

LCQ6: Suspension of fresh water supply in public rental housing estates

Following is a question by Hon Ho Kai-ming and a reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (February 27):

Question:

Quite a number of residents in public rental housing estates (estates) have relayed to me that in recent years, fresh water supply to the estates in which they reside was suspended on many occasions due to bursts of communal water mains, causing inconvenience to their daily lives. In this connection, will the Government inform this Council:

(1) of the respective numbers of incidents of suspension of fresh water supply in each of the past five years that were caused by (i) bursts and (ii) leakages of communal water mains in the estates, and set out the duration of each incident by name of estate;

(2) given that aged water mains are more susceptible to bursts and leakages, whether the authorities will expeditiously and comprehensively replace the communal water mains in those estates aged 30 years or above, so as to minimize the occurrence of such incidents;

(3) whether master meters have been installed in all estates at present; if not, whether it has plans to install master meters in all estates to facilitate monitoring water losses in the communal water mains in the estates; if so, of the details and timetable; and

(4) whether the Water Supplies Department and the Housing Department have put in place a coordination mechanism to monitor the conditions of communal water mains in the estates and carry out timely repair and maintenance?

Reply

President,

Having consulted the Development Bureau and the Water Supplies Department (WSD), I set out my consolidated reply to various parts of the question raised by the Hon Ho Kai-ming as follows.

In respect of the water supply systems in the common area of public rental housing (PRH) estates, the Hong Kong Housing Authority (HA) has since 1995 gradually replaced the aged galvanised iron fresh water supply pipes by non-ferrous pipes under a large scale re-plumbing programme. The programme is currently generally completed. In addition, the HA conducts regular inspections on water supply systems and arrange contractors to carry out

maintenance and repair works in a timely manner to ensure their proper functioning. The HA also evaluates the condition of the systems annually for formulating appropriate maintenance arrangements and improvement programmes.

Since 2006, all new PRH estates with two or more building blocks have been installed with master meters as required by the WSD. The WSD is gradually installing master meters in other existing PRH estates. Currently, master meters have been installed in about 100 PRH estates. Installation works of the remaining about 80 PRH estates is targeted for completion by 2023.

The WSD has always been attaching great importance to the leakage problem of the water supply system in Hong Kong, including PRH estates. The WSD and the HA have put in place a regular communication mechanism for examining the general leakage situation of PRH estates; sharing the experience of handling of water leakage as well as maintenance and repair of water mains with a view to reducing the risk of water main bursts; following up the progress of installing master meters in the existing PRH estates; coordinating related works, etc. From time to time, the WSD advises the HA of the cases with suspected water leakages in underground communal water mains, so as to facilitate the HA to carry out necessary testing and to arrange timely repair. The WSD would also discuss with the HA the progress of relevant cases.

Since 2016, the WSD has referred to the HA about 30 suspected water loss cases in PRH estates. Among these cases, 2 were confirmed to be not related to the HA properties after examination. The HA has completed the follow-ups and repairs for 12 cases. The remaining 16 cases are being tested or repaired with the WSD's assistance. As our follow-up works are carried out at hours with less impact to the residents, the disruptions to the fresh water supply of the concerned estates are usually minimal. Both the WSD and the HA do not keep statistics on water supply interruption incidents resulted from pipe seepage and burst of common water mains in PRH estates.

LCQ12: Requests made to ICT companies for disclosure and removal of information

Following is a question by the Hon Charles Mok and a written reply by the Secretary for Innovation and Technology, Mr Nicholas W Yang, in the Legislative Council today (February 27):

Question:

Regarding the requests made by the Government to information and communication technology (ICT) companies for disclosure and removal of information, will the Government inform this Council:

(1) of the following details of the requests for information disclosure made by the Government respectively in the first and the second halves of 2018 to ICT companies (set out the information in a table, broken down by government department):

- (i) total number of ICT companies involved,
- (ii) names and types of ICT companies involved (e.g. Internet service providers, device producers, social media and search engines),
- (iii) total number of requests made,
- (iv) total number of user accounts involved,
- (v) types of information requested for disclosure (e.g. user names, Internet Protocol addresses and contact methods) and the respective numbers of the requests concerned,
- (vi) nature of information requested for disclosure (i.e. metadata and/or content of communication) and the respective numbers of the requests concerned,
- (vii) reasons for making the requests concerned (e.g. investigation of cases, law enforcement and other reasons) and the respective numbers of the requests concerned,
- (viii) number of requests made under court orders,
- (ix) number of requests acceded to, and
- (x) reasons why some requests were not acceded to (e.g. the request not made under a court order, failure to provide appropriate legal documents, insufficient justifications, not in compliance with the policies of the ICT companies, and other reasons) and the respective numbers of the requests concerned;

if such information cannot be provided, of the reasons for that;

(2) of the following details of the requests for information removal made by the Government respectively in the first and the second halves of 2018 to ICT companies (set out the information in a table, broken down by government department):

- (i) total number of ICT companies involved,
- (ii) names and types of ICT companies involved,
- (iii) total number of requests made,
- (iv) volume of information requested for removal,
- (v) types of information involved (e.g. videos, text, images) and the respective numbers of the requests concerned,
- (vi) nature of information involved (e.g. indecent content, illegal advertisements, copyright infringement and false information) and the respective numbers of the requests concerned,
- (vii) reasons for making the requests concerned (e.g. for investigation of complaints, law enforcement and other reasons),
- (viii) number of requests made under a court order,
- (ix) number of requests acceded to, and

(x) reasons why some requests were not acceded to and the respective numbers of the requests concerned;

if such information cannot be provided, of the reasons for that;

(3) given that information technology is advancing and changing rapidly and the methods adopted by law enforcement agencies for collecting evidence have changed, whether it has plans to review and amend the relevant laws such as the Interception of Communications and Surveillance Ordinance (Cap. 589), to ensure that Hong Kong people continue to fully enjoy the rights to freedom of speech, privacy of communication, etc., as safeguarded under Articles 27 to 30 of the Basic Law;

(4) given that quite a number of advanced countries/regions have enacted laws (e.g. the Regulation of Investigatory Powers Act 2000 of the United Kingdom, the Telecommunications (Interception and Access) Act 1979 of Australia and the Communication Security and Surveillance Act of Taiwan) to regulate the access to residents' electronic communication records and personal data by law enforcement agencies, and those countries/regions also require law enforcement agencies to proactively make public, on a regular basis, statistics and reports on access to such information, so as to ensure that there is a certain degree of transparency in law enforcement actions, whereas Cap. 589 of Hong Kong regulates only matters such as "postal interception" and "telecommunications interception" and does not regulate the interception of communication records and personal data stored in media such as web servers, whether the Government has plans to amend its internal guidelines and codes of practice, to regulate the making of requests by various law enforcement agencies concerning information disclosure and removal (including the aspect of enhancing transparency); if not, of the reasons for that; and

(5) whether the authorities will proactively and regularly make public, in machine readable format, the statistics and reports on requests for information disclosure and requests for information removal made to ICT companies, so as to enhance the transparency of law enforcement actions; if not, of the reasons for that?

Reply:

President,

In consultation with relevant bureaux and departments, our reply is as follows:

(1) and (2) Details of the requests for information disclosure and information removal made by the Government to information and communications technology (ICT) companies in 2018 are set out in Tables 1 and 2 respectively.

(3) The Security Bureau advises that the Interception of Communications and Surveillance Ordinance (Cap. 589) (ICSO) regulates interception of communications and covert surveillance by the four designated law enforcement

agencies (LEAs) for prevention and detection of serious crimes and protection of public security. The covert operations regulated by the ICSO do not cover general government LEAs' requests to the Internet service providers during their day-to-day work for information that does not involve non-open communications, such as user information, IP addresses, login records, etc.

ICSO was amended in June 2016, and the Code of Practice issued by the Secretary for Security under section 63 of ICSO was also updated in the same month. The Government will keep in view closely the application of the ICSO and does not have any plan to further amend the ICSO in the near future.

(4) If officers of individual government departments and LEAs, in discharging their duties, need to request for information or co-operation from relevant persons or organisations (including ICT companies), they will make the requests in accordance with duty-related legislations, procedures or guidelines, and will ensure that relevant requests would only be made if they are necessary for discharging their duties. The above mechanism and procedures or guidelines have been functioning properly and effectively. At present, the Government does not have any plan to change the above.

(5) Regarding the requests made by the Government to ICT companies for disclosure and removal of information, no relevant statistics and reports are provided in machine-readable format at present. Provided that it will not affect future investigation and enforcement actions, the Government will consider disseminating regularly relevant data in machine-readable format having regard to specific circumstances.

Financial services and business leaders to make recommendations on Future Fund

The Government announced today (February 27) that the Financial Secretary has invited several leaders from the financial services and business sectors to make recommendations on the investment strategies and portfolios of the Future Fund. Dr Victor Fung has been invited to lead the group comprising Professor Lawrence Lau, Mr Peter Wong and Mr Norman Chan (Chief Executive of the Hong Kong Monetary Authority).

"I look forward to receiving the advice and recommendations from this group of experienced leaders on the investment strategies and portfolios of the Future Fund as well as ways to achieve more diversified investments. The objectives are to enhance return while consolidate Hong Kong's status as a financial, commercial and innovation centre, and raise the productivity and competitiveness of Hong Kong in the long run," the Financial Secretary, Mr

Paul Chan, said.

The Future Fund, being an integral part of the fiscal reserves, was established in 2016 for placement in longer term investments with a view to securing higher return. The Financial Secretary announced in his 2019-20 Budget that he would invite several leaders from the financial services and business sectors to advise him on the Fund's investment strategies and portfolios.

LCQ15: Planning for the facilities in various districts

Following is a question by the Hon Andrew Wan and a written reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (February 27):

Question:

Some residents from Yuen Long, Tsuen Wan and Tuen Mun have relayed to me that with the successive intake of residents by newly completed public and private housing estates in those districts in recent years, the shortage of facilities, such as social welfare and healthcare facilities, in such districts has become more acute. Moreover, in recent years, there has been an upsurge in the number of inbound Mainland visitors going to those districts for shopping, thereby aggravating the problem of insufficient retail facilities in such districts. Regarding the planning for the facilities in various districts, will the Government inform this Council:

(1) given that the current ratios of public general outpatient clinics to population of Yuen Long and Tuen Mun are lower than that proposed in the Hong Kong Planning Standards and Guidelines (HKPSG) (i.e. the provision of one general clinic for every 100 000 persons), whether the Government will provide, apart from the community health centre proposed to be built at Tuen Mun Area 29 West, new public general outpatient clinics in those two districts in the coming three years; if so, of the details;

(2) given that as at December 31, 2017, the general beds to population ratios for the New Territories West Cluster (which covers the public hospitals in Tuen Mun and Yuen Long) and the Kowloon West Cluster (which covers the public hospitals in Tsuen Wan) were 2.3 beds and 2.5 beds/1 000 persons respectively, which were lower than the overall ratio for the Hospital Authority (HA) (i.e. 3.0 beds/1000 persons), whether the Government knows if HA has plans in the coming three years to increase the numbers of general beds in those two clusters and to allocate the additional resources required; if HA does, of the details;

(3) since it is provided in HKPSG that there should be one District Elderly Community Centre (DECC) in each new development area with a population of around 170 000 or above, and the Government indicated in July last year that "...where appropriate, there should be one Neighbourhood Elderly Centre in each new and redeveloped public rental housing estate and one in private housing areas with a population of 15 000 to 20 000 in new residential areas", whether the Government will, in the coming three years, provide Neighbourhood Elderly Centres or DECCs in Yuen Long, Tsuen Wan and Tuen Mun respectively; and

(4) whether the Government will, in response to the growing number of inbound Mainland visitors, review afresh the estimated demand and planning approach for the retail facilities in the relevant districts?

Reply:

President,

Having consulted the Labour and Welfare Bureau, the Development Bureau and the Hospital Authority (HA), my reply to the various parts of the question raised by Hon Andrew Wan is as follows:

(1) HA is committed to providing community-based primary care services through its general outpatient (GOP) services. Its service users mainly include the elders, low-income individuals, and patients with chronic diseases. At present, the number of General Outpatient Clinics (GOPCs) in Tsuen Wan, Yuen Long and Tuen Mun Districts are two, five and three respectively.

In order to enhance public primary healthcare services and meet growing service demand, HA has implemented a series of measures to augment the service capacity of existing GOPCs. These measures include actively recruiting additional staff, carrying out clinic renovation and renewing its facilities, so as to streamline patient flow, improve the clinic environment and increase clinical space.

Apart from the above, the Food and Health Bureau (FHB) and HA have been working closely with Government Property Agency, Planning Department, Housing Department (HD), Lands Department, etc. in exploring suitable sites in each district so as to facilitate long term planning for public primary healthcare service development. In view of the service demand in Tsuen Wan District, FHB, HA and the Department of Health are working together to explore the feasibility of redeveloping the current Lady Trench Polyclinic Site with a view to expanding its GOP service in the district. As for Yuen Long District, the Government is proactively identifying suitable sites for primary care purpose in the longer run. Regarding Tuen Mun District, apart from HA's planned Community Health Centre in the public housing development in Tuen Mun Area 29 West led by HD which is expected to be completed by 2024, concerned Government departments are also exploring the proposal of redeveloping the Tuen Mun Clinic Site (where HA's Tuen Mun Clinic is currently located).

Initial assessment on its land use is being conducted.

(2) In the Hong Kong Planning Standards and Guidelines (HKPSG), the beds as referred to in the beds to population ratio include all types of hospital beds (general (acute and convalescent), infirmary, psychiatric and mentally handicapped beds) in public and private hospitals, and are not limited to general beds in public hospitals. With the growing and ageing population, HA has drawn up plans to increase the number of beds to cope with the rising demand for medical services.

The Kowloon West Cluster covers the service requirement from the residents in Sham Shui Po, Kwai Tsing, Tsuen Wan and Lantau Island. In the recent years, development of North Lantau Hospital (NLTH), phase 2 redevelopment of Caritas Medical Centre and redevelopment of Yan Chai Hospital in the cluster have been completed and put into operation. The NLTH has commenced operation in September 2013 by phases. The first phase development of NLTH will provide 180 hospital beds. As at December 31, 2018, 90 beds have been put into service. The second 10-year Hospital Development Plan under planning will cover the study of in-situ redevelopment of Princess Margaret Hospital and expansion of NLTH.

For the New Territories West Cluster, which covers the service requirement from the residents in Tuen Mun and Yuen Long Districts, the new hospital constructed in Tin Shui Wai has commenced operation in the first quarter of 2017 by phases and will provide 300 hospital beds. As at December 31, 2018, 32 beds have been put into service. In the long run, HA has considered making use of the adjoining site of Tin Shui Wai Hospital for future expansion of the hospital in the second 10-year Hospital Development Plan to further increase service capacity. At the same time, the Government has reserved a site at Hung Shui Kiu New Development Area for the construction of a new hospital to meet the growing healthcare demand of the population in the New Territories West.

(3) The Government will construct the following two projects in Tuen Mun and Yuen Long Districts in the coming three years –

- A Neighbourhood Elderly Centre (NEC) at Sites 1&1A of the Public Housing Development Project at Tuen Mun Area 54
- An NEC at the ex-Long Bin Interim Housing site and its adjoining area

At the same time, in accordance with the recently announced planning ratios for elderly services in the HKPSG, the Government will proactively follow-up with the relevant departments and units with a view to further increasing the number of District Elderly Community Centres and NECs to satisfy the districts' demand for the services.

(4) The retail industry as one of the major economic activities in Hong Kong is a commercial use in terms of land use. The Government has been monitoring the market demand for commercial floor space and is committed to increasing the supply of sites, space and hardware for commercial uses in order to facilitate the development of different economic activities and maintain Hong

Kong's competitiveness. The development and choice of uses for commercial land and floor space is preferably market-driven, allowing business operators to respond to the fast-changing market situations and make timely and flexible decisions. The existing planning system, including the statutory plans, has embodied sufficient flexibility to facilitate retail activities in many land use zones. For example, "retail shops" is an always permitted use on the land zoned "Commercial" in the core business areas and major shopping areas. In the "Residential (Group A)" zones of major residential areas, retail shops are also always permitted in the lower storeys of buildings. Developers can also propose change of land use for sites considered suitable for development of retail business via planning applications.

Budget Speech by the Financial Secretary (14)

Estimates for 2019-20

181. The major policy initiatives announced in the 2018 Policy Address involve an operating expenditure of \$75.3 billion and capital expenditure of \$8.8 billion. I will ensure that adequate resources are provided to fully support the launch of these initiatives.

182. Total government revenue for 2019-20 is estimated to be \$626.1 billion. Earnings and profits tax is estimated to be \$235.9 billion. The revenue from land premium is estimated to be \$143 billion, an increase of 23.3 per cent compared with the revised estimate for 2018-19. The revenue from stamp duties is estimated to be \$76 billion, a decrease of 5 per cent compared with the revised estimate for 2018-19.

183. Operating expenditure is estimated to be \$501.5 billion, a year-on-year increase of 15.4 per cent or \$66.9 billion. This mainly involves an expenditure of \$11.2 billion on the Caring and Sharing Scheme last year. Recurrent expenditure, which accounts for over 80 per cent of operating expenditure, will reach \$441 billion, a year-on-year increase of nine per cent or \$36.3 billion.

184. In 2019-20, the estimated recurrent expenditure on education, social welfare and healthcare accounts for about 60 per cent of government recurrent expenditure, exceeding \$250 billion in total. Recurrent expenditure in these three areas recorded a cumulative increase of 45 per cent over the past five years.

185. We will increase the manpower of all departments as appropriate in 2019-20. The civil service establishment is expected to expand by 3 481 posts to 191 816. This represents a year-on-year increase of about 1.8 per

cent, resuming the growth level of one to two per cent.

186. Taking all these into account, including bringing back \$21.2 billion from the Housing Reserve in 2019-20, I forecast a surplus of \$16.8 billion in the Consolidated Account in the coming year. Fiscal reserves are estimated to be \$1,178.4 billion by the end of March 2020, equivalent to 39.4 per cent of GDP.

Medium Range Forecast

187. The Medium Range Forecast projects, mainly from a macro perspective, the revenue and expenditure as well as financial position of the Government from 2020-21 to 2023-24. During this period, annual expenditure on the Government's infrastructure projects will exceed \$100 billion, while the growth of recurrent government expenditure ranges between 5 per cent and 8.8 per cent per annum, higher than the average annual nominal economic growth of 5 per cent over the same period.

188. Regarding revenue, the land premium estimate for 2019-20 mainly makes reference to the Land Sale Programme and the land supply target of the coming year. The medium range forecast on land premium from 2020-21 onwards is based on the average proportion of land revenue to GDP over the past decade, which is 3.9 per cent of GDP. I also assume that the growth rate of revenue from profits tax and other taxes will be similar to the economic growth rate in the next few years.

189. In addition, as I mentioned earlier (paragraph 102), I will bring back the Housing Reserve, with a current accumulated balance of \$82.4 billion, to the fiscal reserves over four years to better reflect the Government's financial position.

190. Based on the above assumptions and arrangements, I forecast an annual surplus in the Operating Account every year for the coming five financial years except for 2019-20. A small deficit would surface in the Capital Account in 2021-22 and 2022-23. The forecast deficit in the Operating Account in 2019-20 is mainly due to the expenditure arising from the one-off relief measures announced in this Budget and the Caring and Sharing Scheme. There is no structural change in the Government's financial position. Moreover, ample fiscal reserves also enable us to meet foreseeable expenditure needs. I remain cautiously optimistic about the forecast for the coming five years.

191. Fiscal reserves are estimated at \$1,224.6 billion by the end of March 2024, representing 33.7 per cent of GDP, equivalent to 19 months of government expenditure.

192. Taking all these into account, the Government will generally have an overall surplus in the next five years. That said, the above forecast has not taken into account the tax rebate and relief measures that the Government may implement during the Medium Range Forecast period.

Concluding Remarks

193. The consultation for this Budget started earlier than that for the last. Apart from holding around 40 consultation sessions to gauge views from various sectors and groups, I spent a lot of time interacting with people in the community to understand what they expect of the Government and the Budget.

194. I remember that one morning when I settled my bill at a cha chaan teng (Hong Kong-style café) in Hung Hom, the cashier lady told me that as the mother of a mentally-handicapped child, she was acutely aware how inadequate the support was and hoped that the Government would provide more care homes for people with disabilities. On another occasion, a girl from a grass-roots family attended a function in my official residence. Her mother told me that she had made use of the \$2,000 school expenses allowance for needy students introduced last year to enrol her child in an interest class outside school to develop her potential. She hoped the allowance would be granted again this year. In recent months, I also exchanged ideas with public healthcare personnel on a number of occasions. I gained insight into the problems they faced, and heard their suggestions on how to improve healthcare services. From these encounters, I was greatly inspired by the aspirations and strong hopes of the people I met, and deeply moved by their sincerity and candidness.

195. I set off from the bottom of my heart and listen with care. The opportunity to put forward measures that meet people's needs and expectations is what drives me in preparing this Budget.

196. However, resources are not infinite and trade-offs are inevitable. The Government has to prioritise its policy initiatives by taking into account the interests of all. No matter how many resources we put into solving problems, solutions do not happen overnight. This is especially true for difficult problems that have beset our community for many years. But I firmly believe that challenges are meant to be overcome as long as we devote resources and tackle them step by step.

197. Only with adequate resources can we improve services and enhance people's quality of life. We must continue to leverage our edges and seize opportunities to promote a diversified economy. Now that the economic environment is fraught with uncertainties and challenges, we must get ourselves well prepared.

198. Hard-working and flexible, Hong Kong people have weathered tough times and grown tougher. With confidence, hope and concerted efforts, we will definitely be able to see the sunshine through the clouds!

199. Thank you, Mr President.