

LCQ15: Improving average living floor area per person

Following is a question by the Hon Jimmy Ng and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (June 20):

Question:

In 2016, the median floor area of accommodation of domestic households was about 430 square feet (sq ft) and the median per capita floor area of accommodation was about 161 sq ft, with more than 90 per cent of households in the territory living in accommodation of less than 753 sq ft. In addition, among the approximately 2.508 million accommodations in Hong Kong, 8.1 per cent of them had a floor area less than 215 sq ft, while 4.9 per cent of them were private permanent housing. There are comments that such data shows that the accommodation area of Hong Kong people is becoming smaller, which runs counter to the vision emphasised by the Government to improve the per capita floor area of accommodation. In this connection, will the Government inform this Council:

(1) whether it knows, in respect of the private residential flats to be completed in each of the coming five years, the following information on those flats with a usable area (a) below 161 sq ft, (b) ranging from 161 sq ft to less than 431 sq ft and (c) ranging from 431 sq ft to 752 sq ft respectively:

- (i) the total number of flats and its percentage in the annual flat production,
- (ii) a breakdown of the number of flats by District Council district, and
- (iii) the estimated average per-square-foot price;

(2) as the Chief Executive has proposed in the Policy Address delivered in October 2017 the vision of developing Hong Kong into a liveable city, whether the authorities will consider formulating a standard of per capita floor area of accommodation for private residential flats; if so, of the details; if not, the reasons for that;

(3) whether the authorities will consider, by drawing reference to the experience of countries such as the United States, Canada, Japan and Korea, formulating "minimum living standards" to stipulate the minimum standards on aspects such as the (i) safety and basic facilities of accommodation, (ii) number of residents and (iii) areas of bedroom and kitchen, as a benchmark for living quality; if so, of the details; if not, the reasons for that; and

(4) as the per-square-foot prices of private residential properties have hit record high time and again in recent years, the flats built by private developers have become increasingly smaller to cater for the continuous decline in affordability among prospective buyers, whether the authorities

will consider including a provision of "minimum flat area" or "maximum number of flats" in residential land leases, with a view to reversing the trend of a continuous decrease in the area of newly completed residential flats; if so, of the details; if not, the reasons for that; of the authorities' measures to strike a reasonable balance between per capita floor area of accommodation and housing production?

Reply:

President,

In consultation with relevant bureau and departments, my reply to various parts of the question raised by the Hon Jimmy Ng is as follows:

(1) According to the "Hong Kong Property Review 2018" published by the Rating and Valuation Department, the forecast number of private units to be completed in 2018 and 2019 are 18 130 and 20 371 respectively. A breakdown on the number of units with saleable area (1) less than 40 square metres (sq m) (about 431 square feet (sq ft)) and (2) between 40 and 69.9 sq m (about 431 to 752 sq ft) by District Councils, their aggregate total and percentage of the annual forecast completion are at Annex. The above-mentioned report does not provide further breakdown on the forecast completions of private units with saleable area less than 40 sq m, nor does it provide forecast completions of private units in and after year 2020, hence the Government cannot provide such information. As regards the forecast price of the private flats, it is determined by the market and the Government is not in a position to, and will not, estimate it.

(2) – (4) Hong Kong is a highly dense and compact city with high concentration of population. The advantages include convenience and greater economies of scale for city and infrastructure development. High-density development will however also affect our liveability, living space and average living floor area per person.

We agree that there is room for enhancing the liveability and improving the living space in Hong Kong. These are indeed the vision and long-term goals of Hong Kong as advocated in the "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" study. Nevertheless, setting specific living space standards alone by the Government cannot improve our living space. A more important and fundamental approach is to increase land supply in a sustained manner.

In this regard, the Government will continue to adopt a multi-pronged strategy on land and housing supply. The Task Force on Land Supply (Task Force) is conducting a five-month public engagement (PE) to invite views from all sectors in the community on the 18 land supply options. The Task Force has particularly pointed out in its PE booklet that the average living floor area per person in Hong Kong is lower than that of other nearby advanced economies such as Tokyo and Singapore, and has highlighted the importance of establishing a land reserve to improve liveability.

As mentioned in Hon Ng's question, we need to strike a reasonable

balance between housing production and average living floor area per person, as both the increase in housing production to address needs for accommodation and the increase in average living floor area per person to improve living standard would require additional land. In view of the imbalance in supply and demand for land and housing, and given the fact that property prices are soaring continuously, our current priority is accorded to increasing housing production to meet the basic accommodation needs of the people. Besides, as a pluralist society, there are diverse aspirations in respect of flat size. In the longer run, we consider that when the land shortage situation is alleviated, the society will be in a better position to explore whether a standard on average living floor area per person should be set.

LCQ6: Regulation of occupational retirement schemes

Following is a question by the Hon Ho Kai-ming and a reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (June 20):

Question:

It has been reported that last month, a company was placed into voluntary liquidation and made more than 100 employees redundant. Among them, more than 40 were members of an occupational retirement scheme (commonly known as "ORSO scheme"). However, since the liquidator has all along not furnished the employees' information to the trustee of the ORSO scheme, the employees concerned have so far been unable to withdraw the benefits totalling \$40 million under the ORSO scheme. As the ORSO scheme has been granted Mandatory Provident Fund (MPF) exemption, the Mandatory Provident Fund Schemes Authority (MPFA) is unable to provide assistance, and the trustee has only advised them to request the liquidator to furnish the relevant information expeditiously. Regarding the regulation of ORSO schemes, will the Government inform this Council:

(1) of the current number of ORSO schemes that have been granted MPF exemption; whether it knows the respective current numbers of employers and employees who have joined such schemes, and the total accrued benefits under such schemes;

(2) whether a liquidator is required under the existing legislation to furnish, within a certain timeframe, the account information of the ORSO scheme of the company in liquidation to the trustee of the scheme; if not, whether the Government will enact legislation in this regard with a view to expediting the relevant procedure; and

(3) whether it will study the enactment of legislation to include ORSO schemes in the regulatory scope of the MPFA?

Reply:

Acting President,

The objective of the Occupational Retirement Schemes Ordinance (Cap. 426) (the Ordinance) is to establish a registration system for occupational retirement schemes (ORSO schemes) voluntarily established by employers to ensure that such schemes are properly regulated, and to provide greater certainty that retirement scheme benefits of these schemes promised to employees will be paid when they fall due. Employers who operate ORSO schemes that fall under the ambit of the Ordinance are required to apply to the Registrar of Occupational Retirement Schemes, i.e. the Mandatory Provident Fund Schemes Authority (MPFA), for registration or exemption of their schemes.

When the MPF System was launched on December 1, 2000, registered schemes and exempted schemes under the Ordinance may apply to the MPFA for MPF exemption pursuant to the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485B).

With regard to the case of voluntary winding up of a company as mentioned in the question, after receiving enquiries from affected scheme members since May 17 about contributions held in the relevant ORSO scheme, the MPFA has in fact immediately contacted the trustee, the third party administrator and the liquidator, urging them to handle enquiries from affected scheme members and arrange for payment of benefits as soon as possible. The MPFA has requested the trustee concerned to provide dedicated hotline service for account enquiries by affected scheme members and arrange a meeting with affected scheme members together with the MPFA and the liquidator for providing one-stop services to the scheme members.

In response to LegCo (Legislative Council) members, the MPFA met with around 40 affected scheme members on May 31 to understand their concerns and explain to them follow-up actions of the MPFA. The trustee also met with scheme members on June 13 together with the MPFA and the liquidator, to explain the procedures for withdrawal of benefits and process relevant applications.

My replies to the questions raised by the Hon Ho Kai-ming are as follows:

(1) As at March 31, 2018, there were 3 358 MPF exempted ORSO schemes, of which 3 149 were ORSO registered schemes and 209 were exempted schemes. The 3 149 ORSO registered schemes covered 4 955 employers and 327 911 members with assets totalling about HK\$302.9 billion. As for the 209 exempted schemes, they were generally offshore schemes registered or approved by overseas authorities or ORSO schemes where the majority of members were not Hong Kong employees. Exempted schemes are not required to provide such information to

the MPFA.

(2) The Ordinance does not require a liquidator to send account information of an insolvent company's provident fund schemes to a trustee within a prescribed period. Under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), the main duty of a liquidator is to complete the winding-up procedures of the company as soon as possible, including realisation of the company's assets, payment of the company's debts, and adjustment of the rights of the contributories (i.e. every person liable to contribute to the assets of a company in the event of its being wound up) among themselves, etc.

In general, the liquidator will first collect the relevant documents and member information and then process and verify such information as soon as practicable. After agreeing with members on the amount of their severance payment, the liquidator will pass the information to the relevant trustees for arrangement of offsetting and payment of members' assets. The winding-up procedures will be carried out in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32). The time required to complete an individual task depends on the actual circumstances.

(3) As mentioned above, all ORSO schemes operating in or from Hong Kong are governed by the Ordinance and fall under the regulatory ambit of the MPFA. Under the Ordinance, registered schemes must comply with the statutory requirements in relation to assets, trusteeship, investment, funding, and other requirements related to audit and actuarial review and disclosure of information to employees. Assets of a registered scheme must be separated from assets of the relevant employer.

LCQ5: Reproduction of Hong Kong currency notes for filming

Following is a question by the Hon James To and a reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (June 20):

Question:

It has been reported that in the year before last, the Police found in a props company a large number of replica banknotes which were claimed to be used as film props. The owner of the company was convicted last month of possessing counterfeit currency notes and sentenced to four months' imprisonment, suspended for two years. Angered and shocked by the judgment, some members of the film industry pointed out that the authorities had never issued clear guidelines on the legal requirements for reproduction of

banknotes, nor had they carried out publicity in this respect, resulting in members of the industry breaching the law inadvertently. In this connection, will the Government inform this Council:

(1) whether it has plans to draw up for the film industry a more flexible and simpler application procedure for reproducing banknotes, including making the application form and detailed requirements available on the website of the Film Services Office (FSO), so as to encourage members of the industry to file applications in accordance with the law; if so, of the details; if not, the reasons for that;

(2) given that representatives of the FSO, the Hong Kong Monetary Authority and the Police discussed the relevant issues with members of the film industry yesterday, of the views and suggestions put forward at the meeting, as well as the outcome; and

(3) whether it will consider establishing a regime to regulate the film props industry, under which only those props companies approved by the Government may design, produce and rent out props of a high degree of resemblance to the genuine ones, such as replicas of banknotes, guns, Police Warrant Cards, government documents, so as to strike a balance between supporting the production of high-quality films and prevention of the illicit activities; if so, of the details; if not, the reasons for that?

Reply:

President,

According to section 103 of the Crimes Ordinance (Cap. 200 of the Laws of Hong Kong), a person who reproduces on any substance whatsoever, and whether or not to the correct scale, any Hong Kong currency note or any part of a Hong Kong currency note, must first obtain the consent in writing of the Hong Kong Monetary Authority (HKMA).

My reply to Hon James To's question is as follows:

(1) & (2) In view of the concerns raised recently by the film and television sectors in relation to the application for reproducing Hong Kong currency notes for filming purposes, the Film Services Office of Create Hong Kong (FSO) under the Commerce and Economic Development Bureau has actively followed up on the case by liaising with different industry associations and listened to their views. The FSO acted as a facilitator and lined up a meeting yesterday (June 19) for industry representatives to exchange views direct with the HKMA and the Police. Industry participants included representatives of the Federation of Hong Kong Filmmakers, the Hong Kong Televisions Association, the Hong Kong Film Directors' Guild, the Hong Kong Film Assistant Directors' Association, the Hong Kong Film Arts Association and the Hong Kong Movie Production Executives Association.

At the meeting, to ease the concerns of the trade, detailed explanations were given on the existing application procedures and compliance requirements for using prop currency notes for filming; the Police also elaborated on

their established follow-up arrangements, including the requirements for storage and destruction of the prop currency notes.

Parties at the meeting also discussed ways to enhance the trade's understanding of the relevant guidelines, with a view to achieving a suitable balance between meeting the trade's expectations and effective crime prevention.

In particular, to further facilitate the trade's understanding of the requirements under the guidelines, the HKMA would provide the application guidelines in Chinese, which has now been uploaded to HKMA's website for easy reference. A link to the guidelines has also been provided on FSO's website. The HKMA will in shorter time attach to the guidelines a set of samples demonstrating the required size of the prop currency notes and distinguishing designs and features that would set the prop notes apart from genuine banknotes. An application form will also be attached to the guidelines to facilitate the applicants' filling out of the required information.

(3) Making props is a professional segment of the film and television sectors. As per FSO's understanding, while there are a number of prop companies providing different props for the industry, most of the props used for film productions are specifically procured or produced by art directors of individual films to suit the specific filming needs of that particular film concerned. Given the tremendous variety and types of props and the different requirements of and for props peculiar to different productions, it would not be cost-effective for the Government to standardise the regulation of the making of different props, a move which would also dampen the creativity of the industry.

Currently, there are established procedures for and guidelines on using prop banknotes or modified firearms for filming purposes. The relevant authorities would take into account of considerations relevant to the project concerned in granting permissions. It is therefore difficult to standardise the handling of props across the board. For production of certain props, such as identity or warrant cards of government officers or logos of government departments, the FSO would assist in obtaining consent from the relevant departments to ensure no infringement of copyrights. The FSO will also continue to provide appropriate assistance to the trade in handling other filming issues.

Transcript of remarks by STH

Following is the transcript of remarks by the Secretary for Transport and Housing, Mr Frank Chan Fan, at a media session after attending the Legislative Council meeting today (June 20):

Reporter: Is the Government going to report the two new incidents to the

Police like they did for the incident in Hung Hom? Also, do you think the MTRC management should bear some responsibility over the recent scandals instead of disciplining the lower ranking staff?

Secretary for Transport and Housing: In respect of those incidents arising from the Exhibition (Centre) Station and To Kwa Wan Station, if there is any suspected criminal act, then we will certainly report to the law enforcement agency to follow up. This is for sure. In respect of the responsibility of the MTRC (MTR Corporation Limited), I do think that they do have a duty of care to ensure all projects are being carried out in a professional and safe manner. With due respect, I'd expect them to exercise their due diligence to ensure safety and quality of the works under their supervision and management.

(Please also refer to the Chinese portion of the transcript.)

Red flags hoisted at Upper Cheung Sha Beach and Lower Cheung Sha Beach

Attention TV/radio announcers:

Please broadcast the following as soon as possible:

Here is an item of interest to swimmers.

The Leisure and Cultural Services Department announced today (June 20) that due to big waves, red flags have been hoisted at Upper Cheung Sha Beach and Lower Cheung Sha Beach in Islands District. Beach-goers are advised not to swim at these beaches.