

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Wednesday, June 6, 2018 is 99.5 (down 0.2 against yesterday's index).

LCQ10: Promoting wider use of technology within the Government

Following is a question by the Hon Wu Chi-wai and a written reply by the Secretary for Innovation and Technology, Mr Nicholas W Yang, in the Legislative Council today (June 6):

Question:

The Innovation and Technology Bureau (ITB) established the TechConnect (block vote) in mid-2017 to assist various government departments in implementing technology projects, with a view to enhancing operational efficiency and improving public services. It is learnt that the committee concerned has supported the allocation of funding to 24 technology projects. Regarding the efforts to promote the wider use of technology within the Government, will the Government inform this Council:

(1) of the (i) commencement dates, (ii) commissioning dates, (iii) estimated non-recurrent and recurrent expenditure, and (iv) anticipated achievements (including the numbers of beneficiaries and the anticipated amounts of saving in expenditure) of the aforesaid 24 technology projects;

(2) of the details of ITB's current work to assist various government departments in implementing technology projects under the aforesaid block vote mechanism; whether the ITB will send its staff to the various departments to understand their operations and recommend the implementation of technology projects which may enhance work efficiency and improve services; besides the ITB, whether there are other policy bureaux or government departments which are currently exploring the application of technology to enhance work efficiency; if so, of the details;

(3) apart from the aforesaid 24 technology projects, whether the various government departments implemented in the past three years other projects on the application of new technology for the provision of public services; if so, of the details; of the various government departments' plans in the coming year to implement projects on the application of new technology for the provision of public services;

(4) of the current number of civil servants who are holders of degrees related to science, technology, engineering and mathematics (STEM), with a breakdown of such number by (i) whether such civil servants are directorate grade officers as well as by (ii) the grades and (iii) the government departments to which they belong;

(5) as the Chief Executive's Council of Advisers on Innovation and Strategic Development and the Steering Committee on Innovation and Technology focus respectively on the macro economic development of Hong Kong, and steering innovation and technology development as well as smart city projects, of the authorities' measures to increase the opportunities for civil servants with a STEM academic background to take part in formulating the relevant policies; whether the authorities will make reference to the practices of overseas governments and create in the Chief Executive's Office or the various government departments positions such as Science Advisors to be filled by professionals outside the civil service, so as to allow them to offer independent technology advice to the Government; and

(6) whether it will study the implementation of digital government transformation to enable the Government to use more technology to enhance operational efficiency, and promote a wider application of innovation and technology at the community level?

Reply:

President,

Our reply to the six parts of the question is as follows:

(1) The Innovation and Technology Bureau (ITB) set up the TechConnect (block vote) in mid-2017. To date, the internal committee responsible for vetting applications has supported funding for 24 technology projects proposed by 14 departments. The fund will be used to support the non-recurrent expenditure of the projects. Some of the projects have commenced in the 2017-18 financial year, whereas the remaining will be launched in the 2018-19 financial year. Details are set out at Annex.

(2) The ITB set up the TechConnect (block vote) to support Government departments in planning and implementing technology projects, so as to enhance operational efficiency and improve public services by use of technology. The departments concerned are required to submit regular reports to the TechConnect Unit of the ITB who will monitor the progress and expenditure of the approved projects. When necessary, the TechConnect Unit will conduct meetings or pay visits to the departments to understand the project progress and offer advice. As for new projects to be launched in 2019-20, the ITB will accept and assess proposals by departments within the year. We do not have relevant information at this moment.

(3) Apart from the TechConnect (block vote), bureaux/departments (B/Ds) implement computerisation projects through the Capital Works Reserve Fund Head 710. In the past three financial years, the average annual expenditure

is about \$1.8 billion, covering projects including strengthening information technology (IT) security, system technology upgrade, enhancing internal operational efficiency and improving public services through IT. In addition, the Smart City Blueprint for Hong Kong published in December 2017 outlined B/Ds' initiatives that adopt technology to build smart city in different areas (such as transport, health, environment and education etc) in the next 5 years. B/Ds also make use of their annual budget estimates and other funding items to implement projects which improve public services through applying technologies. We do not have information of the relevant projects.

(4) and (5) According to the information provided by the Civil Service Bureau, heads of Department/Grade will set the entry requirements for grades under their purview on the basis of operational needs of the grades. Currently, as far as academic requirement is concerned, grades involving science and technology related duties, such as Analyst/Programmer, Chemist, Scientific Officer, Fisheries Officer and Environmental Protection Officer, require their appointees to possess a bachelor degree in STEM-related disciplines. However, the Government has not maintained statistical information on relevant academic qualifications of all civil servants. B/Ds will consider whether to establish non-civil service posts requiring specific professional knowledge according to their needs.

(6) To promote digital transformation of the Government, we are taking forward the following smart city infrastructure projects:

(a) to provide an electronic identity (eID) for all Hong Kong residents, allowing them to use a single digital identity and authentication to conduct government and commercial transactions online; and

(b) to implement the Next Generation Government Cloud Infrastructure and a Big Data Analytics Platform to expedite system development of e-government services, improve service level and enhance operation efficiency and cyber security.

At the society level, the ITB launched the \$500 million Innovation and Technology Fund for Better Living (FBL) in May 2017 to encourage and fund different sectors of society to make use of innovative ideas and technologies to develop projects that bring more convenience, comfort and safety to citizens, or address the needs of specific community groups. As at May 2018, the FBL has approved 13 applications, with a total amount of grant at about \$38 million.

Film Archive's "Morning Matinee" to

screen classic comedy duos (with photos)

Comedy is one of the major genres of Hong Kong cinema, featuring numerous acclaimed comedians. The Hong Kong Film Archive (HKFA) of the Leisure and Cultural Services Department will present the programme "Dynamic Duos: Laugh Out Loud" in the "Morning Matinee" series, screening the comedies of four comic pairings from different eras. The films will be shown at the HKFA Cinema at 11am on Fridays from July to September.

In the 1950s, Cantonese opera star Sun Ma Si-tsang and radio star Tang Kei-chen came to the big screen by teaming up as the "two fools". In "Two Fools in Paradise" (1958), the duo will do anything for a buck, and in doing so provide a feast of laughter through their follies. "Two Fools Catch the Murderer" (1959) is a hybrid of comedy and crime film themed on making a living. "Wrong Connection" (1959) centres on a series of cross-dressing jokes in which the duo disguise themselves as housemaids, and later Sun Ma even does a double gender reverse by posing as the rich boyfriend of Law Yim-hing. The duo are forced to join the army in "A Fool in the Army" (1959) – and they try hard to escape. Yiu Kwang-chao, plays a plump commander and steals the show by making a hilarious visual contrast alongside the skinny Sun Ma and Tang. The fun-filled songs in the four films are depictions of the reality of society at the time.

Two hefty comedy stars, the Cantonese-speaking Leung Sing-por and the Mandarin-speaking Liu Enjia, co-starred in various comedies featuring the cultural clash between northerners and southerners in the '60s. "The Greatest Civil War on Earth" (1961) and "The Greatest Wedding on Earth" (1962) highlight the business competition between the duo, which nearly ruins the marriage of their children. In "The Greatest Love Affair on Earth" (1964), Leung wears a gaudy wig and a fancy dress to pose as a rich woman helping her friends find love. The flirtatious Leung takes the spotlight by dancing with Liu hilariously. "The Greatest Civil War on Earth" will be accompanied by a post-screening talk hosted by Andrew Leung and May Ng.

The typical screen personas of the Hui brothers – the smart Michael Hui versus the clumsy younger brother, Ricky Hui – remained their signature comedic appeal in the '70s and '80s. In their classic work, "The Private Eyes" (1976), Michael Hui stars as the frugal owner of a detective agency, while Ricky Hui plays a bumbling assistant, making a satirical comedy on how the mean boss exploits his employees. "The Contract" (1978) follows the Hui brothers' messy scheme to get Michael Hui's contract from his current boss secretly, so as to free him to join another TV station. Michael Hui plays a mean boss again in "Chicken and Duck Talk" (1988), whereas Ricky Hui gets his moment to shine when he jumps ship to the enemy, a fried chicken restaurant nearby, thus competing with the Chinese-style roast duck restaurant owned by Michael Hui.

Stephen Chow is synonymous with "mo lei tau", embodying the Hong Kong style of nonsensical humour. In the '90s, Chow and his partner Ng Man-tat became a popular comic pairing in Hong Kong cinema. In "All for the Winner" (1990), Chow comes to Hong Kong from the Mainland and stays with his uncle, Ng. Knowing Chow has supernatural powers, Ng then gets him to unleash his powers in the gambling world. "Royal Tramp" (1992) features Chow as the witty and mischievous Wai Siu-bo who encounters Ng, a sinister eunuch in the palace. The scene in which Chow prompts Ng to pose as Guan Yu from "Romance of the Three Kingdoms" to fight the villain is comic gold. Chow is a spoiled rich kid in "Sixty Million Dollar Man" (1995), and is gravely injured in an explosion when saving his biological father, Ng. Luckily, a scientist turns Chow into a cyborg in order to save his life.

"The Greatest Civil War on Earth", "The Greatest Wedding on Earth" and "The Greatest Love Affair on Earth" are in Mandarin and Cantonese, while the other films are in Cantonese. "The Private Eyes", "Chicken and Duck Talk", "Royal Tramp" and "Sixty Million Dollar Man" have Chinese and English subtitles and the other films are without subtitles.

Tickets priced at \$30 are now available at URB TIX (www.urbtix.hk). For credit card telephone bookings, please call 2111 5999. For programme details, please call 2739 2139 or visit www.lcsd.gov.hk/ce/CulturalService/HKFA/en_US/web/hkfa/programmesandexhibitions/2018mm-ddlol/index.html.



LCQ12: Parking spaces

Following is a question by the Hon Chan Hak-kan and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (June 6):

Question:

Regarding the supply of and demand for parking spaces, will the Government inform this Council:

- (1) of the respective numbers of private cars, motorcycles and the various classes of commercial vehicles that were (i) registered and (ii) first registered, in each of the past five years;
- (2) of the respective numbers of (i) private cars, motorcycles and the various classes of commercial vehicles, and (ii) the various types of parking spaces, as projected by the authorities, in each of the coming three years (with a breakdown by Hong Kong Island, Kowloon and the New Territories);
- (3) of the number of car parks provided on short-term tenancy sites and the number of parking spaces provided therein, in each of the past five years (with a breakdown by Hong Kong Island, Kowloon and the New Territories);
- (4) of the number of multi-storey car parks under the Transport Department (TD) and the number of parking spaces provided therein, in each of the past five years (with a breakdown by Hong Kong Island, Kowloon and the New Territories);
- (5) of the respective average (i) daily, (ii) peak hour and (iii) non-peak hour utilization rates of the parking spaces in the multi-storey car parks under TD, in each of the past five years;
- (6) of the respective numbers of parking spaces used to be provided in the Middle Road Multi-storey Car Park and Murray Road Multi-storey Car Park, which have ceased operation, as well as those currently provided in the Rumsey Street Car Park, which is proposed to be converted for commercial development, and whether the authorities have plans to increase the number of parking spaces in the same districts to make up for the shortfalls; if so, of the details; if not, the reasons for that; and
- (7) whether it will consider providing additional parking spaces for commercial vehicles in redeveloped and newly built multi-storey car parks; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government has always been concerned about the supply of, and demand for, parking spaces for different types of vehicles, and understands that different types of vehicles have different parking needs. The Government is actively pursuing the following measures to increase the supply of parking spaces:

- (i) designating night-time parking spaces at suitable on-street locations;
- (ii) requiring developers to provide in new development projects parking spaces with reference to the higher end of the range under the Hong Kong Planning Standards and Guidelines;
- (iii) providing public car parks in suitable new Government, Institution and Community facilities;
- (iv) allowing school buses to park in the school premises after school;
- (v) providing more coach parking spaces and pick-up/drop-off facilities;
- (vi) taking forward a consultancy study on parking spaces for commercial vehicles; and
- (vii) examining the feasibility of providing government multi-storey car parks in various locations and the suitability to adopt an automated parking system.

As regards multi-storey car parks, in view of limited land resources in Hong Kong, generally speaking, sites suitable for stand-alone multi-storey car park uses also have potential for other development purposes. It would make the most optimal use of land and bring more benefits to the community as a whole if public parking spaces could be planned with and integrated into development projects.

My reply to the various parts of the Hon Chan Hak-kan's question is as follows:

- (1) The number of private cars, motorcycles and various classes of commercial vehicles registered and first registered in the past five years is set out in Annex 1.
- (2) The size of the vehicle fleet is influenced by a basket of factors, including economic conditions, transport and taxation policies, ancillary public transport facilities, travel habits of the public, population structure, etc. As it is difficult to accurately predict how these factors, and the interplay of these factors, affect the propensity to purchase new vehicles, the Government has not compiled any forecast on the future fleet size of different types of vehicles.

On the supply of parking spaces, under the current policy, the Government mainly requires the provision of parking spaces in private development projects to meet their own parking demands. Where practicable, the Government will require developers, through Land Sale Programme, to provide additional public parking spaces so as to meet the parking needs for

surrounding areas. Since the provision of new parking spaces through the above means is contingent on the progress of individual development projects, the Transport Department (TD) has not compiled any forecast on parking space provision.

(3) Generally speaking, there is no provision in the tenancy mandating short-term tenancy (STT) car parks to provide a prescribed number of parking spaces. This allows the operators to make arrangements flexibly having regard to actual circumstances to cater for the parking demands of different types of vehicles. The TD had commissioned a consultant to conduct surveys on the number of parking spaces in STT fee-paying public car parks in the past four years. Relevant details are set out in Annex 2.

(4) The number of multi-storey car parks managed by the TD and the number of parking spaces therein in each of the past five years are set out in Annex 3.

(5) The peak hours and non-peak hours vary among individual car parks managed by the TD. The respective average daily, daytime and night-time utilisation rates of the multi-storey car parks managed by the TD in each of the past five years are set out in Annex 4.

(6) Middle Road Multi-storey Car Park and Murray Road Multi-storey Car Park, both decommissioned, provided 900 and 443 parking spaces respectively prior to their cessation of operation. As regards Rumsey Street Multi-storey Car Park, 983 parking spaces are provided.

When the Government considers resuming car park facilities for other development purposes, it will examine the potential impact of the cancellation of the parking spaces involved. Under the current policies, if so required under the land lease conditions, the developer responsible for a redevelopment project should not only provide parking spaces designated for own use of the development project, but should also provide additional parking spaces for public use. This approach integrates public parking spaces with the development project. In this connection, the developer responsible for the Middle Road Multi-storey Car Park redevelopment project is required to additionally provide 345 and 39 parking spaces for private cars and motorcycles respectively for public use, on top of the 71 parking spaces for private cars needed for the development project itself. As regards the Murray Road Multi-storey Car Park redevelopment project, the developer will additionally provide no fewer than 102 and 69 public parking spaces for private cars and motorcycles respectively, on top of the 163 and nine parking spaces for private cars and motorcycles respectively needed for the development project itself based on the latest building plans submitted by the developer (Note). For the Rumsey Street Multi-storey Car Park, its redevelopment plan is pending further assessment and so no implementation schedule is available at this stage.

(7) The TD commenced a consultancy study on parking for commercial vehicles in December 2017 for completion in 2019. The study includes an assessment of the parking demand of commercial vehicles by district, and formulation of short to long term measures to address the demand. The TD will consider, in the context of the study, the proposal for providing additional parking

spaces for commercial vehicles in redeveloped and newly built multi-storey car parks.

Note: As the building plans concerned are still subject to vetting, the exact numbers of parking spaces are yet to be confirmed.

LCQ21: Short-term accommodation

Following is a question by the Hon Charles Mok and a written reply by the Secretary for Home Affairs, Mr Lau Kong-wah, in the Legislative Council today (June 6):

Question:

In recent years, home-stay lodgings and short-term rental sleeping accommodation provided through the use of idle resources (collectively known as "short-term accommodation") have been in the ascendant around the world. Such type of accommodation offers a travel experience different from that offered by hotels and helps drive the local economy. Some members of the tourism sector have pointed out that many cities around the globe (e.g. Paris, London, Tokyo and Singapore) have formulated policies and regimes to regulate short-term accommodation. However, Hong Kong plans to amend the Hotel and Guesthouse Accommodation Ordinance (HGAO) (Cap. 349) to step up efforts to combat unlicensed guesthouses and throttle the room for survival of short-term accommodation. Such members have also pointed out that the demand for short-term accommodation from in-bound visitors has continued to increase in recent years, and they therefore have proposed that the Government should introduce a licensing regime to legalise the operation of short-term accommodation. They have proposed that the following should be prescribed under the licensing regime: (i) the upper limits on the number of letting days and the number of licences, (ii) the types of premises which may be used for short-term accommodation, and (iii) the respective conditions applicable to short-term accommodation for guests staying, and that for guests not staying, with hosts (such as the requirement that there must be a trained property manager to oversee the premises). In this connection, will the Government inform this Council:

(1) whether the authorities explored, when conducting studies for amending HGAO, the introduction of a licensing regime for short-term accommodation and made reference to the relevant experience and policies in other places; if so, of the details; if not, the reasons for that;

(2) whether it will consider formulating a licensing regime to regulate short-term accommodation in accordance with the aforesaid proposals, and implement the regime by expanding the proposed scope of the amendments to HGAO, so as to facilitate the development of sharing economy; if so, of the

details; if not, the reasons for that; and

(3) whether the Policy Innovation and Co-ordination Office will commission a consultancy study on the impacts and potentials of sharing economy and short-term accommodation on the economy, consult the relevant stakeholders and put forth a comprehensive proposal on a licensing regime for short-term accommodation; if so, of the details; if not, the reasons for that?

Reply:

President,

Operation of hotels and guesthouses in Hong Kong is regulated by the Hotel and Guesthouse Accommodation Ordinance (Cap. 349) (HAGAO). The purpose of the HAGAO is to ensure that premises intended to be used as hotels/guesthouses comply with the statutory standards in respect of building and fire safety in order to safeguard lodgers and members of the public. According to the HAGAO, "hotel" and "guesthouse" mean any premises whose occupier, proprietor or tenant holds out that, to the extent of his available accommodation, he will provide sleeping accommodation at a fee for any person presenting himself at the premises. Any premises providing short-term sleeping accommodation at a fee, including home-stay lodgings or short-term rental sleeping accommodation provided through the use of idle resources as mentioned in the question, if the mode of operation falls within the definition of "hotel" and "guesthouse" under the HAGAO, a hotel or a guesthouse licence must be obtained before lawful operation. However, premises in which all accommodation is provided for a period of 28 continuous days or more for each letting are excluded from the application of the HAGAO, as stipulated in the Hotel and Guesthouse Accommodation (Exclusion) Order (Cap. 349C). The Office of the Licensing Authority (OLA) under the Home Affairs Department (HAD) is responsible for administering the HAGAO, including issuing licences and performing enforcement duties.

My reply to the Hon Charles Mok's question is as follows:

(1) The main purposes of the Government's plan to amend the HAGAO are to improve the licensing regime, minimise nuisance caused by licensed hotels and guesthouses to nearby residents, facilitate enforcement actions against unlicensed hotels and guesthouses, and increase deterrent effect against operation of unlicensed hotels and guesthouses. This was in response to public concerns over the safety problems posed by operation of guesthouses inside multi-storey buildings, in particular having regard to a serious fire outbreak at a multi-storey building in 2013, causing death and injury of tourists accommodating in guesthouses operating at the building concerned.

Currently, the HAGAO does not preclude licence applications for home-stay lodgings or other forms of short-term rental sleeping accommodation. Any premises may apply for a licence for lawful operation provided that they comply with the fire and building safety requirements. As the current HAGAO has already included regulation for short-term rental sleeping accommodation as mentioned in the question, we consider it unnecessary to introduce another

licensing regime to regulate the relevant premises.

The proposed amendments to the HAGAO have already been discussed for years. Further to the consultation exercise conducted in 2014, the Panel on Home Affairs, the trade, relevant stakeholders and the public generally support relevant legislative proposals. We hope to implement the proposed amendments to the HAGAO as soon as possible to address public concerns.

(2) As mentioned above, the current HAGAO does not preclude licence applications for home-stay lodgings or other forms of short-term rental sleeping accommodation. In fact, the OLA has all along been issuing guesthouse (holiday flat) licences to village-type houses in the New Territories operating in the mode of home-stay lodging with reference to "A Guide to Licence Application for Holiday Flat" (the Guide). Having considered the general scale and design of holiday flats, the fire and building safety requirements set out in the Guide are generally more relaxed than those for guesthouses (general). The OLA will continue to adopt a flexible and pragmatic approach as usual in processing relevant licence applications.

We have noted that regulation of hotels and guesthouses, home-stay lodging or other forms of short-term rental sleeping accommodation varies in different jurisdictions depending on the overall environment and living conditions, without any uniform standard. Therefore, if other proposals are to be further considered, we have to take full account of the views from different stakeholders and the actual circumstances, such as the proliferation of densely populated multi-storey buildings in Hong Kong, to ensure that the regulation of hotel and guesthouse accommodation suits the needs of Hong Kong.

(3) According to information provided by the Policy Innovation and Co-ordination Office (PICO), since its establishment on April 1 this year, the PICO has been meeting relevant government departments and stakeholders to gather their views on issues relating to sharing economy. Insofar as home-stay lodgings or other forms of short-term rental sleeping accommodation are concerned, PICO is conducting research on the regulatory regimes adopted by various cities with a view to examining their implications under different social environments and providing evidenced-based input for consideration by the policy bureaux concerned.