

LCQ11: Processing of applications for building small houses

Following is a question by the Hon Yung Hoi-yan and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (February 24):

Question:

According to the New Territories Small House Policy (the Policy), a New Territories male indigenous villager over 18 years old is entitled to one concessionary grant during his lifetime to build one small house. However, following a judgement handed down by the Court of First Instance (CFI) of the High Court on April 8, 2019 on a judicial review case of the Policy, the Government has suspended the receipt and processing of applications for building small houses on government land granted through Private Treaty Grant (PTG) and Land Exchange. It has been reported that such an arrangement has led to a huge backlog of applications for building small houses awaiting to be processed, thereby arousing grave dissatisfaction among quite a number of indigenous villagers of the New Territories. In a judgement handed down on January 13 this year on the appeals against the ruling of the said case, the Court of Appeal (CA) ruled that the arrangements of Free Building Licence, PTG and Land Exchange under the Policy are lawful traditional rights and interests of the indigenous villagers of the New Territories within the meaning of Article 40 of the Basic Law, and are lawful and constitutional. Besides, I wrote to the Secretary for Development in September last year relaying that the overly long time taken (five to 10 years needed in general and even as long as 20-odd years in some cases) by the Government to vet and approve applications for building small houses, coupled with the incessantly rising construction costs, have greatly increased the financial burden on indigenous villagers in building small houses. In this connection, will the Government inform this Council:

- (1) of the respective numbers of applications for building small houses which were (i) received, (ii) approved, (iii) rejected, and (iv) still being processed by the Lands Department (LandsD) in each of the past three years;
- (2) of the number of applications for building small houses which have been submitted after CFI handed down the aforesaid judgement and are awaiting to be processed, and among such cases, the respective numbers of those applications for building small houses on government land granted through PTG and Land Exchange;
- (3) of the respective numbers of small houses which were (i) under construction and (ii) completed in each of the past five years, as well as the total area of the sites in Village Type Development zones involved;
- (4) of the LandsD's staffing establishment responsible for processing

applications for building small houses, as well as the average, longest and shortest time taken to vet and approve those applications which had been approved, in each of the past five years;

(5) how the Government will follow up the aforesaid judgement of CA; of the anticipated earliest time for resuming the receipt and processing of applications for building small houses on government land granted through PTG and Land Exchange; whether it will allocate additional resources and manpower to LandsD to expedite the processing of backlog applications; if so, of the details and implementation timetable; if not, the reasons for that; and

(6) whether it has conducted any detailed assessment on (i) the number of persons eligible for applying for building small houses in the coming 10 years, (ii) the number of applications for building small houses to be made by them, and (iii) the demand for lands in different districts across the New Territories arising from such applications; if so, of the details, the criteria based on which such assessments were made, and the new measures in place to cope with the relevant land demand; if not, the reasons for that and whether it will conduct relevant assessments in the near future?

Reply:

President,

My reply to various parts of the question is as follows:

(1) and (2) A breakdown of the number of small house applications in the past three years is set out below:

Year	Number of small house applications received	Number of applications approved	Number of applications rejected	Number of applications being processed (as at year end)
2018	1 350	830	1 080	8 223
2019	2 175	565	815	6 419
2020	814	278	567	7 113
Total	4 339	1 673	2 462	Not applicable

Note 1: As applications received in a year may not have their processing completed in the same year, the applications approved, rejected and being processed in a year may not correspond with the applications received during the same year.

Note 2: The number of applications being processed does not cover applications that have been received and pending processing.

Note 3: In light of the judgment of the Court of First Instance (CFI) on the judicial review of the Small House Policy, the Lands Department (LandsD)

suspended the receipt and processing of applications for government land for building small houses by way of Private Treaty Grant (PTG) and Land Exchange between April 8, 2019 and February 21, 2021. Therefore, the cases being processed as at end-2019 and end-2020 do not cover these two types of applications.

(3) The number of small houses completed with Certificate of Compliance (CC) issued by the LandsD in the past five years is set out below:

Year	Number of small houses completed with CC issued
2016	814
2017	799
2018	851
2019	817
2020	397
Total	3 678

The LandsD does not compile statistics on the number of small houses under construction each year and the total land area of "Village Type Development" zones involved.

(4) Since some of the staff members involved in processing small house applications are also responsible for other land administration duties, and the department reviews and redeploys manpower from time to time in light of changing operational requirements, the LandsD does not have precise information on the number of staff members dedicated to the processing of small house applications. As a general reference, around 100 staff members are involved in processing small house applications in the LandsD.

The processing time of small house applications depends on the complexity of individual application, such as whether there are local objections, land title or boundary problems, or whether there are requirements to be fulfilled in advance under other regulatory regimes. The LandsD does not compile statistics on processing time.

(5) The Court of Appeal (CA) handed down the judgment on the appeals against the CFI's ruling on the judicial review on the Small House Policy on January 13, 2021. The CA ruled that all components under the Policy, namely the arrangements of Free Building Licence, PTG and Land Exchange, are the lawful traditional rights and interests of the indigenous inhabitants of the New Territories within the meaning of Article 40 of the Basic Law, hence lawful and constitutional. The Government will continue to implement the Policy. Regarding applications for government land to build small houses by way of PTG and Land Exchange with the receipt and processing suspended earlier in light of the CFI's judgment, the LandsD has resumed the receipt and processing of these two types of applications with effect from February 22, 2021.

The LandsD will, taking into account the workload in different District Lands Offices, continue to keep in view the deployment of manpower with a view to making suitable arrangements when necessary.

(6) The number of applications for small houses is affected by factors such as the birth of indigenous villagers, their family and financial considerations etc., and whether individual indigenous villager will apply for a small house grant also depends on his own circumstances and wishes. The LandsD does not conduct forecast on eligible applicants and small house applications. According to the established policy, whether a small house application can be approved depends on whether the relevant land is suitable for small house construction, in which a series of planning, lands and technical factors have to be considered. The LandsD will continue to consult relevant departments and examine each individual application in accordance with the established mechanism.

Site trial on use of electric mobility devices to be held on cycle track near Science Park from February 26 to 28

The Transport Department (TD) today (February 24) said that a site trial on the use of two main types of electric mobility devices, namely motorised personal mobility devices (mPMDs) and power assist pedal cycles (PAPCs), will be held from 10am to 7pm from February 26 to 28 on an approximately 1-kilometre-long cycle track section next to the Pak Shek Kok Promenade near the Hong Kong Science Park. The site trial aims to gain operating experience in regulating the use of mPMDs and PAPCs on cycle tracks and test the effectiveness of certain safety requirements.

Registered trial participants with a permit issued by the TD will join the site trial under a one-off arrangement specifically for the site trial. Users of mPMDs/PAPCs without pre-registration are not allowed to join the site trial. Those who use mPMDs/PAPCs without a permit or use mPMDs/PAPCs outside the designated location and time period specified in the permit may commit an offence under the Road Traffic Ordinance (Cap. 374), its subsidiary legislation and other relevant legislation.

Members of the public are advised to be alert to the arrangement of the site trial and be cautious when cycling in the designated cycle track section or crossing the cycle track. Ambassadors will be on-site to provide guidance and necessary assistance while social distancing measures will be in place to safeguard public health amid the epidemic.

For details, please visit the TD's website (www.td.gov.hk/en/road_safety/electric_mobility_devices/index.html).

Wong Chuk Hang Sports Centre to reopen

Wong Chuk Hang Sports Centre, managed by the Leisure and Cultural Services Department (LCSD), will reopen for public use on February 25 (Thursday). The sports centre was temporarily closed earlier for anti-epidemic purposes.

Members of the public can reserve the fee-charging facilities of Wong Chuk Hang Sports Centre from 7am on February 25 via the Internet Booking Service of Leisure Link, counter bookings and self-service kiosks at venues already reopened; or via the Booking Office of the District Leisure Services Offices from 8.30am that day. For enquiries, please call the venue staff at 2553 6663, or visit the LCSD website (www.lcsd.gov.hk/en/index.html).

LCQ20: Measures on promoting development of Art Tech

Following is a question by the Hon Ma Fung-kuok and a written reply by the Secretary for Home Affairs, Mr Caspar Tsui, in the Legislative Council today (February 24):

Question:

The Chief Executive has indicated in the 2020 Policy Address that the Government will actively promote the development of Art Tech. To this end, the Secretary for Home Affairs will take the lead in setting up a cross-bureau task force (task force), and invite the participation of representatives from the relevant sectors and non-governmental organisations in the formulation of relevant strategies and measures. In this connection, will the Government inform this Council:

- (1) when the task force will be set up, and what sectors and organisations the representatives of which will be invited to participate in the work of the task force;
- (2) given that the Government has set aside a total of \$100 million under four funds (i.e. the Arts and Sport Development Fund, the Innovation and Technology Fund, the Film Development Fund and the CreateSmart Initiative) for the relevant sectors to apply for funding for implementing projects on integrating technology and arts, of the division of labour among these funds;
- (3) whether the Government will draw reference from the strategies of the

authorities in the United Kingdom, South Korea and Taiwan for developing Art Tech, and in the long run establish a dedicated subsidy fund for Art Tech; if so, of the details; if not, the reasons for that;

(4) apart from providing a Testbed Studio for applying Art Tech in the East Kowloon Cultural Centre which is under construction, whether the Government will gradually upgrade the facilities in the performance venues under the Leisure and Cultural Services Department (LCSD), such as upgrading the stage equipment, providing free WiFi and increasing the bandwidth of the wireless network, so as to offer more venues for applying Art Tech;

(5) whether LCSD will support arts groups in conducting more creative activities that integrate technology and arts, including assisting them in online live broadcasting or re-broadcasting of the relevant activities, as well as sponsoring and procuring more programmes of online live broadcast performances; if so, of the details; if not, the reasons for that;

(6) whether LCSD will incorporate more Art Tech elements in the exhibits of its museums to enhance the viewing experience of visitors; if so, of the details; if not, the reasons for that; and

(7) of the measures in place to promote the exchanges and collaboration between arts workers and members of the technology sector, so as to spur the development and innovation of Art Tech?

Reply:

President,

(1) The inter-departmental Task Force on Arts Technology (Task Force) led by the Secretary for Home Affairs convened its first meeting on February 17. The members of the Task Force include representatives of the Commerce and Economic Development Bureau, Education Bureau, Innovation and Technology Bureau, Innovation and Technology Commission and Leisure and Cultural Services Department (LCSD). Arts and technology have wide coverage. Arts tech is even rapidly developing. The interfacing and connection of arts and technology with other industries are also constantly changing. The Task Force will consult the relevant industries and their representatives on its work plan as appropriate, and invite representatives from the industries or non-government organisations to attend the meeting, taking into account the development of arts tech and other needs.

(2) and (3) As mentioned in the 2020 Policy Address, relevant policy bureaux have set aside a total of \$100 million under funds or schemes of their respective purview (including the Arts and Sport Development Fund, the Innovation and Technology Fund, the Film Development Fund and the CreateSmart Initiative) for those who are interested in promoting arts tech to apply. The Innovation and Technology Fund does not have a cap on the number of applications of a particular category. The funds or schemes above have dedicated objectives and different target applicants, the details of which are at Annex. In order to assist the industry to take forward proposals related to arts tech, the Task Force will provide a one-stop service to

answer applicants' queries and refer them to the suitable fund or scheme.

(4) The LCSD plans to join hands with artists, creative media schools and technology professionals in the promotion of arts tech development. The East Kowloon Cultural Centre (EKCC), which is now under construction, will provide a testbed studio to be equipped with the following advance technology:

- Stage computerised execution system and real-time tracking system for incorporating and automating various stage facilities, including projection mapping and audio/visual systems to create immersive and multi-sensational experience;
- 3-dimensional flying system and hanging system for enhancing stage effects;
- optical fibre that connects multiple venues inside the EKCC for live streaming of performances onto the digital displays/signage, as well as webcasting to audience outside the EKCC;
- augmented/virtual/mixed/extended reality equipment including 270 degree LED screens that enable different modes of presentation in stage productions incorporating synchronised virtual reality and physical stage sets; and
- live streaming and recording with cinematographic and image processing system to reach out and interact with a larger number of audience outside the theatres.

In addition to the EKCC which is under construction, the LCSD is also actively enhancing the broadband network facilities of its performance venues to provide high-speed and secure data transmission services for live streaming or recorded performances of art groups. It is expected that 70 per cent of performance venues will be equipped with optical fiber broadband facilities in the first quarter of 2021. Currently, the public space in performance venues is equipped with free GovWiFi. Performance venues will gradually expand their WiFi networks in major and ancillary facilities for art groups and the public use from 2021-22 onwards so that arts groups and members of the public can enjoy Internet connection. We will discuss with the Office of the Government Chief Information Officer and stakeholders to explore the feasibility of using 5G Internet access in performance venues.

In addition, the LCSD performance venues are procuring by phases 4K digital light processing projector, 4K pan-tilt-zoom camera, camera remote controller and related digital equipment for live streaming, immersive effect sound system, digital sound console and LED moving lights to support visual art creations of arts groups that incorporate arts tech as well as live streaming or video recording.

(5) To dovetail with the Government's broad direction in developing high technology and adopting technology in service delivery, the LCSD has launched the Edutainment Channel, a brand-new one-stop online resources centre which enables the watching of live-streaming/recorded cultural programmes any time comfortably at home as well.

In 2020-21, the LCSD engaged and supported small- and medium-sized local

arts groups and artists in curating and producing online programmes for the Edutainment Channel under the contents of "101 Academy Series", "WeWeWebWeb Carnival", "ReNew Vision" and "Click for Arts". Ranging from performances, basics of arts appreciation to interactive and learning programmes, these online programmes are well received by the public.

In 2021-22, the LCSD will continue to produce and offer programmes for broadcasting on its platforms so that cultural programmes of a wide variety suiting different tastes and ages could be provided online. More diverse and quality performing arts programmes from around the world will continue to be provided to members of the public, and live relays at different locations or live streaming will be arranged for selected mega shows free-of-charge. Apart from enhancing Hong Kong's status as an international cultural metropolis, this initiative will also serve the purpose of providing quality programmes to people from different communities and all walks of life.

In addition, owing to the COVID-19 pandemic, arts groups were not able to conduct outbound cultural exchange activities and performances in the Mainland and overseas; and have thus switched to online. In order to provide more performance opportunities to local arts groups as well as to enhance the understanding of Hong Kong arts groups by Mainland and overseas audiences, some programmes, including selected Greater Bay Area touring programmes and some from the upcoming Hong Kong Week 2021 @ Guangzhou, have been recorded and switched to online viewing on the Mainland online platforms.

(6) The LCSD museums will continue to explore application of new technology when staging exhibitions to enhance visitors' experience. A recent example is the "Honouring Tradition and Heritage: Min Chiu Society at Sixty" exhibition currently showing at the Hong Kong Museum of Art. The exhibition applied augmented reality technology complemented with interactive exhibits and animations to facilitate visitors' appreciation of the production of traditional paintings, ceramics, jade carvings and silk work in an interesting way.

(7) The LCSD is planning an expo in April 2021 for the technology and arts and cultural sectors to explore the integration of arts and technology and to foster potential collaborations. The LCSD expects that nine companies from the innovation and technology industry and about 1 600 arts practitioners would join the expo. Besides, with the setup of the testbed studio at the EKCC, the LCSD plans to collaborate with artists, creative media schools under tertiary institutions and technology professionals in the promotion of arts tech development. With the support of the technology professionals on the curating and application of arts tech, artists and local young people aspiring to start a career in the arts industry may use the testbed studio as an incubator to exchange, create, experiment and rehearse their works before staging. Alternatively, they may showcase their newly created works in the form of art installation, exhibition, workshop, etc. It is anticipated that productions staged at the EKCC throughout the year will create more job opportunities in the arts and related technical areas, and offer more chances for the young people to showcase their talents.

LCQ7: Foreign companies' regional headquarters and offices in Hong Kong

Following is a question by the Hon Chan Kin-por and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (February 24):

Question:

In a survey conducted in 2020, the Census and Statistics Department successfully surveyed 9 025 regional headquarters (RHQs), regional offices (ROs) and local offices (LOs) in Hong Kong the parent companies of which were located outside Hong Kong (collectively known as foreign companies), and around 400 foreign companies did not respond. Among the foreign companies successfully surveyed, the number of RHQs and ROs totalled 3 980, which is 48 less than the figure in the 2019 survey. Besides, among the foreign companies surveyed, four per cent of them planned to phase out or relocate outside Hong Kong part or all of their business in Hong Kong, while another 21 per cent of them were uncertain about their business plans in Hong Kong. Some members of the business sector worry that the situation will deteriorate. In this connection, will the Government inform this Council:

- (1) of the number of RHQs/ROs which were not enumerated in the 2020 survey but had been enumerated in the previous year; whether it knows (i) the locations of the parent companies of such RHQs/ROs, (ii) the trades in which such RHQs/ROs were engaged, and (iii) if such RHQs/ROs have terminated their business in Hong Kong (if so, of the reasons for that);
- (2) whether it will proactively implement measures to retain those foreign companies which are planning or may plan to terminate their business in Hong Kong; if so, of the details; and
- (3) whether it will roll out new measures to attract multinational companies to set up RHQs in Hong Kong; if so, of the details?

Reply:

President,

My reply to the three parts of the question is as follows:

(1) The Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong is jointly conducted by Invest Hong Kong (InvestHK) and the Census and Statistics Department. The 2020 survey enumerated a total number of 9 025 companies, while around 400 did not respond. This rate has been about the same as previous years.

These 400 companies which participated in the 2019 survey had either declined to take part in the 2020 survey or could not be reached during the survey period. The Government is unable to identify from companies which could not be reached the number which might have ceased operation in Hong Kong. Indeed, the failure to reach these companies may be due to a change of addresses.

Among the some 400 companies, 135 were enumerated as regional headquarters or regional offices in the 2019 survey. According to the information collected from the 2019 survey, the parent companies of these 135 companies were located in various countries, including France, Germany, Japan, Mainland China, the United Kingdom and the United States of America. As for the line of business in Hong Kong of these 135 companies, they were mainly in the financing and banking sector, the import/export trade, wholesale and retail sector and the professional, business and education services sector.

(2) As an important part of its investment promotion work, InvestHK provides aftercare services to companies which it has previously assisted; as well as other major overseas and Mainland companies which have set up operations in Hong Kong, so as to keep track of their development and help them seize opportunities to grow, expand and create jobs in Hong Kong.

InvestHK has a dedicated team to enhance the provision of aftercare services for overseas and Mainland companies in Hong Kong. The team has developed a programme to reach out to companies in a structured and systematic manner. The programme includes holding strategic discussions with key personnel to help them consider and evaluate new areas and opportunities for growth, particularly those arising from the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, the Belt and Road Initiative and innovation and technology development.

InvestHK's aftercare programme also extends to meetings with the headquarters of its client companies. Such meetings affirm Hong Kong's commitment to supporting investors from outside Hong Kong and to give the senior management of the companies concerned the confidence to continue doing business in Hong Kong.

Despite the travel restrictions arising from the COVID-19 pandemic, InvestHK continues to hold conferences and round-tables via virtual platforms with senior business leaders round the world to update them on Hong Kong's business environment and Government policies. These help to retain foreign companies' interest and confidence in Hong Kong as a place for investment and doing business.

(3) InvestHK is committed to promoting Hong Kong as a prime investment destination and encouraging overseas and Mainland companies to establish operations, in particular regional headquarters and regional offices, in Hong Kong. To this end, InvestHK will continue to:

(i) strengthen global investment promotion efforts by focusing on the

business opportunities arising from the Association of Southeast Asian Nations, the Greater Bay Area development and the Belt and Road Initiative;

(ii) strengthen aftercare services for overseas and Mainland companies in Hong Kong to facilitate expansion; and

(iii) focus on priority sectors such as financial services, family offices, transport and logistics, innovation and technology as well as creative industries.

In meeting the challenges of the COVID-19 pandemic, InvestHK has been dynamically adjusting its strategies by leveraging digital platforms to attract and assist companies from both traditional and emerging markets to set up their businesses in Hong Kong. In addition, the Chief Executive announced in the 2020 Policy Address the establishment of the Pan-Greater Bay Area Inward Investment Liaison Group. This set-up would enable InvestHK and its counterparts in other cities in the Greater Bay Area to develop holistic and joint inward investment propositions with a view to enhancing synergy.