

LCQ22: Supply of first-hand private residential units

Following is a question by the Hon James To and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (May 23):

Question:

Regarding the supply of first-hand private residential units, will the Government inform this Council:

- (1) of the number of unsold first-hand private residential units on December 31 in each year from 2008 to 2017 which had been issued with occupation permits ("OPs");
- (2) of the number of unsold first-hand private residential units on March 31, 2018 which had been issued with OPs, broken down by the number of years (e.g. one, two or three years) for which OPs had been issued;
- (3) of the number of first-hand private residential units under construction on December 31 in each year from 2008 to 2017 and on March 31, 2018 which had been sold;
- (4) whether it has set the following target: keeping the number of unsold first-hand private residential units which have been issued with OPs at a low level; if so, of the details; if not, the reasons for that;
- (5) whether the Government implemented the following measure in the past 25 years: including in the pre-sale consents a provision requiring the developers to put the residential units concerned on the market for sale within a specified period; if so, of the details of the measure (including the implementation date, content and effectiveness); and
- (6) whether the Government will study the implementation of the measure mentioned in (5) in the near future, in order to reduce the number of first-hand private residential units hoarded by developers; if so, of the details; if not, the reasons for that and the alternative measures?

Reply:

President,

After consulting the Lands Department (LandsD), my reply to various parts of the question raised by the Hon James To is as follows:

- (1), (2) and (3) The Government releases statistics on private housing supply in the primary market on the website of the Transport and Housing Bureau on a quarterly basis. The statistics include the number of unsold units in completed projects and the number of units under construction that have been

sold.

The statistics requested by Hon James To in parts (1), (2) and (3) of his question are set out in Annex 1, Annex 2 and Annex 3 respectively.

(4), (5) and (6) In the face of the current housing demand-supply imbalance, the Government has been striving to increase land and housing supply through a multi-pronged approach. The Government has all along been closely monitoring the development of the private residential property market and the supply of first-hand private residential units. The Government is also aware that the number of unsold first-hand private residential units in completed projects has been increasing in recent years. We are exploring ways to address the situation.

In March 1997, the Government announced that LandsD would impose a new term in issuing pre-sale consent letters, specifying that the consent given would be valid for six months and that developers would have to offer for sale all residential units covered by the relevant consent letter within the validity period. If the developers concerned failed to sell all the residential units within the validity period but wished to continue offering the units for pre-sale, they would need to apply to LandsD for an extension of the validity period. Subsequently, with the significant drop in housing prices, the Government considered that developers were inclined to sell their units as early as possible. There was hence no longer the need to continue implementing the measure under the prevailing circumstances. The Government announced the cancellation of the measure in May 1998.

According to LandsD's records, the department issued altogether 32 pre-sale consent letters for residential properties during the implementation of the measure. In five of these 32 cases, the developers concerned failed to sell all the residential units before the expiry of the relevant consent letters. LandsD subsequently granted an extension such that the developers concerned could continue offering the remaining units for sale.

As regards whether the above-mentioned measure should be reinstated, the Government has to carefully consider the justifications, feasibility and effectiveness of various proposals before making a decision.

LCQ8: Sponsored Visitors Programme

Following is a question by the Hon Claudia Mo and a written reply by the Secretary for Home Affairs, Mr Lau Kong-wah, in the Legislative Council today (May 23):

Question:

The Government regularly invites, under the Sponsored Visitors

Programme, political leaders as well as prominent members of the political and business sectors from various countries all over the world to visit Hong Kong. Last month, the Government invited the retired Chairman of the Law Committee of the 12th National People's Congress to visit Hong Kong under the Programme. In this connection, will the Government inform this Council:

(1) of the time when the Government decided to invite the retired official to Hong Kong; the details of his visit to Hong Kong (including the major activities during the visit and the amounts of public expenditure on various items); the standard of the hospitality provided;

(2) of the following details of the visits to Hong Kong arranged by the Government under the Sponsored Visitors Programme in each of the past five financial years: (i) dates of visits to Hong Kong, (ii) names of visitors, (iii) main purposes and other details of the visits to Hong Kong, and (iv) amounts of public expenditures (set out in tables of the same format as the table below);

Financial year: _____

(i)	(ii)	(iii)	(iv)

(3) of the total expenditure incurred by the Sponsored Visitors Programme in the past five financial years and the estimated expenditure for the current financial year;

(4) whether the Government has formulated standards of hospitality for receiving visitors under the Sponsored Visitors Programme; if so, of the details; if not, the reasons for that; and

(5) of the principles based on which the Government determines the persons to be invited to visit Hong Kong; if there is no such principles, of the reasons for that?

Reply:

President,

The Hong Kong Special Administrative Region Government runs a Sponsored Visitors Programme to invite key opinion-formers outside Hong Kong (including government officials, political and business personalities, think-tank members, opinion leaders and academics, etc) to visit Hong Kong to gain some experience at first hand and to understand our latest developments.

The reply to the Hon Claudia Mo's question is as follows:

When drawing up the guest invitations under the Sponsored Visitors Programme, the Government mainly takes into consideration the expertise and influence of the proposed visitors in their respective sectors or fields, as well as the Government's major policy focuses. We will arrange meetings and visits to introduce the invited guests to the latest developments of Hong Kong in key areas such as economic and urban construction. Specific visit programmes are refined according to the background and interests of the invited guests. The standard level of hospitality for the invited guests includes business class return airfare, accommodation in a five-star hotel, in-town transportation, and accountable non-cash allowance to cover guests' expenses such as meals at the hotel, etc.

The expenditure on the Sponsored Visitors Programme over the past five years is as follows: 110 guests for 2013-14 with an expenditure of \$5.73 million; 115 guests for 2014-15 with an expenditure of \$6.97 million; 159 guests for 2015-16 with an expenditure of \$9.28 million; 96 guests for 2016-17 with an expenditure of \$5.96 million; and 91 guests for 2017-18 with an expenditure of \$4.70 million. The estimated number of sponsored visitors in 2018-19 is around 110 with an expenditure estimated to be around \$7 million. The above expenditure mainly covers costs for air fares/transport to and from Hong Kong, in-town transportation, and accommodation, etc.

Upon the invitation of the Government, Mr Qiao Xiaoyang, Chairman of the Law Committee of the 12th National People's Congress, visited Hong Kong in April this year under the Sponsored Visitors Programme. During the visit, Mr Qiao attended a seminar for government officials as a guest speaker and met with a number of senior government officials. He also visited a number of major infrastructure projects in Hong Kong to understand more about the latest developments of Hong Kong.

LCQ1: Collection of handling charges for URBTIX online ticketing

Following is a question by the Hon Kwong Chun-yu and a reply by the Secretary for Innovation and Technology, Mr Nicholas W Yang, in the Legislative Council today (May 23):

Question:

Currently, members of the public are required to pay a handling charge ranging from \$6 to \$10 when purchasing event or movie tickets through the websites or mobile phone applications of ticketing agencies, a majority of cinema circuits and the Urban Ticketing System (URBTIX) under the Leisure and Cultural Services Department. However, they are not required to pay such a

handling charge when purchasing tickets in person at the box offices. Some members of the public are of the view that the ratio of the relevant handling charge to ticket price is rather high, and the practice of collecting handling charge impedes the development of Hong Kong into a smart city. In this connection, will the Government inform this Council:

(1) of the justifications for the URBTIX for not collecting a handling charge at present from persons who purchase tickets through their counters, but collecting a handling charge of \$8 per ticket from those who purchase tickets through its website, mobile phone application and telephone booking hotline, and whether the authorities will consider ceasing the collection of such charge;

(2) whether it will consider regulating the practice of ticketing agencies, cinema circuits, etc. collecting a handling charge from persons who purchase tickets online, such as stipulating the ceiling on the ratio of the handling charge to the ticket price; and

(3) whether it will consider introducing measures to reduce traders' costs for providing electronic ticketing services, so that they do not have to pass on the relevant costs to the consumers, as well as to promote the development of Hong Kong into a smart city?

Reply:

President,

After consulting the Home Affairs Bureau, the Commerce and Economic Development Bureau, the Leisure and Cultural Services Department (LCSD), we set out our response to the three parts of the question as below:

(1) The Urban Ticketing System (URBTIX) is the ticketing system under the LCSD to provide ticketing services mainly for hirers or event presenters, and audiences of performance venues under the purview of the LCSD. Hirers or event presenters are free to choose the URBTIX or other ticketing systems for sale of tickets. The LCSD does not oblige them to use the URBTIX.

The URBTIX operates on a Public Private Partnership (PPP) approach. Based on the LCSD's study and practical experience in the past, as well as drawing reference to the mode of operation of ticketing services elsewhere, the LCSD considers PPP a more flexible and effective mode of service delivery. For ticket purchasers, even if the ticketing system is operated by the LCSD, they still need to bear a certain amount of cost, in accordance with the Government's well-established "user pays" principle. Moreover, quite a number of initiatives under the smart city concept are implemented as a PPP.

The current system of the URBTIX was developed and owned by the contractor at its own cost under a contract awarded through open tender by the LCSD. During the contract period, the contractor is responsible for system operation and maintenance as well as provision of online booking,

mobile ticketing application and telephone booking services. According to the terms of the contract, the contractor can collect a handling charge of \$8 per ticket from customers who purchase tickets through such services. Such a charge is only equivalent to a small portion of the ticket price for many events.

The contract between the LCSD and the incumbent the URBTIX contractor will expire in 2021. Before its expiry, the LCSD cannot change the charges by the contractor under the contract. The LCSD is examining measures to improve and develop the system in future, and will consider the views of various stakeholders and draw reference to the latest technology trends and applications of local and international ticketing markets in formulating appropriate requirements for the ticketing system and determining service charges. The LCSD expects to commence the open tendering process for the new ticketing system and related services in the third quarter of 2019.

(2) and (3) As for ticketing agencies or other online services (including sale of tickets) operated by commercial entities, different organisations or agencies adopt different sale arrangements and charges having regard to the market situation and cost considerations. For ticket purchasers, they can also make their own choices having regard to the service levels of various purchase channels, for examples, whether purchase can be made any time, time required to complete the purchase, and whether purchasers can flexibly select preferred ticket types and seats, etc.

Apart from the URBTIX, there are at present other ticketing agencies available in Hong Kong, such as HK Ticketing, Cityline, etc. They provide similar online and conventional ticketing services. No matter in Hong Kong and other places, collection of handling charges for online ticketing is a common practice of the trade, with charges ranging from several dollars to over a hundred dollar. The gist of the issue is whether the market operation is smooth and transparent, so that ticket purchasers can make their choices over different purchasing channels. Given the rationale behind the current commercial operation and business practices, we do not see the need for the Government to regulate the collection of handling charges for online transactions by legislative means or administrative measures. Indeed, outside Hong Kong, such handling charges are also mostly determined by ticketing agencies or related commercial operators based on market situation.

The Government is committed to developing Hong Kong into a world-class smart city and published the Smart City Blueprint for Hong Kong (Blueprint) in December 2017, outlining the smart city development plans under six major areas, namely "Smart Mobility", "Smart Living", "Smart Environment", "Smart People", "Smart Government" and "Smart Economy". Under "Smart Economy", we have put forth a number of initiatives to promote the development of Internet-driven economy, e.g. the Faster Payment System and the introduction of new technologies in Fintech. These initiatives not only enhance Hong Kong's economic competitiveness and provide businesses with a business friendly environment for fostering innovations, but also bring convenience to residents in their daily living. Moreover, smart city development requires close collaboration of public and private organisations, the academia and the

public at large.

As regards the smart city infrastructure, the Office of the Government Chief Information Officer is taking steps to develop a one-stop online system to provide an electronic identity (eID) for all Hong Kong residents from 2020, facilitating them to use a single digital identity and authentication to conduct government and commercial transactions online. The eID system will also provide Application Programming Interfaces for application by different sectors and businesses, especially small and medium enterprises. These measures can help lower the cost for businesses to develop and operate their online sales and other electronic services.

LCQ16: Development of high-tier data centres and cross-boundary transmission of data

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 (May 23):

Question:

Regarding the development of high-tier data centres and cross-boundary transmission of data, will the Government inform this Council:

(1) of the Government's timetable for putting up sites for sale by tender for the development of high-tier data centres, and the estimated time needed from the disposal of sites by the Government to the completion of the data centres concerned;

(2) given that the Agreement on Economic and Technical Cooperation (which was signed in June last year between the Government and the Mainland authorities under the framework of the Mainland and Hong Kong Closer Economic Partnership Arrangement) includes the work to "strengthen exchanges between the two places regarding cross-boundary data flow, and form a joint working group to study feasible policy measures and arrangements" in respect of co-operation in electronic commerce, of the details and progress of this work; and

(3) whether, in tandem with strengthening the exchanges between the two places regarding cross-boundary data flow, the authorities have formulated policies and guidelines on the arrangements for cross-boundary transfer of personal data, so as to safeguard the privacy of Hong Kong people; if so, of the details and progress of the relevant work; if not, the reasons for that?

Reply:

President,

My reply to the question raised by the Hon Charles Mok is as follows:

(1) The Government is committed to promoting the development of data centres in Hong Kong and, in 2012, set aside three sites in Tseung Kwan O for high-tier data centre use. The first site was sold in October 2013. The Government is taking active steps to prepare for disposing the remaining two sites by open bidding in the second half of 2018. The lease conditions will require the new data centre to be completed within a specified timeline. Drawing on the experience in developing the first site, it takes about four years from site disposal to completion and commissioning of the data centre.

(2) and (3) After the signing of the Agreement on Economic and Technical Cooperation in June 2017, the Joint Working Group comprising members from the Office of the Government Chief Information Officer, the Cyberspace Administration of China and experts from Hong Kong and the Mainland has held two meetings. In formulating specific measures, the Joint Working Group will consider the importance of protecting personal data and relevant regulatory requirements, including Hong Kong's Personal Data (Privacy) Ordinance.

Special traffic arrangements for race meeting in Happy Valley

Special traffic arrangements will be implemented in Happy Valley today (May 23). The arrangements will come into effect one and a half hours before the start of the first race and will last until the crowds have dispersed after the race meeting.

A. Traffic arrangements before the commencement of the first race

1. Road closure

Southbound Wong Nai Chung Road between Queen's Road East and the up-ramp outside Hong Kong Jockey Club (HKJC) will be closed except for vehicles heading for Aberdeen Tunnel.

2. Traffic diversions

- Southbound Wong Nai Chung Road between Village Road and the up-ramp outside HKJC will be re-routed one way northbound;
- Vehicles from eastbound Queen's Road East heading for Wan Chai and Happy Valley will be diverted to turn left to Morrison Hill Road;
- Traffic along southbound Morrison Hill Road heading for Happy Valley will be diverted via Sports Road and Wong Nai Chung Road;
- Traffic along Queen's Road East cannot turn right to Wong Nai Chung Road

except for vehicles heading to Aberdeen Tunnel;

- Traffic from Cross Harbour Tunnel heading for Queen's Road East will be diverted via the down-ramp leading from southbound Canal Road flyover to Morrison Hill Road to turn right at the junction of Wong Nai Chung Road and Queen's Road East; and
- Traffic from Cross Harbour Tunnel heading for Happy Valley or Racecourse will be diverted via the down-ramp leading from southbound Canal Road flyover to Canal Road East, southbound Morrison Hill Road, Sports Road and Wong Nai Chung Road.

B. Traffic arrangements during the race meeting

1. Road closure

The following roads will be closed from 35 minutes before the start of the last race:

- The up-ramp on Wong Nai Chung Road outside HKJC leading to Aberdeen Tunnel;
- Southbound Wong Nai Chung Road between Queen's Road East and the up-ramp leading to Aberdeen Tunnel;
- Southbound Wong Nai Chung Road between Village Road and the Public Stands of HKJC;
- Westbound Leighton Road between Wong Nai Chung Road and Canal Road East; and
- Southbound Morrison Hill Road between Leighton Road and Queen's Road East.

In addition, southbound Wong Nai Chung Road between the up-ramp leading to Aberdeen Tunnel and the Public Stands of HKJC will be closed from about 10 minutes before the start of the last race.

2. Traffic diversions

The following traffic arrangements will be implemented from 35 minutes before the start of the last race:

- Eastbound Queen's Road East at its junction with Morrison Hill Road will be reduced to one-lane traffic heading for northbound Canal Road flyover;
- Vehicles from Cross Harbour Tunnel heading for Wan Chai will be diverted via the down-ramp leading from Canal Road East, U-turn slip road beneath Canal Road flyover, Canal Road West and Hennessy Road;
- Vehicles from Cross Harbour Tunnel heading for Happy Valley will be diverted via the down-ramp leading from Canal Road East, eastbound Leighton Road and Wong Nai Chung Road;
- Traffic on southbound Morrison Hill Road will be diverted to turn left to eastbound Leighton Road;
- Traffic along southbound Morrison Hill Road heading for Happy Valley will be diverted via eastbound Leighton Road and Wong Nai Chung Road; and
- Traffic along westbound Leighton Road will be diverted to Wong Nai Chung Road.

C. Learner drivers prohibition

Learner drivers will be prohibited to turn left from Caroline Hill Road to Leighton Road between one and a half hours before the start of the first race and one hour after the last race. In addition, learner drivers will be prohibited from accessing the following roads within the above period of time:

- Shan Kwong Road between Yik Yam Street and Wong Nai Chung Road;
- Village Road between its upper and lower junctions with Shan Kwong Road;
- Percival Street between Hennessy Road and Leighton Road;
- Canal Road East; and
- The service road leading from Gloucester Road to Canal Road flyover.

D. Suspension of parking spaces

Parking spaces on southbound Wong Nai Chung Road between Sports Road and Blue Pool Road will be suspended from 11am to 7pm during day racing, from 4.30pm to 11.59pm during evening racing, and from 5pm to 11.59pm during night racing.

Any vehicles found illegally parked within the precincts of the above affected areas will be towed away without prior notice.

Actual implementation of road closure and traffic diversion will be made by the Police at the time depending on traffic conditions in the areas. Motorists should exercise tolerance and patience, and follow the instructions of Police on site.