such as Tai Wai Village and Tin Sam Village, were located in the town centre, but the villagers were still using copper-based networks. He asked why the optical fibre network reached only the entrances to the villages but not further inside. He opined that the villagers failed to enjoy the services they deserved; and
- (d) he opined that the CEDB and the OFCA should correct and optimise the related paper and details of the Subsidy Schemes before conducting the consultation.

12. The views of Mr CHING Cheung-ying were summarised below:

- (a) he opined that the paper was sketchy and the method to select the 30 villages on the list lacked transparency. He asked why squatter huts, such as Sha Tin Tau New Village Area 6, were not included in the Subsidy Scheme. He requested that the CEDB and the OFCA make a list of villages with a broadband speed of at least 25 Mbps, so as to provide more comprehensive information for members' reference;
- (b) as for the form of subsidy, he opined that it would be more appropriate if the Government constructed fibre-based networks and leased them to FNOs. He was concerned that if such networks were built by FNOs, other operators would have to pay high rents to use the networks in future;
- (c) in addition, he opined that the charges by FNOs were capricious. They would often attract clients with low rates and then hike the prices substantially at renewal. Therefore, he opined that the CEDB and the OFCA should make a more detailed plan for future arrangements; and
- (d) he enquired about the budget for the Subsidy Scheme. He hoped that the CEDB and the OFCA could take all factors into consideration before consulting the STDC again.

13. The views of Mr Billy CHAN were summarised below:

- (a) he enquired about the criteria for the CEDB and the OFCA to select the 30 villages on the list. He asked whether they were included because FNOs wished so, and whether the STDO had been consulted. He pointed out that Sha Tin Wai Village and Tsang Tai Uk Village in his constituency were not included;
- (b) he pointed out that some FNOs in the market provided broadband services with speeds of up to 1 000 Mbps. He wondered why the broadband speed was only 25 Mbps under the Subsidy Scheme;
- (c) as the Subsidy Scheme consisted of six projects, he asked whether one supplier would be chosen for each project or whether a single supplier could be responsible for more than one project;
- (d) he asked how the CEDB and the OFCA could ensure that fibre-based networks built by some FNOs must be available for use by others. He pointed out that although there was competition in the market, there might be cases of price fixing as well. He asked how the CEDB and the OFCA would regulate the charges by FNOs or relevant service requirements;
- (e) the CEDB and the OFCA said that FNOs receiving subsidies would be required to open up at least half of the capacity of the newly built fibre-based networks for use by other FNOs free of charge. He asked how the CEDB and the OFCA would ensure FNOs would meet that requirement without violating the principle of "big market, small government"; and

- (f) he hoped that representatives of the CEDB and the OFCA could attend DHC meetings in future to provide further explanations on the Subsidy Scheme.

14. The views of Mr Tiger WONG were summarised below:

- (a) he questioned why the CEDB and the OFCA did not investigate the reasons behind the lack of fibre-based networks in the 30 villages on the list;
- (b) he hoped that the CEDB and the OFCA could further explain the details of the Subsidy Scheme, such as how many optical fibres would be included in a network and how many households an optical fibre would serve, how many households there were in the 30 villages on the list, and whether the Subsidy Scheme would cover broadband and television networks as well;
- (c) he pointed out that some contractors had been warned by the Lands Department (LandsD) due to construction problems. He asked the CEDB and the OFCA to pay attention in the tendering process; and
- (d) he enquired about the estimated amount of subsidies under the Scheme. In addition, he opined that the CEDB and the OFCA currently did not regulate the installation of networks by FNOs. The capacity of a duct was limited. However, FNOs often installed new lines without removing the old ones. As a result, ducts in public buildings were often crammed and failed to accommodate new lines.

15. The views of Mr Michael YUNG were summarised below:

- (a) he question why the paper did not specify the reason for not including Tai Shui Hang Village in the Subsidy Scheme. He wondered whether it was because there was already a fibre-based network in the village, or because it was technically infeasible. Besides, he pointed out that most village houses in Ma On Shan Village had been sold to property developers and only some squatter huts were left there. He wondered whether squatter residents would be prevented from using fibre-optic broadband services after the roll-out;
- (b) he opined that the CEDB and the OFCA should check with the STDO about the fibre optic networks in Sha Tin villages, and state clearly the availability of fibre-based networks and the broadband speeds in villages other than those on the list;
- (c) he pointed out that some villages were rolling out optical fibre networks via Top Express Infrastructure (Village) Limited (Top Express). He was worried that the Scheme might affect or even cause the cancellation of ongoing projects in some villages. Besides, if different FNOs built infrastructure facilities of their own, there would be duplication of resources and occupation of places. Therefore, it would be more advisable for the Government to build such facilities and then lease them to FNOs;

- (d) he opined that Type II interconnection restricts the prices, and as a result, FNOs would increase their fees whenever possible. He pointed out that his office was located in the shopping centre of Chevalier Garden. Due to the limited reception of signals, he could only use the services of a certain FNOs, and the service rates were high. He asked how the CEDB and the OFCA could ensure that FNOs receiving subsidies would lease their fibre-optic facilities at reasonable prices and could prevent FNOs from charging unauthorised fees, so as to repeat mistakes under Type II interconnection;
- (e) he wondered whether the CEDB and the OFCA had made a preliminary technical assessment. Since some villages were close to country parks, and FNOs might encounter technical difficulties when rolling out their networks;
- (f) he pointed out that FNOs receiving subsidies did not necessarily have to share their ducts constructed outside the Scheme but only had to open up half of the capacity of the newly built fibre-based networks for use by other FNOs. He was worried that other FNOs might not have the sufficient capacity to provide services, which would result in market monopoly; and
- (g) he opined that there might be bid-rigging if an FNO could bid for one project only.

16. The views of Ms TUNG Kin-lei were summarised below:

- (a) she opined that the CEDB and the OFCA should coordinate with the STDO or meet with the Rural Committees (RC) to learn about the villages and improve the paper;
- (b) she was happy to see that the Subsidy Scheme covered the village that she lived in. However, many villages within her constituency, such as Tai Wai Village, Tai Wai New Village, Heung Fan Liu and Pak Tin Village, were not included. She hoped that the CEDB and the OFCA could explain whether the selection criteria for the Subsidy Scheme were based on the population, the convenience of the project, the traffic or other conditions. She pointed out that Tai Wai Village, Tai Wai New Village, Kak Tin Village and Tin Sam Village had large populations but were not included in the Subsidy Scheme;
- (c) she asked what the CEDB and the OFCA would do if villages had built fibre-based networks on their own, and whether the CEDB and the OFCA would coordinate with the STDO on the Subsidy Scheme;
- (d) she pointed out that apart from villages, some housing estates managed by the Housing Department (HD), such as Mei Lam Estate, were still denied optical fibre services because some FNOs refused to roll out related networks for them; and
- (e) while the CEDB and the OFCA recommended that members follow up on

the issue with FNOs, she opined that idea was unrealistic, since members drew the CEDB and the OFCA's attention to the problem at the meeting exactly because they had nowhere else to turn to.

17. The views of Mr WONG Hok-lai were summarised below:

- (a) he asked whether the CEDB and the OFCA had selected the villages under the Subsidy Scheme based on the easiness of construction or the accessibility of the locations. He also wondered whether the CEDB and the OFCA had consulted DC Members and the STDO. He was concerned that the Scheme might be unfair to villages not included on the list;
- (b) he pointed out that broadband speeds in rural areas were slow. Some villages, such as Tung Lo Wan Village, had access to optical fibre services at the speed of 1 000 Mbps with a network built by Top Express. However, under the Subsidy Scheme, related speeds would be increased to only a low level of 25 Mbps. And the paper did not clearly state the actual effects; and
- (c) he pointed out that squatter huts would be excluded from the Scheme under the Rural Representative Election Ordinance. He asked whether the CEDB and the OFCA had considered the needs of squatter residents, such as those in Pak Tin Village.

18. The views of Mr YIU Ka-chun were summarised below:

- (a) he pointed out that for Yu Yan Constituency alone, six or seven entries on the list were only place names instead of villages. He pointed out that if village names were used, then "Kwun Yam Shan" should be divided into Kwun Yam Shan Village and Kwun Yam Garden, and "Ngau Pei Sha" should include both New and Old Villages. He made a correction and said that optical fibre services were already available in To Shek Village. He opined that the CEDB and the OFCA should consult the STDO and the RC to learn about the situations in the villages concerned;
- (b) he pointed out that some villages were or had plans of rolling out fibre-based networks, and he opined that the Subsidy Scheme would affect related projects. Besides, optical fibres under the roll-out projects by villages could be connected to individual houses, while those under the Subsidy Scheme would only reach the villages entrances, which he believed would be self-defeating. He also asked how the village entrances would be defined;
- (c) he pointed out that only Top Express and its cooperative partner, Hong Kong Broadband Network Limited, would provide related services. He questioned how competition would be possible if there was only one service provider and how the CEDB and the OFCA would monitor the situation to prevent monopoly;
- (d) he asked how the CEDB and the OFCA would explain the tender details to or discuss them with village heads and representatives and the RC upon



confirmation of the Subsidy Scheme; and

- (e) in a word, he welcomed the Scheme because it would provide economic incentives for FNOs to extend their fibre-based networks to rural and remote areas. However, he was concerned that villagers might be deterred by high costs of extending optical fibres from the village entrances to their own houses.

19. The views of Mr Wilson LI were summarised below:

- (a) he pointed out that while the paper was well-intended, the information it provided was incomplete and sketchy. As many entries on the list were simply place names, he was afraid that some villages might be neglected. And he opined that it was necessary to take care of the needs of squatter residents as well;
- (b) he pointed out that many service plans in the market had offer a speed of 100 Mbps or even 1 000 Mbps. The standard of 25 Mbps under the Subsidy Scheme was low;
- (c) he cited Wu Kai Sha Village as an example, saying the broadband speed had been only 10 Mbps or lower before optical fibre services were available. The connection had been unstable but the rates had been high. However, the situation had been improved after the installation of fibre optics by Top Express. Now the speed could reach 100 Mbps and the connection was relatively stable. Therefore he hoped that service would be improved with the introduction of competition. He also hoped that the CEDB and the OFCA would consider providing subsidies or concessions for villages which installed optical fibre networks on their own; and
- (d) he hoped that the Subsidy Scheme would be implemented as soon as possible to improve the internet connection in rural areas. However, he opined that the CEDB and the OFCA should carefully select villages to be included in the Scheme.

20. The views of Mr YAU man-chun were summarised below:

- (a) he pointed out that the Subsidy Scheme was well-intended, since the internet connection in some local villages might be even worse than that in poverty-stricken areas in the Mainland. He noted that Shap Yi Watt Village and Mau Tat Village in his constituency were also included in the Scheme. However, he opined that the paper was sketchy, without a clear direction or goal. To be specific, it failed to compare the numbers of villages, beneficiaries or households to be covered. He suggested that the CEDB and the OFCA clearly list villages with and without fibre-based networks for comparison. He opined that detailed information would help members to understand the Subsidy Scheme and to communicate with the CEDB and the OFCA;
- (b) he opined that the Subsidy Scheme should be based on a speed higher than

25 Mbps. He noted that the paper contained only a preliminary suggestion and would be further adjusted based on the views collected. He hoped that the CEDB and the OFCA would communicate further with village representatives and members after adjusting the Subsidy Scheme, in order to facilitate the implementation; and

- (c) he took the opportunity to thank the OFCA for improving television signals in some villages in Sha Tin District.

21. The views of Mr LI Sai-wing were summarised below:

- (a) he opined that the target speed of 25 Mbps under the Subsidy Scheme would be unsatisfactory compared with other metropolises, and that it should be further enhanced. He asked the CEDB and the OFCA whether there was any difficulty in doing that;
- (b) he was worried that the CEDB and the OFCA would favour large companies in tendering. He expressed dissatisfaction with the wide gap between service charges by FNOs and with the inconsistent rates in different areas. He hoped that the CEDB and the OFCA could consider those issues in tendering or framework formulation, before finding related solutions; and
- (c) he pointed out that the paper was sketchy and that the CEDB and the OFCA should have a review in this regard. He also pointed out that he had no access to optical fibre services at his DC Member's ward office so far.

22. Mr SIU Hin-hong opined that the CEDB and the OFCA should consult local DC Members on the Subsidy Scheme. He asked whether the Subsidy Scheme would improve the reception of mobile phone or antenna signals as well. And he hoped the CEDB and the OFCA would improve services in this regard. He cited Kau To Shan as an example, saying that the mobile phone signal reception at the site was poor and there were no optical fibre broadband services, either. He hoped that the CEDB and the OFCA could provide assistance in installing antennae.

23. The views of Mr TONG Hok-leung were summarised below:

- (a) he hoped that the CEDB and the OFCA could provide further information about the villages on the list, such as the populations and the exact locations. He also hoped that the CEDB and the OFCA could state the number of villages in Sha Tin without optical fibre broadband services and the selection criteria under the Subsidy Schemes. He opined that the progress would be very slow if the Subsidy Scheme was to be expanded in phases by 2021;
- (b) he asked about the maximum speed under the Subsidy Scheme if the minimum one would be 25 Mbps. and he wonder whether the maximum speed would be further raised in line with technological developments in future; and

- (c) he pointed out that fibre-optic broadband services were unavailable not only in villages, but in some downtown areas as well, such as his DC Member's ward office in Mei Tin Estate.

24. The views of the Chairman were summarised below:

- (a) she thanked the representatives of the CEDB and the OFCA for attending the meeting and opined that it showed their respect for the STDC. She pointed out that it was not necessary to vote on the paper, since the CEDB and the OFCA were hoping to optimise the Subsidy Scheme after consulting the STDC and to listen to members' views about the 30 villages on the list. However, members were unsatisfied with the paper due to the sketchy information in it;
- (b) she asked how the CEDB and the OFCA collected related information and selected the villages. She hoped that the Subsidy Scheme could be more transparent;
- (c) she hoped that the CEDB and the OFCA could attend to the needs for optical fibre services in villages, squatter areas, ward offices of DC Members and downtown areas, and also take into account areas not covered in the Scheme in future projects. She also hoped that the CEDB and the OFCA would offer assistance and solutions regarding difficulties beyond the Subsidy Schemes, as mentioned by members; and
- (d) she asked the CEDB and the OFCA to provide members with supplementary information on the Subsidy Scheme after the meeting. She also asked whether further comments could be made beyond the 30 villages on the list, whether the list would be modified, and whether the final list would be notified to the STDC at the end of the consultation period in June of this year.

CEDB and  
OFCA

25. Ms Elaine HUI gave a consolidated response as follows:

- (a) she hoped improvements would be made in future regarding the inadequacies and ambiguities in the paper, as mentioned by members;
- (b) as to the selection criteria, she explained that the proposed list of 30 villages in the paper was only a first draft for consultation with members. And when drafting that list, the OFCA had made reference to the Rural Representative Election Ordinance, the List of Recognized Villages under the New Territories Small House Policy promulgated by the LandsD, and information submitted by FNOs. The CEDB and the OFCA had consulted the STDO, the RC and village representatives. But there might have been some inadequacies in the process and the CEDB and the OFCA would make further improvements. She welcomed members' comments on the list;
- (c) according to the information provided by FNOs, there were fibre optic connections to the entrances to 30 out of the 60 villages in the Sha Tin

District. Therefore, the Subsidy Scheme was intended to provide optical fibre services for the remaining 30 villages. The intentions of FNOs were not a consideration. The CEDB and the OFCA would follow up members' recommendations and include more villages in the Subsidy Scheme whenever necessary;

- (d) she explained that optical fibre networks had not been extended to remote villages because of insufficient economic incentives or of cost-based considerations for FNOs. Therefore, the Government planned to take the lead and offer subsidies as economic incentives for FNOs to carry out the extension works. The winning bidders would receive subsidies to extend their optical fibre networks to areas near the entrances to the villages concerned. And related work would generally be carried out on unleased government lands. With connections to existing copper networks in the villages, the broadband service speed could be increased from the current 10 Mbps or below to at least 25 Mbps. Since areas in the villages were private ones, once the FNOs reached commercial agreements with the villagers and installed fibre-based networks in the villages, they could enjoy a broadband service speed much faster than 25 Mbps, and even up to 1 000 Mbps;
- (e) the CEDB preliminarily proposed dividing the villages covered by the Subsidy Scheme into six projects, and engaging qualified FNOs for the Subsidy Scheme through tender, with one FNO to be responsible for each project. Moreover, the CEDB and the OFCA hoped that different FNOs would participate in the Subsidy Scheme. So they were considering setting an upper limit for the number of projects to be awarded to each FNO. Besides, in order to introduce competition and to prevent monopoly, the FNOs receiving subsidies would be required to open up at least half of the capacity of the newly built fibre-based networks for use by other FNOs free of charge. And other FNOs could also provide broadband services in related villages through the new networks built by the bid winners. In doing so, the villagers would have more and better service options;
- (f) when reviewing tenders in the bidding process, a number of factors would be considered, including the amounts of subsidies requested by FNOs regarding individual projects, technical considerations of the relevant system design, and the commitment to providing high-speed broadband services at low prices. The CEDB and the OFCA would also monitor the FNOs' honouring of their bidding commitments in service delivery;
- (g) as regards the views on squatter areas or mobile networks, she believed that the Subsidy Scheme could enhance the overall quality of optical fibre networks in the rural area. Such networks, as telecommunications infrastructure, would support the development of other different types of telecommunications services. And the mobile networks or other telecommunications services in those remote areas would be improved as a result. As for the unavailability of optical fibre services in some housing estates managed by the HD due to technical reasons, she opined that members could follow up on the issue with specific FNOs;

- (h) for the timetable, the CEDB and the OFCA expected that the FNOs receiving subsidies could apply for excavation permits in the second half of 2019 at the earliest. As from 2021, the optical fibre networks would be extended to the vicinity of the village entrances in phase;
- (i) she opined that the Subsidy Scheme would not affect the current fibre-optic roll-out plans by some FNOs, because the villages covered by the Subsidy Scheme were those where FNOs had not been interested in rolling out or economically stimulated to roll out such networks;
- (j) the CEDB and the OFCA would provide related information after the meeting. Members were welcome to provide the CEDB and the OFCA with their suggestions, if any, so that the arrangements and the proposed village list could be improved under the Subsidy Scheme. The CEDB and the OFCA had approached the STDO, the RC and village representatives to learn about the villages concerned;
- (k) it was initially estimated that the amount involved in the Subsidy Scheme would be about \$700 million, depending on the final list of villages covered in the Subsidy Scheme. The CEDB and the OFCA would firstly consult the 9 District Councils concerned, before applying for funding with the Finance and General Affairs Committee (FC) of the Legislative Council (LegCo). As the consultation paper for the LegCo and the FC was publicly available, the details of the Subsidy Scheme would also be notified to the STDC in due course; and
- (l) as for the supervision of the telecommunications operator, she explained that the telecommunications market in Hong Kong was already open and the market-oriented principle was applicable to encourage market competition. Members could convey their views, if any, to the OFCA.

26. The Chairman asked if there would be any further communication with the STDC before the final list for Sha Tin was confirmed, as many members had expressed their wish to further discuss the Scheme with the OFCA.

27. Ms Elaine HUI responded that the CEDB and the OFCA would need to undertake consultation with the LegCo in May. Therefore, the schedule of consultation with District Councils was tight and it would be difficult to make the related arrangement.

28. Mr Simon WONG, Assistant District Officer (Sha Tin), said that the STDO had informed the OFCA of possible errors with the names of villages in the paper and of the possible controversy.

29. Mr Michael YUNG expressed dissatisfaction with the performance of the CEDB and the OFCA. He opined that their current consultation with the STDC might be just a formality, and they might not consider members' views. If necessary, he would write to the Government and attach the minutes of this meeting, asking the CEDB and the OFCA to address squarely members' demand.

30. The Chairman understood Mr Michael YUNG's point. She said that although no voting was required for the paper, members were not satisfied with the contents. She

suggested that members' strong opinions expressed at the meeting be conveyed in the name of the DHC to the CEDB and the OFCA, asking them to listen to the views of the DHC.

31. Mr WONG Yue-hon said that neither the CEDB nor the OFCA had stated whether the coverage of the Subsidy Scheme would be modified. He pointed out that even the Chairman of the RC was unaware of the consultation. He wondered how the CEDB and the OFCA had conducted such consultation.

32. Mr YIU Ka-chun said that the implementation of the Scheme would be slapdash. As a DC Member representing many villages, he had not been consulted by the CEDB or the OFCA anyway. He hoped that the CEDB and the OFCA would meet with DC Members, the RC and village representatives of related villages, for formal consultation and exchange of views, so as to ensure the correctness of information to be submitted to the LegCo. He also said that it was not worth encouraging that the STDO only pointed out typographical mistakes without realising any possible misleading parts in the paper.

33. Mr MOK Kam-kwai said that as Chairman of the RC, he had not met with the OFCA on the Subsidy Scheme and did not remember seeing the related consultation paper before. He hoped that the CEDB and the OFCA would provide a detailed list to indicate which villages already had access to fibre-based networks, and which ones would be entitled to the subsidies.

34. Ms Elaine HUI responded that an information note had been faxed to the staff of the RC for review, but no RC Members had been consulted.

35. The Chairman opined that it was problematic to consult the paperwork clerks, since it might not be effective to collect opinions. She found such an approach unacceptable. She would write to the CEDB and the OFCA to convey members' suggestions, including their disagreement to the list of villages provided, and their demand for a focus group meeting via the Secretariat, so that Members and representatives of related villages could express their views. Besides, members requested that additional information be provided after the meeting and their voices be heard.

36. Ms Elaine HUI promised to follow up on members' suggestions. She pointed out that the CEDB and the OFCA would consider the actual geographical conditions of specific villages before details of the fibre-based network projects could be finalised. Besides, the winning bidders of individual projects might need to conduct technical or environmental assessments on the new networks.

37. The Chairman said that as responses by the CEDB and the OFCA representative were not affirmative at the meeting, she would like to ask the CEDB and the OFCA to provide a written reply to the members' questions after the meeting.

CEDB and  
OFCA

38. Members noted the above paper.

39. The Chairman would like to excuse herself and asked Mr SIU Hin-hong to take the chair on her behalf.

Review of the Number of Public Payphones  
(Paper No. DH 12/2018)

40. Mr SIU Hin-hong welcomed the following OFCA representatives to the meeting: Ms Elaine HUI, Assistant Director (Market and Competition), Mr Kingsley YEUNG, Head of Market and Competition 2, Mr SIN Kwok-kei, Senior Telecommunications Engineer (Regulatory 12), and Mr John WONG, Regulatory Affairs Manager (Market and Competition 21) 1.

41. Ms Elaine HUI said that the OFCA was currently conducting a review of the number of public payphones under the Universal Service Obligation (USO) imposed in accordance with the Telecommunications Ordinance (Cap. 106). The OFCA would like to brief members on details of review, and to solicit members' views on the proposed exclusion of kiosk payphones with an extremely low usage rate in Sha Tin from the USO.

42. Mr Kingsley YEUNG briefly introduced the contents of the paper.

43. Mr WONG Yue-hon asked what the OFCA would do if the telecommunications operator wanted to retain the kiosk payphones that the OFCA proposed excluding from the USO. He opined that apart from exclusion from the USO, the OFCA should also consult local stakeholders on the removal of related kiosks. If the telecommunications operator retained the kiosks excluded from the USO, then street obstruction problems would remain as well.

44. The views of Mr Rick HUI were summarised below:

- (a) he pointed out that according to the OFCA, there were three principles for deciding whether specific kiosk payphones would be excluded from the USO. However, the paper only took principle (a) into account, i.e., the usage rate. He wondered why the other two principles were listed in the paper if they were not considered;
- (b) he said that the usage rate of kiosk payphone No.7140 in the R12 constituency was indeed low, according to the OFCA's information. However, there were no other kiosk payphones in the vicinity. The location was relatively remote and the pedestrian flow was low there. If the kiosk was retained, members of the public could use the phone in an emergency, and it did not necessarily hinder other road users, which complied with principle (b). Therefore he opined that the kiosk payphone should be retained; and
- (c) he opined that kiosk payphones No.8070 and No.8071 in the R18 constituency should be excluded, since they were located on a footpath with some flower beds next to it. So there was not much room for pedestrians to pass. And the pedestrian flow had increased a lot with the opening of an MTR fare saver nearby. He believed that he was not the only one who asked the LandsD to remove the two kiosks in order to widen the footpath. Therefore principle (c) should apply and both kiosks should be excluded. By contrast, the space around kiosk No.7502 was relatively adequate. Therefore he opined that the kiosk could be retained for use by members of the public when necessary. He hoped that the OFCA would review the list and consider his opinions.

45. The views of Mr Billy CHAN were summarised below:

- (a) he said that there was an average of one 999 emergency call from each of the 8 payphones per week from January to September 2017. He wondered why the OFCA would recommend excluding 3 of the payphones. He questioned the significance of the data displayed in the list; and
- (b) apart from the prevalence of mobile phones, the low usage rate of payphones might be also attributed to the fact that some machines were damaged and did not work. Kiosk payphone No.7943, which was on the OFCA's proposed list of exclusion, was a case in point. Some members of the public had complained that they paid the money but could not make a call. In his opinion, that was why there was no record of outgoing calls. Besides, he pointed out that Wi-Fi services were often inaccessible at the kiosks. He opined that no matter whether the kiosk payphones would be excluded from the USO, the OFCA should require the telecommunications operator to examine and maintain the kiosks on a regular basis.

46. The views of Ms Iris WONG were summarised below:

- (a) she was in favour of removing some kiosks that nobody used, instead of excluding them from the USO;
- (b) while the OFCA proposed excluding 89 out of the 142 payphones in Sha Tin, she said that the telecommunications operator could decide whether to remove the machines. She asked whether the list in the paper was the final version taking into account the final decision of telecommunications operator. She also enquired about the amount of Government subsidy for each kiosk payphone;
- (c) she pointed out that many kiosks were located at prominent places at government facilities or bus stops, near schools or outside shopping malls, where the pedestrian flows were high. Since they were printed with the company logo, the kiosks also involved commercial activities. She enquired about the basis for the Government to allow such kiosks on government lands and she wondered whether the telecommunications operator needed to pay any rent. She question whether the scheme of Universal Service Contribution (USC) entailed the deployment of kiosks at such places without the approval of the LandsD, and on what ground the LandsD would continue to allow the telecommunications operator to keep the kiosk at public places after the exclusion from the USO;
- (d) even if the 89 kiosks were excluded from the USO, the remaining 53 kiosks would still be eligible for the USC. She asked whether the OFCA would set up an assessment period for the remaining kiosk payphones and whether the machines would be assessed in phases. For example, the paper included the revenues in 2015 and 2016 as well as the number of 999 emergency calls from January to September 2017. She wondered whether the OFCA would review the usage rate again in September this year and exclude some kiosk payphones with a low usage rate as per the prevailing criteria; and



- (e) she pointed out that the paper failed to provide information on the distribution and number of in-building payphones in the Sha Tin District. So she could not assess their role. However, the OFCA suggested that at least one payphone be retained in each in-building location for use by members of the public from time to time. She opined that if it would be a waste of subsidies if such in-building payphones were virtually useless. She also enquired about the amount of subsidy for each in-building payphone.

47. The views of Mr PUN Kwok-shan were summarised below:

- (a) he opined that it was a debatable practice that the telecommunications operator might choose to retain the kiosks, which not only occupied government lands, but could also be used for other purposes, such as advertising or providing Wi-Fi services;
- (b) he asked whether the OFCA would change the service delivery mode of the retained kiosk payphones, which, for example, could be converted into push-button calling devices connected to an alarm system;
- (c) he hoped that the OFCA could provide more details, such as the future maintenance, repair and cleansing of the retained kiosk payphones. He pointed out that many kiosks were shabby with scratches, poor hygiene conditions and even stinking smell, putting off potential users; and
- (d) he pointed out that there was a kiosk near “Octopus” footbridge in Tin Sam Area, or more specifically, next to Che Kung Temple near Tin Sam Village. However, it was not included in the list of kiosks in the R17 constituency. The pedestrian flow at the location was high, and would be even higher after the lifts at “Octopus” footbridge were put into use. He asked whether the OFCA would consider relocating the kiosk so to increase the accessibility of the footpath. He invited OFCA representatives to join him for a visit to the community for more details after the meeting.

48. The views of Mr LI Sai-hung were summarised below:

- (a) according to the paper, fewer people used kiosk payphones with the prevalence of mobile phones. And some local residents complained about street obstruction caused by the kiosks and would like to see their removal. Therefore, the OFCA published the review of the number of public payphones in June 2017. The paper showed that the OFCA proposed excluding kiosk No.8070 and retaining kiosk No.8071 in the R18 Constituency;
- (b) he had written to the OFCA to convey complaints by members of the public. He asked whether the OFCA had considered the views of local residents expressed since June 2017 when collating information for the paper. He opined that kiosk payphones No.8070 and No.8071 should be excluded while kiosk No.7502 be retained. That was because the space around kiosks No.8070 and No.8071 was limited and the street obstruction problems were more prominent; and

- (c) in view of the remote location of the R12 constituency, a kiosk payphone would be useful for members of the public to seek help in case of an emergency when there were no mobile phone signals. He wondered whether the OFCA had taken into account the reception of mobile phone signals.

49. The views of Mr YIU Ka-chun were summarised below:

- (a) he enquired about the average amount of government subsidy for each kiosk payphone;
- (b) he pointed out that kiosks No.7138, No.7153, No.7669 and No.7670 in the R01 constituency were close to each other, but the OFCA did not recommend excluding any of them. He wondered why it was the case and asked whether it was simply because those kiosks had high usage rates or did not cause street obstruction;
- (c) he opined that in areas with high pedestrian flows, it would be easier for people to borrow a phone by other means. And the kiosks posed more serious problems of street obstruction. Therefore their number should be reduced in such busy areas. As for kiosk payphones to be retained in view of their remote locations or local views, he opined that the OFCA should require the telecommunications operator to optimise the facilities, such as providing charging services and emergency buttons, so that they could help people in need in various aspects; and
- (d) as regards the promotion of smart city development, he asked whether the access to Wi-Fi services in Sha Tin would be affected if the OFCA reduced the number of kiosks in the district from 142 to 53, and how the OFCA would strengthen government Wi-Fi services in the district.

50. The views of Mr HO Hau-cheung were summarised below:

- (a) he opined that it was necessary for the OFCA to review the value of public facilities to members of public, who complained from time to time about telephone kiosks for obstruction of footpaths;
- (b) he was aware that Hong Kong Telephone Company Limited (HKT) planned to upgrade their kiosks to multi-purpose information kiosks. But the OFCA did not disclose related information, which, in his opinion, might affect members' decision. Members or the general public might have a different opinion about the said upgrade, as the value of retaining such kiosks might be different. He enquired about the OFCA's stance on the issue, and asked whether the OFCA would accept the telecommunications operator's proposal in this regard. He opined that the discussion would be more valuable if the OFCA could provide members with comprehensive information as much as possible; and

- (c) under the Signature Project Scheme in Sha Tin, substantial resources would be invested for service upgrades on both sides of the Shing Mun River, including the installation of electronic information displays. He opined that if commercial organisations could provide some up-to-date solutions with quality services for members of the public, then the OFCA should not exclude the kiosks simply on the basis of the existing usage rate. For example, kiosks in the downtown area had been used to make calls only. But if they could be upgraded to provide information inquiry services for members of the public or tourists, he could not see why such an idea should be rejected, especially when such an upgrade would not cause any extra burden on the OFCA's resources. He asked whether the telecommunications operator had discussed the matter with the OFCA, what the current progress was and what the OFCA intended to do.

51. The views of Mr WAI Hing-cheung were summarised below:

- (a) kiosk payphones had indeed played an important role in the days of pagers. Domestic helpers from overseas would also call their families and friends back at home with such kiosks. However, with the prevalence of mobile phones and mobile applications, he believed that kiosk payphones had basically completed their historical mission. Therefore he did not have much objection to the exclusion or removal of telephone kiosks;
- (b) he enquired about the calculation method for the indicator of not more than \$1 per day, in particular, the number of months for the calculation. He said that if the calculation is based on a shorter period of time, the data might not be accurate enough to reflect the actual situation;
- (c) he wondered whether he could offer some advice if the OFCA did not have a proposed list of kiosk payphones to be excluded. Besides, if the usage rate of some kiosk payphones continued to decline in future, he wondered whether the OFCA would re-consider excluding relevant machines or conduct a review or consultation regarding the number of public payphones. He asked whether the OFCA would also consult housing estates and residents' organisations in the neighbourhood, apart from the STDC. He pointed out that there should be the largest number kiosk payphones in his constituency. Therefore, he would consult housing estates and residents' organisations in the neighbourhood on the retention/removal of such kiosks; and
- (d) he also wondered whether HKT started providing public telephone services in the first place for the sake of social responsibility or a transfer of interests. At any rate, if another telecommunications operator wished to utilise existing kiosks to provide upgraded services, he wondered whether the OFCA would accept such an offer.

52. Mr Tiger WONG pointed out that one kiosk in his constituency had been removed for the construction of barrier-free access. He asked whether the OFCA would add value to the telephone kiosks, such as using them as hardware facilities in the "Internet of Things". He supported removing kiosks with a low usage rate, if their role had been replaced by mobile phones and the OFCA would not add value to them. However, he

opined that some kiosks should be retained if they were located in remote areas, had a high usage rate or were equipped with the Wi-Fi function.

53. The views of Ms TUNG Kin-lei were summarised below:

- (a) while she welcomed the review, she wondered why the kiosks would be excluded instead of removed. She pointed out that removal would enable land resumption, while exclusion from the USO would allow the telecommunications operator to retain the kiosks, which she doubted whether it would benefit members of the public;
- (b) she welcomed the OFCA's proposal to exclude three kiosks in the R19 constituency. However, places with kiosks in the list were mostly located in older areas, while there were no such kiosks in newer areas. While the OFCA claimed that the kiosks would be retained for use by people to seek help, she wondered whether it meant there would be no emergency cases in newer areas. She found such reasoning illogical. Therefore she had reservations about funding and allowing HKT's continued occupation of government lands for commercial purposes;
- (c) she said that the OFCA did not propose excluding kiosk payphone No.7775 in the R36 constituency, or to be specific, the one near the Ravana Garden westbound bus stand on Tai Chung Kiu Road. However, expansion works would be carried out at the bus stop and would be obstructed by the kiosk. She asked why the kiosk would not be excluded, and whether the OFCA would relocate the kiosk if it was to be removed due to the works. She said that it was not a singular incident, and that there were many other cases of telephone kiosks obstructing pavement or road repair works in other areas; and
- (d) she pointed out that there were 3 telephone kiosks on a 100-metre section of Tai Wai Road outside Grandway Garden. Upon repeated complaints by her and other local residents, the OFCA had eventually removed two kiosks but ignored other complaints. She enquired the OFCA about the criteria for deciding the necessity for the telecommunications operator to remove kiosks and whether there was relevant legislation to ensure the proper use of government lands.

54. The views of Mr Michael YUNG were summarised below:

- (a) he enquired about the background of the USO set out in section 35B of the Telecommunications Ordinance. He asked whether the OFCA had asked HKT to install telephone kiosks in order to provide more comprehensive services or to enable people to make emergency calls, because at that time the telecommunications market was not opened up yet and HKT was the only franchise operator in the market;
- (b) he pointed out that the USO currently covered around 3 100 public payphones, with the total USC being more than \$20 million each year. If the Government granted a subsidy of \$6,500 per phone, then an income of

\$18 per phone per day would be needed to break even. Therefore he did not object to the exclusion of kiosk payphones based on commercial considerations;

- (c) however, he did not understand why the OFCA proposed excluding kiosk payphone No.7874 outside Ma On Shan Country Park Management Centre in the R34 constituency. Mobile phone signal at the location was poor. Members of the public might not be able to use mobile phones in an emergency case, which complied with principle (b) in the paper. Therefore he opined that the kiosk should not be excluded;
- (d) as for kiosk payphone No.7113 at Chevalier Garden Bus Terminus, he opined that members of the public could easily find other ways to make calls, so exclusion of the kiosk should not cause any significant inconvenience;
- (e) besides, he did not understand why the OFCA did not propose excluding kiosk payphone No.7130 opposite to Sui Wo Court Bus Terminus in the R21 constituency. Since that terminus was of the same design as Chevalier Garden Bus Terminus, the kiosk should be excluded if the same principle applied. He further pointed out that the kiosk did not even have Wi-Fi Internet access. By contrast, kiosk No.7113 did have the function, but the OFCA proposed its exclusion; and
- (f) he pointed out that HKT's Wi-Fi Internet services were provided for a fee. He wondered whether HKT's Wi-Fi service charges could cover the call costs of kiosk, so as to reduce the amount of USC.

55. Mr SIU Hin-hong pointed out that each Hong Kong resident possessed an average of 1 mobile phone, with that per capita number ranking among the top three in the world. However, he opined that the OFCA should consider the needs of tourists, who might not be able to use their mobile phones in Hong Kong, or who might need to make local calls or use Wi-Fi Internet services at the kiosks. Besides, he hoped that the OFCA would consider upgrading the facilities and services of the kiosks, by providing such services as Wi-Fi access, phone charging and information inquiries.

56. Ms Elaine HUI gave a consolidated response as follows:

- (a) she added that the final decision on exclusion would be based on the three principles in the paper. The preliminary list had been drafted based on the first principle and was not yet finalised, because the OFCA would need to consider the other two principles, including the opinions of local residents. Besides, the OFCA would actively consider the views expressed by members during the discussion;
- (b) she pointed out that HKT needed to assume the USO as per the Telecommunications Ordinance and the licence conditions. As HKT was the first telecommunications operator in the market, it had always assumed the USO, which was also part of its licence conditions. One of the requirements for the USO involved the provision of public telephone

services, including public payphones, but only voice services were required. The USO was obligatory for HKT, which might incur losses; therefore contribution from the telecommunications industry was necessary. The OFCA settled the amount of the USC on an annual basis. And the subsidies for kiosk payphone only covered the basic costs of the operation. In view of the low usage rate of the kiosks, the OFCA proposed excluding kiosk payphones with an average daily revenue of not more than \$1 between 2015 and 2016;

- (c) according to the Telecommunications Ordinance and the licence conditions, exclusion from the USO meant that the related kiosk payphones would no longer be eligible for the USC. HKT would also likely remove the excluded kiosk payphones. However, if HKT retained the excluded kiosk payphones based on other commercial considerations, it would have to bear the cost of their operation;
- (d) the costs of installing Wi-Fi Internet devices in kiosks were excluded from their operating costs, because only the costs of voice services were calculated under the USO, according to the Telecommunications Ordinance and the licence conditions. HKT needed to pay a rent for providing Wi-Fi Internet access at the kiosks, as funding for the USO;
- (e) regarding revitalisation of telephone kiosks, under the Telecommunications Ordinance and the licence conditions, the USO only covered voice services. Therefore, if the telecommunications operator wished to “revitalise” the kiosks or provide more services, it could discuss with the OFCA how to handle the matter. The OFCA would also study the possible ways to provide assistance. However, since the kiosks were built on government lands, the telecommunications operator should obtain approval from the LandsD and other relevant departments if it wanted to provide services in addition to the voice ones;
- (f) regarding maintenance of kiosk payphones, under the licence conditions stated in the Telecommunications Ordinance, HKT was responsible for maintaining kiosk payphones and ensuring their normal operation. Each year, the OFCA also conducted random checks on the proper functioning of kiosk payphones and would ask HKT to take follow-up actions if necessary. Members of the public could file complaints to the OFCA, which would then refer the cases to HKT for follow-up; and
- (g) most in-building payphones were located in hospitals, universities or the civic centres. During the past six months, the OFCA had written to the persons in charge of the relevant venues, consulting them on the proposed exclusion or retention of specific payphones. The responsible persons had replied with their agreement or objection to the proposal, after considering the related uses and the specific needs at the locations. The OFCA would make a final decision upon considering related views.

57. Mr SIU Hin-hong said that Mr Alvin LEE had arrived in the conference room.

58. The views of Mr Michael YUNG were summarised below:

- (a) he referred to the OFCA's response, which an extra income would be available for kiosks equipped with Wi-Fi Internet services and would be included into the USO. In other words, installation of Wi-Fi internet infrastructure would help reduce the USC. As for the kiosk payphones outside Shatin Fun City on Yuen Wo Road in the R02 constituency, the OFCA proposed excluding No.7672, which was provided with Wi-Fi services, but retaining No.7671, which was not. However, in the R01 constituency, it was proposed to retain kiosk payphone No. 7667, which was provided with Wi-Fi services, and to exclude No. 7668, which was not. In view of this, he wondered whether the OFCA had selected the kiosk payphones to be excluded in a logical manner;
- (b) he opined that when preparing the list, the OFCA should also consider principle (b), that is, whether a kiosk was located in a remote area without mobile network coverage. However, the OFCA did not seem to have done so; and
- (c) he hoped that the OFCA would provide supplementary information on the USO and explain whether HKT had been asked to make certain service commitments when the telecommunications market was opened up in 1995. He hoped that the OFCA could provide the information after the meeting, if not immediately.

59. Mr Billy CHAN pointed out that members of the public needed to pay for the Wi-Fi services unless they were HKT's mobile service users. He opined that it was not very effective. Besides, the OFCA proposed excluding a number of kiosks with the Wi-Fi function. He wondered whether the OFCA proposed the exclusion of certain kiosk payphones based on the usage rate, instead of the availability of Wi-Fi Internet access.

60. The views of Ms Iris WONG were summarised below:

- (a) she asked whether the OFCA had any schedule for another review of the number of payphones. She said that while the OFCA proposed excluding certain kiosk payphones, the telecommunications operator might apply for the installation of new ones. She enquired the OFCA about the criteria for excluding existing kiosks and installing new ones. She wondered whether "revitalisation" would be the future direction. She hoped that the OFCA could come up with new measures;
- (b) she asked whether the OFCA would relocate a kiosk which was removed due to construction works; and
- (c) besides, she hoped that the OFCA would urge the telecommunications operator to maintain, cleanse and disinfect the kiosks more frequently, instead of overusing services of the Food and Environmental Hygiene Department. She also enquired about the frequency of the OFCA's regular inspections and asked whether the OFCA could provide the number of previous requests to the telecommunications operator for improvement, since the OFCA might not have inspected each of the 3 000 or so kiosks across the territory.

61. The views of Mr WONG Yue-hon were summarised below:

- (a) he opined that the OFCA should give more consideration to the possible use of the kiosk payphones for emergency purposes, instead of their use rate. Kiosk payphones in remote locations were naturally less used, but they were worth retaining for emergency purposes. He opined that the OFCA should further consult local residents and stakeholders on the exclusion; and
- (b) he supported the exclusion of the kiosk at Lek Yuen Bus Terminus in Sha Tin, in view of the high pedestrian flow at the site, and the street obstruction caused by the kiosk. He opined that the OFCA should further consult local residents and stakeholders on the exclusion.

62. Ms Elaine HUI gave a consolidated response as follows:

- (a) she added that telecommunications operator was required to pay a rent-like fee to the tune of over \$2,000 per annum for each kiosk provided with Wi-Fi services, as a means to fund the USC. The OFCA would provide supplementary information in writing on the USO after the meeting;
- (b) she explained that the OFCA had taken into consideration the revenue data of kiosk payphones between 2015 and 2016, as well as the number of 999 emergency calls from January to September 2017, due to different sources of information. The revenue data was provided by the telecommunications operator, which would need quite some time to collect detailed information on each kiosk payphone. Therefore, the OFCA had proposed the exclusion based on the data in 2015 and 2016. However, the telecommunications operator had never maintained a record of 999 emergency calls on a regular basis. Therefore more recent data was obtained from the police and the telecommunications operator;
- (c) she pointed out that a kiosk would normally be removed as necessary in the case of road works, even if it was not on the list of exclusion. Relocation of a kiosk would depend on the circumstances, such as whether members of the public would need to use the services it provided;
- (d) the current review only covered in-building and kiosk payphones. As emergency helplines with red and green SOS buttons were not included in this consultation, and thus their number would not be affected by the review. The OFCA would actively consider retaining kiosks, if they were located in areas without mobile network coverage where emergency calls might be made, or if local residents regarded their retention necessary;
- (e) the OFCA conducted random checks on more than 10% of the kiosks as regards their maintenance, cleansing and disinfection, and would ask the telecommunications operator to follow up on any kiosk in a state of disrepair;



- (f) she noted and said the OFCA would actively consider Mr Rick HUI's request for the exclusion of kiosks No.8070 and No.8071 and retaining No.7140 and No.7502; and
- (g) the OFCA currently only planned to conduct a one-off review of the number of public payphones across the territory and would consult all the 18 District Councils.

63. As regards the provision of new services at existing kiosks, Mr SIN Kwok-kei added that HKT had added mobile base stations at some kiosks to test the performance of mobile communications services at such kiosks. The test results turned out to be satisfactory. Therefore, with the relevant policy support, HKT could provide new services, such as 5G mobile communication services, at suitable kiosks.

64. Mr SIU Hin-hong announced the end of discussion on the issue. Members noted the above paper.

Briefing on Concessionary Scheme of "Smart Tender" by the Urban Renewal Authority  
(Paper No. DH 13/2018)

65. Mr SIU Hin-hong welcomed Mr LEE Wai-fung, Senior Manager (Building Rehabilitation) and Mr YU Ka-kee, Senior Community Development Manager of the Urban Renewal Authority (URA).

66. Mr LEE Wai-fung briefly introduced the contents of the paper.

67. Mr HO Hau-cheung enquired about the eligibility criteria. The URA's concession scheme would result in lower costs and greater confidence. He wondered whether housing estates would be eligible if they had not filed applications before but had instead engaged consultants on their own. He asked whether they needed to dismiss their consultants before they were eligible to file applications. He also enquired about the services included in the procurement of consultants. He asked whether and how consultants would be procured for housing estates.

68. The views of Mr CHENG Tsuk-man were summarised below:

- (a) he pointed out that there were 330 applications as of February this year, but only 203 cases had been approved. He asked whether the remaining 100 applications or so were ineligible or otherwise;
- (b) he asked whether the OFCA would not provide services for buildings with more than 1 200 units, or whether the price would be higher. He also wondered why the URA did not classify Sha Tin as part of the New Territories; and
- (c) he asked whether assistance would be provided under the "Smart Tender" scheme to owners in supervising the consultants' monitoring of contractors' works, and whether owners joining the "Smart Tender" scheme still needed to engage consultants.

69. Mr Tiger WONG enquired about the number of completed applications since the launch of the URA Pilot Scheme, and about the differences between the estimates and the tender prices in successful bidding cases.

70. The views of Mr WAI Hing-cheung were summarised below:

- (a) the Sha Tin District was a large local administrative district with one tenth of Hong Kong's population. However, only 5 out of the 203 approved cases were located in Sha Tin. He asked why; and
- (b) he had great expectations for the "Smart Tender" scheme. Therefore, when he met with the owners' corporations (OCs) or owners' committees of different estates, he would encourage them to join the scheme. And his housing estate had also joined the scheme. He hoped that the scheme would minimise the phenomena of bid-rigging. So more attention would be paid to the consultants or the contractors, especially in terms of the bid prices. However, some management companies in fact played a key role in building maintenance. He pointed out that some management companies were reluctant to cooperate under the "Smart Tender" scheme. He opined that some management companies might be involved in bid-rigging, which the "Smart Tender" scheme was intended to minimise. In other cases, the companies of Deeds of Mutual Covenant (DMC) managers might get more benefits if they joined the scheme later. He asked whether the URA had taken those factors into consideration. He said that some companies of DMC managers would obstruct, delay or affect major maintenance works in the housing estates. And they might even cause the estates to be ineligible for "Smart Tender" services by holding related applications. He asked how the URA would react to those practices.

71. The views of Mr Michael YUNG were summarised below:

- (a) he asked how the URA determined the boundary between the urban area and the New Territories. He pointed out the great differences between residential units of Categories 2 and 3 in the urban area and those in the New Territories in terms of the annual average rateable value. He asked how the URA would estimate the rateable value and whether it would consider the ages of buildings in the district;
- (b) he said that a housing estate in his constituency had invited URA representatives to explain details of "Smart Tender" at the owners' meeting on major maintenance works. The estate did join the scheme, but the related works were put on hold due to objections from some owners. Later, the OC was re-elected and the related works were again put on hold because some owners lacked confidence;
- (c) he opined that the "Smart Tender" platform was good because electronic tendering could minimise bid-rigging. The URA was now introducing a scheme with more concession. He asked how the URA would inform more members of the public and more owners of the details and benefits of the scheme; and

- (d) the paper said that the URA would arrange for independent professionals to review tender documents and to estimate project costs. He asked what data the URA would refer to before making estimates close to market values.

72. Mr NG Kam-hung wondered why Sha Tin was not part of the New Territories. He also asked why there had been only five cases in Sha Tin for the year or so since the launch of the scheme. He asked whether local residents found it unnecessary or whether the related publicity was inadequate. He was concerned that, if the latter case was true, the URA's resources on the scheme would be wasted.

73. The views of Mr CHING Cheung-ying were summarised below:

- (a) members of the public had lost confidence in view of previous experiences of OCs or building management offices (BMOs) dominating the procurement of consultant engineers or maintenance contractors, which had also resulted in confrontations and tensions between members of the public on one side, and OCs and BMOs on the other; and
- (b) he pointed out that the scheme should cover all housing estates in need of maintenance. He opined that the URA should make the "Smart Tender" mechanism mandatory for OCs and BMOs, so as to reinstate the obligations of the community in the maintenance of housing estates. Although such an approach would be of a more "executive-led" nature, he believed that it could reduce disputes between the public and OCs or BMOs. He also opined that the fees should be further lowered. For example, he opined that the concession rate for Category 3 buildings should be set at 80% as well. He pointed out that the scheme had achieved satisfactory results so far and should be further improved, so as to further build public confidence in the scheme.

74. Mr Alvin LEE said that he was the Convenor of the Working Group on Building Management and Housing Affairs (the Working Group), which had organised nine events and seminars on building management in Sha Tin, Ma On Shan and Tai Wai over the past three years. On those occasions, representatives of the URA, the Hong Kong Housing Society and the Buildings Department (BD) were also invited to introduce the related services. He thanked the URA for sending staff to each event to promote the scheme on this platform. Therefore, he acknowledged the good penetration of the URA's publicity. The Working Group was also vigorously promoting "Smart Tender" scheme on its banners, posters and web pages. Therefore, he appreciated the URA's cooperation with the STDC and its promotion of the "Smart Tender" scheme since its participation in building rehabilitation in Sha Tin in mid-2015. He hoped that more information would be distributed to the public in future.

75. Mr SIU Hin-hong asked how the URA could ensure consultant companies under the "Smart Tender" scheme would honour their confidentiality, considering the intelligence sharing between the construction and the property management sectors.

76. Mr LEE Wai-fung gave a consolidated response as follows:

- (a) he pointed out that a total of 330 cases had been recorded since 2016, with only five cases in Sha Tin. But the low number was not caused by the lack

of enthusiasm, but by the fact that it was generally time-consuming for owners to discuss the necessity of maintenance. The more than 100 applications mentioned by Members were pending cases, not ineligible ones. Upon receiving an application, the URA needed to check the documents and request the provision of supplementary files as necessary;

- (b) he pointed out that since the rateable value was based on the rental value of the unit, the average rateable value of residential units in the New Territories was lower than in the urban area. The URA took Sha Tin as part of the urban area in view of the high property prices in the district. Such an arrangement would be more appropriate for owners in Sha Tin;
- (c) the property value could be measured with the rateable value, which was accordingly taken as the basis for calculating the fee level under the “Smart Tender” scheme. It was assumed under the scheme that the higher the rateable value, the richer the owners and the higher their cognitive ability should be. Buildings with higher rateable values and those with more than 2 000 units could still join the “Smart Tender” scheme, but the fee level would be higher;
- (d) he said that owners could apply for an extension if construction works were affected or delayed due to disputes with the companies of DMC managers. He also pointed out that it was not advisable to have repeated disputes over maintenance works. Apart from various services, “Smart Tender” would also provide more information. He hoped that members of the public would remain rational during the discussions;
- (e) as for the valuation of works, relevant professional services were provided by independent consultants hired by the URA. The consultants would make third-party valuations based on the conditions of buildings and would offer advice for owners’ reference;
- (f) if it became mandatory for owners to join the “Smart Tender” scheme, it might cause unnecessary disputes, since some owners might resist any form of assistance. Therefore, it would be more appropriate for owners to join the scheme on a voluntary basis. If mandatory participation continued to be regarded as advisable in the market, then the URA would consider discussing the matter with the Government. He added that the “Smart Tender” scheme was mandatory for those joining Operation Building Bright 2.0 and the Fire Safety Improvement Works Subsidy Scheme;
- (g) basically, buildings which had engaged consultants were not eligible for the scheme. And if the consultants performed satisfactorily, it would be inappropriate for owners to dismiss them rashly. However, members of the public could make further inquiries with the URA on individual cases. On the other hand, the URA would not directly procure consultants for buildings but would instead provide related advice and information, so that owners would be more informed and the operation would be smoother. Owners must procure consultant companies on their own to co-ordinate their rehabilitation projects;

- (h) dedicated officers would follow up on individual cases under the “Smart Tender” scheme, which also provided services such as third-party opinions and valuations. However, such services were not intended to replace the responsibility or the need of owners to procure consultants to co-ordinate their rehabilitation projects;
- (i) the independent consultants engaged by the URA were selected based on the URA’s tendering process. They all had professional qualifications and maintained professional ethics. The URA would also monitor the performance of consultants to ensure the service quality; and
- (j) the URA started to provide related services in the Sha Tin District in 2015. He hoped that the services would gradually be available in the community and be known to more owners. He thanked [Mr Alvin LEE](#), Convenor of the Working Group on Building Management and Housing Affairs, for his appreciation. The URA had always been supportive of seminars on building rehabilitation organised by the STDC and the STDO, and its staff would speak at such a seminar on the following day, i.e., 9 March. He hoped that Members would encourage owners in the district to attend such seminars in order to learn more about building rehabilitation.

77. [Mr SIU Hin-hong](#) announced the end of discussion on the issue. Members noted the above paper.

Brief Introduction to the Fire Safety (Buildings) Ordinance Cap. 572  
(Paper No. DH 14/2018)

78. [Mr SIU Hin-hong](#) welcomed Mr WU Wai-hung, Assistant Divisional Officer and Mr HUNG Tze-kwan, Senior Station Officer of the Fire Services Department (FSD).

79. [Mr WU Wai-hung](#) and [Mr HUNG Tze-kwan](#) briefly introduced the contents of the paper.

80. The views of [Ms TUNG Kin-lei](#) were summarised below:

- (a) she pointed out that when the scheme was launched too hastily in 2016, and the government departments concerned did not have adequate communication with residents during implementation. Immediately upon the launch of the scheme, the FSD started inspecting single-block buildings and issuing warning letters, which caused concerns among residents. The FSD did not pay adequate attention to the so-called “three-nil buildings”, i.e., those without OCs, residents’ organisations and property management companies;
- (b) she pointed out that 56 out of the 58 single-block buildings in Sha Tin were located in her constituency. And she had received many requests for assistance from confused residents since the launch of the scheme. For example, some residents complained that the load capacities of water tanks in their buildings failed to comply with the FSD’s requirements due to structural constraints, and that they did not know how to connect the hose reel system; and

- (c) she opined that while the intention of the legislation was good, the FSD had failed to do a good job in public education and implementation. And it was also inadvisable to consult the STDC after such a long time since the launch of the scheme.

81. The views of Mr CHING Cheung-ying were summarised below:

- (a) he opined that the FSD should come up with concrete and practical measures to help “three-nil buildings”, single-block buildings without formal management offices, and buildings with OCs with limited manpower and resources, by installing compliant facilities for them;
- (b) subsidies were granted to buildings with a rateable value of \$162,000 or below in the urban area. However, he opined that such buildings were of a small number in the Sha Tin District. He wondered whether the FSD would make an adjustment to increase the eligible rateable value to about \$200,000 or \$250,000. He opined that the incentive was low for members of the public to cooperate actively, unless there was statutory regulation; and
- (c) overall, he supported the scheme because it was related to safety of life.

82. The views of Mr Michael YUNG were summarised below:

- (a) he requested an explanation from the Secretariat for the lack of a full version of the presentation;
- (b) he asked whether the FSD would consider the load-bearing capacity of a building before issuing a Fire Order, and whether it was technically feasible. Besides, residents of “three-nil buildings” might not be equipped with relevant knowledge and they might feel confused at Fire Orders without the help of management offices;
- (c) he enquired about the number of buildings in the Sha Tin District involved in Phase III, the progress of the scheme, and the remaining number of buildings subject to follow-up actions. He wondered whether the FSD had drawn experience from the first two phases, so that it would work with the BD to inspect the technical suitability of buildings for related facilities, before issuing Fire Orders; and
- (d) he supported the scheme since it was related to the safety of life. But he opined that the FSD could have done a better job in developing guidelines and implementing the scheme.

83. Mr LI Sai-hung pointed out that there were many old buildings in Tai Wai’s old area. Owners did not live in those buildings and did not have money to improve the facilities. He hoped that the FSD would offer more support both technically and financially; otherwise the Fire Orders would only cause confusion among residents.

84. The Secretary responded that she had not been aware of the updated version of the FSD's presentation before the meeting, so she had not made related photocopies for members' reference.

85. Mr SIU Hin-hong asked the FSD to provide the updated version of the presentation after the meeting for members' reference.

FSD

86. Mr WU Wai-hung gave a consolidated response as follows:

- (a) he pointed out that the warning letters were issued to remind members of the public of the need to carry out projects and to provide the FSD's contact information, when the FSD failed to contact related owners. After it was approached by the owners, the FSD would convene a meeting to establish a channel of communication with the owners;
- (b) if owners encounter problems or difficulties in complying with fire safety directions, the FSD would allow an extension at its discretion as appropriate. If owners could prove that their buildings could not accommodate water tanks or related fire-fighting facilities, the FSD would also waive or relax relevant requirements at its discretion as appropriate. In addition, the FSD would advise on items on related quotations; and
- (c) after serving fire safety directions, the FSD would offer assistance if the owners of targeted buildings encountered difficulties.

87. Mr Michael YUNG pointed out that the FSD's approach was good for administrative convenience, but would cause unnecessary concerns among property owners. He opined that the BD should be firstly enquired by means of memoranda about the conditions of related buildings. He hoped that the FSD would optimise the procedures in the third phase. It would be a waste of time and efforts if a building was found unable to accommodate the related fire-fighting facilities after the Fire Order had been served.

88. Ms TUNG Kin-lei said that she had contacted the owners of 58 out of the 60 tenement buildings involved in Phase III, and found that 29 buildings already complied with the requirements. She asked how the FSD would assist the owners of the remaining buildings. She pointed out that there were only a few "three-nil buildings". OCs were not established for those buildings because the owners were advanced in age or indifferent. She said that the FSD could obtain relevant information from the STDO without issuing a Fire Order.

89. Mr LI Sai-hung said that Fire Order could not be extended for ever. He hoped that the FSD would consider providing financial assistance for old buildings to be installed with fire fighting systems, so as to solve the problem.

90. Mr WU Wai-hung gave a consolidated response as follows:

- (a) the scheme featured flexible and practical measures for three types of buildings over three phases, with Phase I covering buildings with three storeys or below, Phase II covering those with four to six storeys, and Phase III covering those with seven storeys or above. There were priorities for the measures under the scheme. Since they were targeted at different types of

buildings, the implementation of Phase III would not be affected by that of the Phase I and Phase II;

- (b) as for the administrative part, he pointed out that fire safety instructions were served in accordance with the law. And maintenance of buildings was the owners' responsibility. If they failed to comply with the directions, then the FSD must enforce the law; and
- (c) after discussions with relevant departments, the FSD would launch a \$2 billion support plan in the third quarter this year to help relevant owners.

91. Mr SIU Hin-hong announced the end of discussion on the issue. Members noted the above paper.

### Questions

Question to be Raised by Mr HUI Yui-yu, Rick on High Indoor Room Temperature of Top Floors at Sun Chui Estate  
(Paper No. DH 5/2018)

92. The views of Mr Rick HUI were summarised below:

- (a) he pointed out that the room temperature of top floor units in Sun Chui Estate could reach as high as 36°C in summer, which was unacceptable. The rooftops of the estate were equipped with compliant insulation materials, which, however, were poor in performance;
- (b) he asked the HD to measure the room temperature of related units and to review the difference in room temperature between lower and higher floors; and
- (c) he criticised the HD for making unreasonable and unfair request by suggesting the tenants concerned install air-conditioners. While tenants of other units of the same size paid the same rent, the tenants concerned were treated differently simply because of the HD's administrative problems.

93. Ms NGO Po-ling, Senior Housing Manager (Tai Po, North and Sha Tin) 1 of the HD, responded that she had informed her colleagues of the Engineering Section of the matter. And they planned to conduct inspections and testing in related rooftop units in the summer. She invited members to provide information about units in need of testing for the sake of better arrangements.

94. Members noted the above paper.

Question to be Raised by Mr YUNG Ming-chau, Michael on the Proposal on Housing Development on the Periphery of Country Parks  
(Paper No. DH 6/2018)

95. Mr Michael YUNG asked whether the Secretariat had invited representatives of relevant departments to the meeting.



96. The Secretary said that the Secretariat had sent emails on the 20th and the 28th of February to relevant policy bureaux, departments and organisations, inviting their representatives to the meeting. Apart from the e-mails, the Secretariat had also contacted those policy bureaux, departments and organisations by phone. But they all said they would not be able to send representatives to the meeting.

97. Mr Michael YUNG requested that the question be postponed to the next meeting for discussion. He said that he might adjust the question as necessary.

98. Members unanimously agreed to postpone the question to the next meeting for discussion.

### **Information Item**

Report of Working Groups  
(Paper No. DH 15/2018)

99. Members noted the above papers.

### **Information Papers**

Population of Public Housing Estates and Private Sector Participation Scheme Courts in Sha Tin  
(Paper No. DH 16/2018)

100. The views of Mr LI Sai-hung were summarised below:

- (a) he said the paper showed that the vacancy rates of rentable units in both Sun Tin Wai Estate and Sun Chui Estate exceeded 1%. He enquired about the reasons for the differences;
- (b) he pointed out that in recent years, the HD had merged the “Territory-wide Overcrowding Relief Exercise” and the “Living Space Improvement Transfer Scheme”, and had cancelled the internal transfer arrangement. He said that the new arrangements were very unsatisfactory. The new scheme launched last year did not even have options in New Territories East. And residents could not apply for internal transfer, either; and
- (c) he opined that it would be a waste of time and efforts, if members of the public had no choice but to settle for less preferred areas, before applying for transfer under the “Harmonious Families Priority Scheme” or other schemes. He hoped that the HD would come up with arrangements that better meet the needs of the public, such as “local rehousing”.

101. Ms NGO Po-ling responded that the matter involved the housing allocation policy and she would pass on members’ views to the Applications Sub-section.

102. Members noted the above paper.

**Date of Next Meeting**

103. The next meeting was scheduled to be held at 2:30 pm on 3 May 2018 (Thursday).

104. The meeting was adjourned at 7:37 pm.

Sha Tin District Council Secretariat  
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