

Minutes of the 3rd Meeting of
the Commerce, Industry and Housing Committee of
the Tuen Mun District Council

Date: 9 April 2018 (Monday)

Time: 9:30 a.m.

Venue: Tuen Mun District Council (TMDC) Conference Room

<u>Present :</u>		<u>Time of Arrival</u>	<u>Time of Departure</u>
Ms CHING Chi-hung (Chairman)	TMDC Member	9:30 a.m.	End of meeting
Mr CHAN Manwell, Leo (Vice-chairman)	TMDC Member	9:30 a.m.	End of meeting
Mr LEUNG Kin-man, BBS, MH, JP	TMDC Chairman	9:31 a.m.	End of meeting
Mr LEE Hung-sham, Lothar, BBS, MH	TMDC Vice-chairman	9:30 a.m.	End of meeting
Mr TO Sheck-yuen, MH	TMDC Member	9:38 a.m.	End of meeting
Ms KONG Fung-yi	TMDC Member	9:30 a.m.	End of meeting
Mr NG Koon-hung	TMDC Member	9:30 a.m.	End of meeting
Ms WONG Lai-sheung, Catherine	TMDC Member	9:30 a.m.	End of meeting
Mr AU Chi-yuen	TMDC Member	9:30 a.m.	End of meeting
Ms HO Hang-mui	TMDC Member	9:35 a.m.	End of meeting
Mr LAM Chung-hoi	TMDC Member	9:30 a.m.	End of meeting
Mr TSUI Fan, MH	TMDC Member	9:30 a.m.	End of meeting
Mr CHAN Man-wah, MH	TMDC Member	9:33 a.m.	End of meeting
The Hon HO Kwan-yiu, JP	TMDC Member	9:30 a.m.	10:35 a.m.
Ms CHU Shun-nga, Beatrice	TMDC Member	9:30 a.m.	10:45 a.m.
Mr TSANG Hin-hong	TMDC Member	9:30 a.m.	End of meeting
Ms SO Ka-man	TMDC Member	9:30 a.m.	End of meeting
Mr KAM Man-fung	TMDC Member	9:39 a.m.	10:06 a.m.
Mr MO Shing-fung	TMDC Member	9:30 a.m.	End of meeting
Mr YEUNG Chi-hang	TMDC Member	9:30 a.m.	End of meeting
Mr YAN Siu-nam	TMDC Member	9:30 a.m.	End of meeting
Mr TAM Chun-yin	TMDC Member	9:30 a.m.	End of meeting
Mr FUNG pui-yin	Co-opted Member	9:56 a.m.	End of meeting
Mr CHAN Ho-ting	Co-opted Member	9:30 a.m.	End of meeting
Ms LAI Ka-man	Co-opted Member	9:30 a.m.	10:37 a.m.
Mr LEUNG Ka-tai, Gary	Co-opted Member	9:30 a.m.	End of meeting
Mr WONG Yu-kei	Co-opted Member	9:30 a.m.	End of meeting
Mr LAW Wai-hung	Co-opted Member	9:30 a.m.	End of meeting
Ms HO Chui-wan, Ida (Secretary)	Executive Officer (District Council) 1, Tuen Mun District Office, Home Affairs Department		

Absent with Apologies :

Ms LUNG Shui-hing, MH

TMDC Member

Mr CHEUNG Hang-fai

TMDC Member

In Invitation :

Mr Billy LAM

Assistant Secretary (Communications & Creative Industries)A1, Commerce and Economic Development Bureau

Ms Elaine HUI

Assistant Director (Market and Competition), The Office of the Communications Authority

Mr Andrew LO

Senior Regulatory Affairs Manager (Market and Competition 13) , The Office of the Communications Authority

In Attendance :

Ms YAN Yuet-han, Fion

Senior Liaison Officer (1), Tuen Mun District Office, Home Affairs Department

Ms Rene CHAK

Liaison Officer i/c Building Management & Town Centre, Tuen Mun District Office, Home Affairs Department

Mr CHOI Chi-man, Michael

Senior Building Surveyor/E5, Buildings Department

Ms CHENG Chui-king, Christine

Housing Manager/Tuen Mun 4, Housing Department

Mr HO Chik-tung, Dennis

Labour Officer (Workplace Consultation Promotion), Labour Department

Mr TAM Kwok-leung

Administrative Assistant/Lands, District Lands Office, Tuen Mun, Lands Department (Acting)

I. Opening Remarks

The Chairlady welcomed all to the 3rd meeting of the Commerce, Industry and Housing Committee (“CIHC”).

2. The Chairlady reminded Members that any Member who was aware of a personal interest in a discussion item should declare the interest before the discussion. She would, in accordance with Order 39 (12) of the Tuen Mun District Council (“TMDC”) Standing Orders, decide whether the Member who had declared an interest might speak or vote on the matter, might remain in the meeting as an observer, or should withdraw from the meeting. All cases of declaration of interests would be recorded in the minutes of the meeting.

II. Absence from Meeting

3. The Secretary reported that she had received an application for leave of absence from Ms LUNG Shui-hing on the ground of sickness.

[Post-meeting note: Ms LUNG had submitted a medical certificate on 9 April 2018. In accordance with Order 42(1) of the TMDC Standing Orders, the CIHC granted her leave of absence from the meeting.]

III. Confirmation of Minutes of The Last Meeting

4. As Members had not proposed any amendment to the minutes of the 2nd meeting of the CIHC (2018-2019), the Chairlady announced that the minutes were confirmed.

IV. Discussion Items

(A) Subsidy Scheme to Extend Optical Fibre Networks to Villages in Remote Areas in Outlying Islands **(CIHC Paper No. 9/2018)**

5. The Chairlady welcomed Mr. Billy LAM, Assistant Secretary for Commerce & Economic Development (Communications & Creative Industries) of the Commerce and Economic Development Bureau; Miss HUI Ching-chi, Elaine, Assistant Director (Market & Competition) and Mr. Andrew LO, Senior Regulatory Affairs Manager (Market & Competition) of the Office of the Communications Authority (“OFCA”) to the meeting.

6. Miss HUI of the OFCA said concerning the captioned subsidy scheme, the OFCA hoped to consult Members about the preliminary concepts and the proposed list of Tuen Mun villages to be included. She pointed out that the current broadband penetration rate for the residential buildings in Hong Kong was very high, but in some remote areas and villages with small population, the laying of optical fibre cables by the telecommunication companies was not

satisfactory. Therefore, in the 2017 Policy Address, the Chief Executive proposed that "the Government takes the lead to provide telecommunications companies with financial incentives in the form of subsidies to encourage the extension of fibre-based network to villages in remote locations". On 6 February this year, the Secretary for Commerce & Economic Development gave a briefing of the captioned scheme to the Chairmen and Vice-Chairmen of the 18 District Councils. At the present stage, the Commerce & Economic Development Bureau and the OFCA were actively providing details of the scheme to the relevant District Councils. Mr. LO of the OFCA then introduced the details of the captioned scheme by powerpoint (Annex 1)*.

*Only available in Chinese version.

7. Members' comments and enquiries on the subsidy scheme are summarised as follows:
- (i) A Member reckoned that the villagers might not have sufficient knowledge on fibre-based networks to reach an agreement with the telecommunication companies by themselves, and suggested the OFCA to provide Members with the information about broadband services so that they could explain the services to the villagers;
 - (ii) A Member welcomed the subsidy scheme, but considered that the objective of the scheme to raise broadband speed from 10 Mbps or below to at least 25 Mbps might not catch up with the broadband development or meet the needs of the citizens;
 - (iii) A Member enquired about the details of installing the fibre-based network;
 - (iv) A Member asked how the OFCA could judge whether any fibre-based network really reached the entrance of individual villages, and how to ensure that the successful fixed telecommunications network services operator ("network operator") tenderer would not monopolise the broadband service of the relevant village after laying the optical fibre cables;
 - (v) A Member reckoned that for ensuring that the villages really in need of high speed broadband service were indeed included in the proposed list of villages to be covered in the subsidy scheme, the Government should examine the situation of all the villages in Tuen Mun District; and suggested that in the long run, the subsidy scheme should cover all villages in Tuen Mun;
 - (vi) A Member reckoned that the subsidy scheme should raise the speed of optical fibre broadband in villages to a higher speed, not just to 25 Mbps. Even if a network operator had laid the optical fibre cables to the entrance of the village, it was still a certain distance from individual houses, which would affect the broadband speed; so, it

was suggested that the OFCA should provide assistance to the villagers in this regard;

- (vii) A Member enquired that after the fibre-based network had been installed, whether another road excavation was required should the broadband network be upgraded in the future. The OFCA was also urged to complete the works as soon as possible to enable the villagers to enjoy a faster optical fibre broadband service;
- (viii) A Member enquired about the time schedule and network capacity that the subsidised network operator were supposed to open to the other network operators, whether the opened network capacity referred to the space in the ducting or to the bandwidth, and in case the subsidised network operator sold its business to another company, whether the latter was obligated to comply with the aforesaid stipulations;
- (ix) A Member said since Siu Hang Tsuen and Po Tong Ha Tsuen were both located at Tong hang Road; if the OFCA included Siu Hang Tsuen into the subsidy scheme, then Po Tong Ha Tsuen should also be included;
- (x) A Member said the villagers complained that the works carried out under the instruction of certain telecommunication operator had caused traffic problems, and that the section of the road concerned was not properly levelled after completion of the works; so, it was suggested that the OFCA should set the prevention of the happening of such events as a criteria in evaluating a tender;
- (xi) A Member said fibre-based network did not connect to the inside of the flats of some of the old buildings in urban areas and the residents could only use 5 Mbps broadband service, yet it was sufficient to connect to the internet and watch broadband TV; so, the OFCA should explain the objective of the subsidy scheme;
- (xii) A Member said after the network operator completed installation of the fibre-based network to the entrance of the village; if the villagers wanted to enjoy faster broadband speed, they had to separately arrange with the network operator to extend the network to the inside of their houses. Thus, the Member enquired the OFCA of the number of residents intending to make such separate arrangements with the network operator;
- (xiii) A Member enquired about the definition of a qualified network operator, and whether the subsidy scheme required the network operator to lay new optical fibre cables or just upgrade the existing copper wire to optical fibre;

- (xiv) A Member would like to know how the OFCA could ensure that the network operator would offer broadband service at a reasonable price upon completion of the installation of the optical fibre network. The Member also suggested that Hong Kong follow the example of foreign countries (such as Australia, United Kingdom, and Singapore), in that the Government would fully fund, establish and own the telecommunication network, and then open it up for use by all telecommunication companies;
- (xv) A Member said some villagers had told him/her that when a new network operator's optical fibre installation work was ongoing, the stability of the existing telecommunication service would be affected; furthermore, when the new network operator had completed the optical fibre installation work, the existing telecommunication operator would cease the provision of service to the village and simply give up the business of that area. Therefore, the Member enquired how the OFCA would deal with such a situation;
- (xvi) A Member enquired why the amount of subsidy was to be proposed by the network operator, instead of being fixed by the OFCA, and on what criteria would the OFCA approve the amount of subsidy; and
- (xvii) A Member said as mobile data service was getting more popular, he/she enquired whether the OFCA had pondered over the practicality and cost effectiveness of granting subsidies to network operators to install fibre-based networks.

8. Miss HUI of the OFCA thanked Members for their comments and enquiries, and responded as follows:

- (i) She said the Government did not invest in the telecommunications sector at all, and it encouraged open competition based on the market-oriented principle. So, the Government hoped to provide telecommunications companies with financial incentives in the form of subsidies to encourage the extension of fibre-based network to villages in remote locations, so that the villagers could enjoy good quality broadband service at a reasonable price through the subsidy scheme;
- (ii) She said the OFCA's preliminary plan was to divide the covered villages of the scheme into 6 projects and invite qualified network operators to submit tender if it was interested in the subsidy scheme. Each project would select one network operator for the relevant works. The OFCA hoped to attract different network operators to join the subsidy scheme and was contemplating to set an upper limit on the number of successful bids for each network operator, in order to create competition and avoid monopoly. The successful tenderer would receive subsidy for its works to extend the fibre-based

network to the entrance of a village. Annex 1 of the discussion paper listed out the preliminary proposed villages, it might be amended upon consultation with the TMDC and Rural Committees;

- (iii) She said the convenience of the villagers would be the prime consideration, the fibre-based network would be connected to the most suitable location of the village entrance, and depending on the size of the village, the number of connection points at the village entrance might also be increased. When the installation of the fibre-based network to the village entrance had been completed, by connecting to the existing copper wire network in the village, the speed of the broadband could be raised from the existing 10 Mbps or below to 25 Mbps or higher. As to the installation of the telecommunications network inside the village, it would most likely involve the villagers' private land and property. If the villagers and the network operator could reach an agreement to install fibre-based network inside the village, then the speed of broadband could be further increased to a level similar to urban areas, such as 100 Mbps or even 1000 Mbps;
- (iv) She said all network operators with permission from Lands Department to install telecommunications equipment on government land (that is, Excavation Permit) were qualified to submit tender. At present, there were over 10 qualified network operators on the market;
- (v) She said the Government would set an upper limit on the amount of subsidy for each project. If a network operator requested for a smaller amount of subsidy in its tender submission, it would be awarded a higher score in pricing. In assessing a tender, apart from the amount of subsidy requested by the network operator for a project, other factors would also be considered, such as whether the network operator would commit to provide higher broadband speed to the villagers in line with the market price, the time taken to complete the project and so on. Only the network operator with the highest score would be awarded a project tender;
- (vi) She said to create competition, the successful tenderer must open half of the capacity of the subsidised network for use by the other network operators free of charge. The network facilities would be open for use to others in different ways depending on the characteristics of individual projects, such as sharing the underground conducts on land or the capacity of undersea optical fibre cables. The other network operators could provide broadband service to the villages along with the successful tenderer, so that the villagers could have more service choices. If the successful tenderer failed to comply with the above requirements, the OFCA would handle the cases according to the terms of

the tender contract;

- (vii) She said the capacity of the fibre-based network was enormous; if the network operator needed to upgrade the network in the future, generally it would not be necessary to undertake another excavation work. Apart from directly benefitting the villagers covered by the subsidy scheme, the new fibre-based network might also serve the buildings along its way. In the future, the network operator could also use the optical fibre infrastructure to provide various types of telecommunications services, such as improving the coverage of mobile networks, setting up Wi-Fi hotspots, and setting up 5G mobile stations; and
- (viii) She said the OFCA had already liaised with the relevant government departments about the subsidy scheme, so that the successful tenderer could begin the excavation works and other works related to the fibre-based network as soon as possible. The OFCA would continue to liaise with the relevant departments in the future. It was expected that starting from 2021, the fibre-based networks would be extended to the villages by stages.

9. A Member said the tendering process and the installation works scheme involved excessive time and hoped that the OFCA could speed up the relevant processes.

10. Miss HUI of the OFCA responded that the OFCA must follow procedures, apply for funds from the Finance Committee of the Legislative Council and carry out the tendering procedures; all such administrative procedures were time-consuming. After the network operator was awarded the contract, it also had to apply to the relevant government department for a works permit. The OFCA would actively do coordination work with a view to empower the network operator to begin the works as soon as possible.

11. A Member recognised that the subsidy scheme could benefit the villagers but suggested the OFCA draft the appropriate terms to attract different qualified network operators, so as to promote competition and avoid the exploitation of the tendering procedures by the larger network operators, and hence optimising the use of public money.

12. Miss HUI of the OFCA responded that the OFCA was prepared to include suitable terms in the tender document to increase the competitiveness of the tendering process, and to introduce competition for the benefit of the villagers.

13. The Chairlady asked Members to take note of the list of villages of Tuen Mun District included in the preliminary proposal of the subsidy scheme, and that they might submit any proposed amendment to the Secretariat; after gathering all the amendments, it would relay them to Secretariat

the OFCA. She summarised that most Members had indicated support for the captioned scheme and hoped that the OFCA would report the latest progress to the CIHC upon the completion of the tender procedure.

[Post-meeting note: The OFCA wrote to the CIHC on 10 April 2018, inviting Members to give comments on the list of Tuen Mun District villages to be included in the subsidy scheme before 28 April 2018. The said letter was distributed to Members on 12 April 2018 for perusal.]

(B) Requesting Housing Department to Close Security Loopholes on Fire Escape Staircases Linking Kwan Tai House and Car Park
(CIHC Paper No. 10/2018)
(Written Reply from Link REIT)

14. The first proposer of the paper said in the car park of Fu Tai Estate, there were four fire escape staircases connecting with Kwan Tai House that were not equipped with any security facilities, indirectly allowing non-residents to freely go in and out of Kwan Tai House and thus creating security loopholes. He had discussed the problem with the representatives of the Hong Kong Police Force, Housing Department (“HD”) and Link REIT but to no avail, so he hoped to seek solutions in this discussion.

15. Ms Christine CHENG of the HD responded that the works department of HD had tried to install different anti-theft devices at the four fire escape staircases mentioned in the paper (i.e. No. 8, No. 10, No. 12 and No. 13), and also applied for the fixing of anti-theft gates at staircases No. 8 and No. 10; but due to restrictions imposed by the Buildings Ordinance, they were not approved by the Independent Checking Unit of the Transport and Housing Bureau. Eventually, the HD installed closed-circuit TV and introduced security patrol log books for the four fire escape staircases. The HD had also successfully applied for the installation of an anti-theft gate for staircase No. 8 (approved by the Independent Checking Unit) and was preparing for the installation work.

16. The first proposer of the paper said the HD had never disclosed the abovementioned updated information in the meetings, he hoped the HD’s representative would explain the details of the works in the next Estate Management Advisory Committee meeting, arrange an on-site visit upon completion of the works, as well as inviting officers of the Hong Kong Police Force to the meeting to give opinion on the design of the anti-theft gate.

17. A Member asked if the Independent Checking Unit of the Transport and Housing Bureau had offered any advice on the ways to improve the security measures of the abovementioned locations after it had disapproved the installation of anti-theft gates at staircases No. 8 and 10.

18. The Chairlady said the CIHC would continue discussing the captioned item in the next meeting and requested the HD to report the details after following up on the works progress with the relevant District Councillors in the Estate Management Advisory Committee meeting.

(C) **Requesting Housing Department to Promptly Solve Problem of Insufficient Stock of Lighting Tubes for Corridors in Fu Tai Estate**
(CIHC Paper No. 11/2018)

19. The first proposer of the paper said several residents of Fu Tai Estate reflected that the broken lighting tubes of the Estate had to wait a long time before they got replaced. He had pursued this issue in the Estate Management Advisory Committee meetings for over a year already. In the recent meeting, he learnt that the supplier was running short of stock due to some contract issue, which caused the shortage of 800 lighting tubes for Fu Tai Estate alone. He requested the HD to provide information about the estates affected, as well as answering whether problems had occurred in the supervision of suppliers (which caused the constant shortage of supply of lighting tubes).

20. Ms CHENG of the HD responded that because many public estates placed lighting tube orders with the supplier simultaneously, so it was unable to fulfil the orders within a short period of time. Fu Tai Estate ordered 2,500 lighting tubes in total, but it had sufficient reserved lighting tubes. The supplier had replied that by mid-April this year, it could deliver all the lighting tubes ordered by the public estates of the district and ameliorate the situation of Fu Tai Estate.

21. The Chairlady enquired if the other estates of the district had encountered the same shortage of lighting tubes. Members made the following comments and enquiries in response to the HK's reply:

- (i) A Member urged the HD to clarify the number of lighting tubes lacked in different public estates of Tuen Mun district, and explain why the monitoring system had not ensured an adequate supply of stock by the supplier;
- (ii) A Member reckoned the importance of lighting facilities and viewed that the HD must handle the case cautiously or consider issuing a new tender for selecting another supplier.
- (iii) A Member requested the HD to provide data about the frequency of replacing lighting tubes and the stock of the past year for reference and finding out the reasons for the constant shortage of lighting tubes;
- (iv) A Member opined that the relevant housing manager should assume full responsibility and requested the HD to investigate into the matter; and

(v) A Member said the shortage of supply of lighting tubes had persisted for one year long and asked if the HD had adopted any follow up measures during that period of time.

22. Ms CHENG of the HD replied that a housing manager of the HD mainly took care of estate tenancy matters; the incident narrated in the paper fell within the ambit of the job duties of a manager of the property management company of Fu Tai Estate. She reiterated that the incident was caused by the simultaneously placing of lighting tube orders by several estates.

23. The Chairlady said the CIHC would continue discussing the captioned item in the next meeting and requested the HD to consider making arrangement for the related officer to reply to the above enquiries in the meeting. Housing Department

V. Reporting Items

(A) Work Reports by the Working Groups under the Commerce, Industry and Housing Committee

(CIHC Paper No. 12/2018)

(i) Working Group on Occupational Safety and Health

24. Members noted the report of the above working group.

(ii) Working Group on Economic Development in Tuen Mun

25. The Vice-Chairman, who was also the convener of the above working group, hoped that the group could also promote the district's tourist business besides giving comments on the economic development matters in the days to come. The group planned to hold various exchange and discussion seminars in which people and academics from the industrial and commercial sectors would be invited to participate; he appealed to the Members who were interested in the seminars to join the group to promote the economic development of the district. Concerning the mobile app "Tuen Mun Travel" (co-organised with Yan Oi Tong), as the supplier responsible for providing its update service had ceased operation, the working group would have to discuss what to do with the app in the next meeting.

(iii) Working Group on Building Management

26. The Chairman, who was also the convener of the above working group, said upon confirmation of this year's District Council Funds, the working group would discuss its annual work plans in its first meeting to be held on 25 April this year.

27. The Chairlady announced that the Working Group reports in the paper were endorsed.

(B) **Work Report on Private Building Management in the Tuen Mun District**
(CIHC Paper No. 13/2018)

28. Members noted the above work report.

(C) **Report by the Buildings Department**
(CIHC Paper No. 14/2018)

29. Members noted the contents of the above report.

VI. Any Other Business

(A) **Occupational Safety and Health Promotional Campaign 2018**
(Paper No.1 distributed in the meeting)

30. The Chairlady said the Occupational Safety and Health Council had written to the Chairperson of the District Council earlier on, indicating that it would offer a subsidy of \$40,000 for 2018-2019 to support the District Council and the local organisations in holding the occupational safety and health promotional campaign. Upon the consent of the Chairperson of the District Council, the matter was then handed over to the CIHC to follow up. Hence, she asked Members to consider whether to accept the said funding and whether Members would follow past practice in entrusting the fund to the Working Group on Occupational Safety and Health.

31. As no Members objected, the CIHC approved that the fund for the Occupational Safety and Health Promotional Campaign 2018 would be handled by the Working Group on Occupational Safety and Health.

VII. Date of next meeting

32. There being no other business, the Chairlady closed the meeting at 11:19 a.m. The next meeting would be held on 4 June 2018.

Tuen Mun District Council Secretariat

Date: 24 May 2018

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