

LCQ 17: Impacts of the revocation of Hong Kong's special trade status

Following is a question by the Hon Charles Mok and a written reply by the Secretary for Innovation and Technology, Mr Alfred Sit, in the Legislative Council today (June 17):

Question:

The innovation and technology sector as well as the information technology sector in Hong Kong are concerned about the impacts on technology enterprises as well as research and development activities which will be brought about by the initiatives of the United States (US) of revoking the tariff preferences given to Hong Kong and imposing restrictions on the export of technology products to Hong Kong amid the trade war between China and the US. In this connection, will the Government inform this Council:

(1) whether, according to the Government's assessment, those industries of areas such as biotechnology, information security, artificial intelligence, automobile, robotics, genetic engineering and financial technologies, which are for military use or civilian use, will be affected by the US's initiatives; according to its estimation, which technology products will be subject to export controls or bans, as well as the quantities and the total value of the products involved;

(2) of the number of the following projects, according to the Government's assessment, which may be affected by the US's initiatives: (i) projects of research clusters under InnoHK which are in progress and those projects which have been approved and will commence shortly, and (ii) financing projects for technology start-ups of the Cyberport/ Hong Kong Science and Technology Parks Corporation; whether it has studied providing support and taking remedial measures to mitigate the impacts on such projects; if so, of the details;

(3) whether it has assessed how the US's initiatives will affect the effectiveness of the work of Invest Hong Kong in attracting foreign-funded enterprises and start-ups to set up businesses in Hong Kong; if so, of the details; and

(4) given that according to the estimation made by some members of the innovation and technology sector, the US's initiatives may include imposing (i) export bans on sensitive and precision technologies and products, (ii) additional export tariffs on technology products, and (iii) restrictions on investment projects involving hardware, software and know-how, whether the Government has any measures to assist the sector in coping with the situations concerned; if so, of the details?

Reply:

President,

In consultation with the Commerce and Economic Development Bureau, the consolidated reply to the various parts of the question is as follows:

Hong Kong and the United States (US) have been maintaining a mutually beneficial co-operative relationship over the years, and the US has enormous economic interests in Hong Kong. Any unilateral change of policy or restrictions against Hong Kong by the US would affect the relations between the two sides as well as the US' own interests. This is unjustified and in nobody's interest.

While the US said it would change its policy towards Hong Kong, we need to examine its actual actions before we can assess the substance and the actual impact on the development of innovation and technology (I&T) in Hong Kong. In fact, in recent years, various I&T stakeholders in Hong Kong have been sourcing equipment and technology products from around the world or developing related products and technologies locally. We have also been promoting Hong Kong's technology enterprises in various overseas markets. Hence, the impact of any policies adopted by individual countries on Hong Kong's I&T development should be relatively limited. In regard to the InnoHK research clusters, after a rigorous selection and assessment process, we are following up with the institutions whose proposals are recommended for admission, with a view to having the first batch of R&D laboratories to be set up progressively in the Hong Kong Science Park this year. We will continue to keep in view the relevant development.

Under the prevailing tough and uncertain business environment caused by various factors (e.g. the COVID-19 epidemic), the Hong Kong Science and Technology Parks Corporation (HKSTPC) and Hong Kong Cyberport Management Company Limited (Cyberport) provided their tenants and start-ups with a 50 per cent rental concession for six months between October 1, 2019 and March 31, 2020. Subsequently, the Government provided full rental waiver under the Anti-Epidemic Fund for another six months between April 1 and September 30, 2020. HKSTPC and Cyberport have also provided additional subsidy for their incubatees during the period. Relevant incubatees/I&T tenants can also apply for funding under the Researcher Programme and Postdoctoral Hub of the Innovation and Technology Fund to hire up to two researchers and two postdoctoral talents to undertake research and development work. Besides, the Corporate Venture Fund of HKSTPC and the Cyberport Macro Fund of Cyberport co-invest, on a matching basis, with private funds in their tenants/incubatees. The above measures can provide relevant I&T companies with financial support to tide over the difficult period. The Government will closely monitor any development, and explore taking further measures to assist the I&T sector as and when appropriate.

Regardless of whether the US will impose restrictions against Hong Kong in the end, Invest Hong Kong will continue its efforts in all channels to proactively attract and assist overseas and Mainland companies and start-ups to set up or expand their businesses in Hong Kong, by leveraging Hong Kong's full range of advantages.

Hong Kong possesses a very strong foundation. With the current-term Government devoting over \$100 billion to I&T development, together with the massive Mainland market and opportunities derived from the Guangdong-Hong Kong-Macao Greater Bay Area development, we strongly believe that Hong Kong's I&T ecosystem can maintain its competitiveness in the long term.

LCQ11: Illegal trade of endangered species

Following is a question by the Hon Elizabeth Quat and a written reply by the Secretary for the Environment, Mr Wong Kam-sing, in the Legislative Council today (June 17):

Question:

The Customs and Excise Department regularly makes public the annual numbers of cases detected in respect of illegal imports and exports in contravention of the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586), as well as the annual quantities and values of the seizures from such cases. However, more detailed breakdowns of such figures by the species involved in the seizures are not readily available to the public. Regarding the statistics on illegal trade of endangered species, will the Government inform this Council:

(1) of a tabulated breakdown, by the four categories of seized items, namely (a) ivory, (b) pangolins, (c) woodlogs and (d) other endangered species (please specify), of the (i) number of cases detected, (ii) quantity of the seized items, (iii) value of the seized items, and (iv) number of individuals arrested and prosecuted, in 2019;

(2) of a detailed breakdown, by species, of the two categories of seized items, namely (i) woodlogs and (ii) other endangered species, mentioned in (1) (set out in a table); and

(3) whether the Government will, for the purpose of enhancing transparency, consider making public regularly the details of all seizures, including a breakdown by species of the number of cases detected as well as the quantities and values of the seized items; if not, of the reasons for that?

Reply:

President,

Our reply to the question raised by the Hon Elizabeth Quat is as

follows:

(1) and (2) The seizure records of illegal import and export of ivory, pangolin scales, wood logs/chips and other endangered species under the Protection of Endangered Species of Animals and Plants Ordinance (Cap.586) in 2019 are tabulated below:

	Ivory	Pangolin scales	Wood logs/ chips	Other endangered species
Number of cases	23	11	42	583
Seizure quantity (kg)	2 058	8 940	334 124	30 427
Estimated value (\$ million)	21	44	16	53
Number of persons arrested	21	16	12	448
Number of persons prosecuted	19	7	3	197

The wood logs seized were mainly red sandalwood and rosewood (*Dalbergia* spp.), while the wood chips were mainly agarwood. Other endangered species seized mainly involved orchids, American ginseng, dried seahorses, shark fins and leather products of reptiles, etc. Since a great variety of endangered species is involved, it cannot be listed out exhaustively.

(3) The Agriculture, Fisheries and Conservation Department (AFCD) will publicise details of seizure cases of endangered species, such as species involved, seizure quantity, estimated value, sentences, etc. via press releases and its homepage from time to time. The AFCD will also provide relevant information to the public upon enquiry.

LCQ20: Comprehensive Social Security Assistance

Following is a question by the Hon Wu Chi-wai and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (June 17):

Question:

The Census and Statistics Department compiles the Social Security Assistance Index of Prices (SSAIP) on a monthly basis to reflect the impact

of price changes on the recipients of Comprehensive Social Security Assistance (CSSA). The expenditure weight of individual categories of goods and services covered by SSAIP is updated every five years with reference to the findings of the Household Expenditure Survey on CSSA Households. The Government reviews the standard payment rates under the CSSA Scheme on an annual basis taking into account the changes in the 12-month moving average of SSAIP (the compilation of which is based on the latest expenditure weights) up to the end of October. There are comments that the adjustments to the supplements and special grants under the CSSA Scheme often fail to catch up with the rise in actual living expenses of CSSA recipients. In this connection, will the Government inform this Council:

(1) of the average monthly amount of payments granted to CSSA recipients in each of the past 10 years (with a breakdown by the number of eligible household members);

(2) of (i) the respective average monthly expenditures of households in the lowest five per cent, 10 per cent, 20 per cent and 25 per cent income groups in Hong Kong, and (ii) the median household income, in each of the past 10 years (with a breakdown by household size);

(3) of the changes in the past two decades in the expenditure weights of the various categories of goods and services covered by SSAIP; given that families having the same number of members but comprising different types of members (e.g. the elderly and minor students) have different expenditure patterns, whether the Government will review the composition of the expenditure weights, and formulate a breakdown of the expenditure weights in the light of the different compositions of families;

(4) whether it will work out afresh a "basic needs budget" (i.e. a list of necessities formulated based on the concept of "absolute poverty" in combination with expert judgment and the real spending pattern of members of the public) in order to determine the standard rates for the CSSA Scheme;

(5) as the Chief Executive announced in the Policy Address delivered last year that the maximum rent allowance for different household sizes under the CSSA Scheme would be increased as a one-off measure according to the 10 per cent trimmed mean of rent paid by CSSA recipients living in rented private housing as at February 2019, of the circumstances under which the Government will adjust the rent allowance again, and whether it will consider making similar adjustments to the supplements and special grants under the CSSA Scheme; and

(6) whether it will adjust upward the rates of the supplements and special grants under the CSSA Scheme so as to make up for the amounts of the downward adjustments made in 1999 and 2003; if so, of the details; if not, the reasons for that?

Reply:

President,

The Comprehensive Social Security Assistance (CSSA) Scheme provides a safety net to help persons and families who cannot support themselves financially to meet their basic needs. The Scheme is non-contributory, but applicants have to pass a means test to ensure public resources are used on those who are genuinely in need. My reply to the Member's question is set out below:

(1) The Social Welfare Department (SWD) provides applicable standard rates, supplements and special grants according to the number of household members and the personal circumstances of individual members. The average monthly CSSA payments by the number of eligible members in a household from 2015 to 2019 are set out in Table 1 at the Annex.

(2) As compiled by the Census and Statistics Department (C&SD), the 2009/2010-based and 2014/2015-based average monthly household expenditure by household sizes and by the lowest five per cent, 10 per cent, 20 per cent and 25 per cent monthly household income groups are set out in Table 2 at the Annex.

Separately, the median monthly domestic household income by household sizes from 2015 to 2019 as compiled by C&SD is set out in Table 3 at the Annex.

(3) The Social Security Assistance Index of Prices (SSAIP) is compiled by C&SD to reflect the impact of price changes on CSSA recipients. Except for items covered by CSSA special grants (e.g. rent) or public services provided free to CSSA recipients (e.g. medical services), the index covers all items of goods and services consumed by CSSA recipients.

To maintain the purchasing power of the CSSA payments, the proportions of individual categories of goods and services to total expenditure covered by SSAIP (i.e. statistically called "expenditure weights") are updated every five years with reference to the findings of the Household Expenditure Survey on CSSA Households. The survey collects information on the actual expenditure of CSSA households on goods and services, and is therefore able to accurately reflect the expenditure pattern of CSSA households. The 1999/2000-based to 2014/2015-based expenditure weights of SSAIP are set out in Table 4 at the Annex.

(4) to (6) Under the established mechanism, the Government adjusts annually the CSSA payment rates (including the standard rates) in accordance with the movement of SSAIP, and the maximum rent allowance (MRA) in accordance with the Consumer Price Index (A) rent index for private housing. Taking into account the 3.6 per cent increase, which takes retrospective effect from February 1, 2020, approved by the Legislative Council Finance Committee (FC) on May 29, 2020, the CSSA payment rates registered a cumulative increase of about 40 per cent between 2011 and 2020.

"The Chief Executive's 2019 Policy Address" announced a series of measures to improve the CSSA. These measures included increasing the MRA

significantly, raising the maximum level of the monthly disregarded earnings substantially, strengthening employment services, extending a range of supplement and special grants (including the monthly telephone grant, the grant to cover cost of glasses and the grant to cover cost of dental treatment, etc.) to eligible non-elderly able-bodied recipients, etc. In particular, MRA is increased by six per cent to 31 per cent with reference to eligible members in the household. The FC approved the relevant proposal on May 29, 2020. The Government will implement various measures as soon as possible.

It is noteworthy that the aforementioned significant increase in MRA is a special and one-off measure. The Government has to consider cautiously the possible knock-on effect that may be triggered by an increase in the MRA on the private rental market, especially whether the move would cause indirect rental hikes of units for the grassroots (including the sub-divided units), and the result of which will affect more non-CSSA grassroots families. Although the aforementioned significant increase in MRA is a special and one-off measure, the Government will continue to adjust the MRA next year according to the established mechanism, i.e. with reference to the movement of the Consumer Price Index (A) rent index for private housing.

LCQ9: Elderly Hong Kong residents on the Mainland

Following is a question by the Hon Wilson Or and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (June 17):

Question:

Regarding the elderly Hong Kong residents (i.e. aged over 60) on the Mainland, will the Government inform this Council:

- (1) Of the number, and the number of person-times, of elderly Hong Kong residents travelling to the Mainland through the various boundary control points in each year from 2016 to 2019;
- (2) Whether it knows the number of elderly Hong Kong residents, in each year from 2016 to 2019, who had fixed abode on the Mainland and resided on the Mainland for more than six months in that year, and the top three provinces with the largest numbers of such persons residing therein;
- (3) Whether it knows the current number of elderly Hong Kong residents holding Residence Permits for Hong Kong, Macao and Taiwan Residents;
- (4) Of the respective numbers of Hong Kong residents who received Old Age

Living Allowance or Old Age Allowance under the Guangdong Scheme and the Fujian Scheme in 2019;

(5) Whether it knows the respective numbers of person-times of elderly Hong Kong residents in each year from 2016 to 2019 who, due to urgent medical needs, were conveyed to the public hospitals in Hong Kong by (i) private cross-boundary transport services from the Mainland, and (ii) pre-arranged ambulances at the boundary control points after entering Hong Kong from the Mainland;

(6) Of the number, and the number of person-times, of Hong Kong residents who used elderly health care vouchers at the University of Hong Kong – Shenzhen Hospital, the amount of money used each time on average, and the total amount of money involved, in each year from 2015 to 2019; and

(7) Of the number of cases of elderly Hong Kong residents seeking assistance of the Hong Kong Government's offices on the Mainland in each year from 2016 to 2019, and among the issues involved in such cases, the top three issues most commonly raised by the people seeking assistance?

Reply:

President,

Having consulted the relevant policy bureaux, my reply to the Member's question is set out below:

(1) According to information provided by the Security Bureau (SB), the number of departures of Hong Kong residents at various immigration control points between 2016 and 2019 are tabulated as follows:

Control Point / Year	2016	2017	2018	2019
Airport (Note 1)	11 285 453	12 127 560	12 681 474	12 968 194
Lo Wu	29 438 738	29 835 452	30 446 046	29 382 940
Hung Hom	849 249	841 956	832 307	549 198
Lok Ma Chau Spur Line	21 832 671	19 361 550	17 137 983	16 766 773
West Kowloon Station of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (Note 2)	Not applicable		867 913	3 355 166
Lok Ma Chau	8 683 619	9 068 237	8 998 322	8 248 387
Man Kam To	1 063 070	1 174 178	1 166 042	1 088 613
Sha Tau Kok	1 022 877	1 070 416	1 048 816	977 130
Shenzhen Bay	10 014 409	10 600 406	11 160 462	11 089 436
Hong Kong-Zhuhai-Macao Bridge Hong Kong Port (Note 1 and 3)	Not applicable		934 552	5 246 388
Harbour Control (Note 1)	3 488	3 051	5 144	4 402

Macau Ferry Terminal (Note 1)	5 164 137	4 964 704	4 718 284	3 478 064
China Ferry Terminal (Note 1)	1 708 535	1 491 919	1 416 030	895 153
Tuen Mun Ferry Terminal (Note 1 and 4)	277 514	319 157	336 236	244 884
River Trade Terminal (Note 1)	4	12	16	9
Kai Tak Cruise Terminal (Note 1 and 5)	414 567	445 052	464 205	420 224
Total	91 758 331	91 303 650	92 213 832	94 714 961

Note 1: The control point is not confined to travelling to and from the Mainland.

Note 2: Officially commissioned on September 23, 2018.

Note 3: Officially commissioned on October 24, 2018.

Note 4: The Tuen Mun Ferry Terminal, upon suspension of operation since July 1, 2012, resumed its cross-boundary passenger ferry services on January 28, 2016.

Note 5: The number of inbound and outbound passenger trips also included trips made by passengers of cruise liners berthing at other anchorages, as well as trips made by passengers on board Hong Kong-based passenger liners running regular daily high seas trips.

The Immigration Department does not maintain the breakdown statistics mentioned in the question.

(2) and (3) According to information provided by the Constitutional and Mainland Affairs Bureau (CMAB), the Government currently does not have comprehensive statistical information on Hong Kong people residing on the Mainland. Nevertheless, the Census and Statistics Department (C&SD) has been making use of the movement records of Hong Kong permanent residents to compile the estimation of "Hong Kong residents usually staying in the Guangdong Province" since 2016. These residents refer to Hong Kong permanent residents who may have stayed in Guangdong for six months and above cumulatively during the six months before and after the reference time-point. Since C&SD generally assumes that Hong Kong permanent residents departing from Hong Kong via land control points and the China Ferry Terminal are travelling to Guangdong, statistics on destinations outside Guangdong are not available. Besides, the estimation cannot ascertain whether these persons have in fact stayed in Guangdong or have a fixed place of residence in Guangdong. The relevant statistics for the age group of 60 or above from 2016 to 2018 based on the above-mentioned estimation are tabulated below. The corresponding figure for 2019 is not yet available.

Reference time-point	Statistics on Hong Kong residents aged 60 or above who are usually staying in Guangdong
End-2016	109 900
End-2017	113 600

According to information provided by CMAB, since September 1, 2018, Hong Kong and Macao residents who have stayed in the Mainland for more than six months and are able to show proof of either a legitimate and stable job, a legitimate and stable residence, or ongoing school attendance can choose to apply for residence permits in accordance with the Regulations for Application of Residence Permit for Hong Kong, Macao and Taiwan Residents. Although applications were made on a voluntary basis, the number of applicants may serve as a rough indicator of the number of Hong Kong residents staying in the Mainland. According to CMAB, based on information from the Hong Kong and Macao Affairs Office of the State Council, more than 230 000 Hong Kong residents had applied for residence permits as at May 2020.

(4) The Social Welfare Department (SWD) launched the Guangdong Scheme (GD Scheme) and Fujian Scheme (FJ Scheme) on October 1, 2013 and April 1, 2018 respectively to provide the Old Age Allowance (OAA) (currently at \$1,435 per month) for elderly persons residing in Guangdong and Fujian. As at end-December 2019, there were 16 108 and 1 622 persons receiving OAA under the GD Scheme and FJ Scheme respectively.

Meanwhile, SWD launched the Old Age Living Allowance (OALA) under the GD Scheme and FJ Scheme on January 1, 2020, which includes the Normal OALA (currently at \$2,770 per month) and Higher OALA (currently at \$3,715 per month).

(5) According to information provided by SB, under normal circumstances, upon receiving emergency ambulance calls, the Fire Services Department (FSD) ambulance will, based on the established arrangement, convey the patients from the Hong Kong side of various boundary control points (BCPs) to the Accident and Emergency Departments of hospitals under the Hospital Authority for treatment. From 2016 to 2019, FSD ambulances handled about 3000 patients aged over 60 per annum on average among the emergency ambulance calls handled at the Hong Kong side of land BCPs, including patients who were transferred to BCPs by the Mainland ambulances and patients who called for ambulances after arriving at Hong Kong. FSD does not have the breakdown of the relevant patients' nationalities.

The Government does not maintain other statistics mentioned in the question.

(6) According to information provided by the Food and Health Bureau, the Pilot Scheme for use of the Elderly Health Care Vouchers at the University of Hong Kong – Shenzhen Hospital (HKU-SZH) was launched on October 6, 2015 and has been regularised since June 26, 2019. Currently, each eligible Hong Kong elderly person aged 65 or above is provided with a voucher amount of \$2,000 annually for them to choose the private healthcare services that best suit their health needs in Hong Kong and at HKU-SZH. Breaking down by year, the cumulative number of elderly persons who had used the vouchers at HKU-SZH from 2015 to 2019 was around 500, 1 200, 2 100, 3 400 and 4 600 respectively.

The annual number of voucher claim transactions involved and the annual

amount of vouchers claimed, as well as the average amount of vouchers claimed per transaction are tabulated below:

Year	Number of voucher claim transactions	Amount of vouchers claimed (in \$'000)	Average amount of vouchers claimed per transaction (\$)
2015	2 287	537	235
2016	5 667	1,471	260
2017 (Note 6)	6 755	1,855	275
2018 (Note 7)	11 418	3,492	306
2019 (Note 8)	13 562	3,997	295

Note 6: The eligibility age for the Elderly Health Care Voucher Scheme was lowered from 70 to 65 on July 1, 2017.

Note 7: On June 8, 2018, each eligible elderly person was provided with an additional voucher amount of \$1,000 on a one-off basis, and the accumulation limit of vouchers was increased to \$5,000.

Note 8: On June 26, 2019, each eligible elderly person was provided with an additional voucher amount of \$1,000 on a one-off basis, and the accumulation limit of vouchers was further increased to \$8,000.

(7) According to information provided by CMAB, the number of requests for assistance from Hong Kong residents received by the five Mainland Offices of the Government of the Hong Kong Special Administrative Region (namely the Beijing Office and the Hong Kong Economic and Trade Offices in Guangdong, Chengdu, Shanghai and Wuhan) in 2016, 2017, 2018 and 2019 were 466, 550, 593 and 653 respectively. The Mainland Offices do not have the number of requests for assistance from Hong Kong residents aged 60 or above. In 2019, the top three types of requests for assistance in terms of the number of cases received were accidents, injuries or other incidents on the Mainland; loss of travel documents or money; and cases relating to property transactions on the Mainland. The Mainland Offices had followed up on and handled the requests for assistance having regard to the actual circumstances.

LCQ16: Operation and development of RTHK

Following is a question by the Hon Charles Mok and a written reply by

the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (June 17):

Question:

The Government announced last month the establishment of a dedicated team (the team) to review the governance and management of Radio Television Hong Kong (RTHK). The team will carry out its work from the middle to the end of this year and then submit a report to the Government. Given that the composition of the team does not include the Director of Broadcasting nor any staff representatives of RTHK and that the review lacks public participation, some members of the public are worried that the team will make a cart behind closed doors and put forward recommendations which are detrimental to the operation and editorial independence of RTHK. Regarding the operation and development of RTHK, will the Government inform this Council:

(1) given that the team will review (a) RTHK's progress of establishing a mechanism for setting performance targets and benchmarks, and (b) RTHK's overall management systems, work processes and practices, whether the Government will request the team to concurrently review (i) if such mechanism, systems and processes have stifled RTHK's abilities to remain flexible and responsive in a fast-changing media ecosystem and (ii) how to ensure that the performance targets and benchmarks set under the said mechanism are consistent with the principles of fairness and transparency (including whether the team will suggest RTHK to consult the public when setting such targets and benchmarks); if it will, of the details; if not, the reasons for that;

(2) whether it will request the team, when reviewing RTHK's financial control, to concurrently review if the annual funding allocation for RTHK is sufficient to support RTHK's long-term development (e.g. launching new services); if so, of the details; if not, the reasons for that;

(3) of the measures in place to ensure that the recommendations on human resources management put forward by the team will not undermine the editorial independence of RTHK and the freedom of creation for its programme producers;

(4) whether it will request the team to (i) allow RTHK's staff representatives and members of the public to participate in the review work through open and formal channels, and (ii) seek the views of the Radio Television Hong Kong Board of Advisors; if so, of the details; if not, the reasons for that;

(5) as the Government is taking forward the project of construction of the New Broadcasting House on the basis of a joint-user building, whether the Government will (i) review if the option of constructing a new joint-user building can meet the current and future operational needs of RTHK and (ii) expedite the progress of the works project; if so, of the details; if not, the reasons for that; and

(6) whether the Government will study allowing RTHK to transform from a

government department into an independent statutory public broadcaster and provide RTHK with a stable and predictable financial resources, to enable RTHK to continue to provide credible and diversified public broadcasting services?

Reply:

President,

Our reply to the Member's question is as follows:

(1), (3) and (4) The Commerce and Economic Development Bureau (CEDB) announced on May 28, 2020 the establishment of a dedicated team to review the governance and management of Radio Television Hong Kong (RTHK).

The scope of the review is as follows:

(1) to review RTHK's administration, including financial control, human resources management and procurement matters to ensure that its manpower and resource deployment complies with all applicable Government rules and regulations, and that such deployment is made for the effective delivery of services under programme areas as set out in paragraphs 17 to 20 of the Charter of RTHK (Charter), and where necessary, to identify scope for improvement;

(2) to review RTHK's progress of implementing the recommendations of the Report No. 71 of the Director of Audit, including the need for a transparent and objective system for setting performance targets and benchmarks for measuring results; and

(3) to review RTHK's overall management systems, processes and practices, making reference to best practices of other public service broadcasters, to ensure full compliance with the Charter and the codes of practice on programming standards issued by the Communications Authority.

In the course of the review, the dedicated team will take into account the operational needs of RTHK and views of different stakeholders. The CEDB has clearly indicated that members of the review team will not take part in any programme production or editorial decisions of RTHK. RTHK has indicated that it would provide full support to the exercise.

(2) and (6) As regards resources, RTHK has all along been allocated sufficient resources under the established mechanism for providing services. The Government has no plan at this stage to change RTHK's identity as a government department nor the existing funding mechanism.

(5) As for the New Broadcasting House (New BH), having regard to the views of the Legislative Council, the operational needs of RTHK and the need to ensure that the reserved site would have better economic benefits, the Government has been proactively taking forward the New BH project on the basis of a joint-user building. With the assistance of the Architectural Services

Department, RTHK is discussing with departments which are interested in the joint-user building on their respective requirements, as well as project design and planning. RTHK will continue to take forward the New BH project in accordance with the established mechanism.