

Transcript of remarks by CS on Budget

Following is the transcript of remarks by the Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, at a media session at the Legislative Council Complex after the Financial Secretary presented the Budget today (February 27):

Support Enterprises, Safeguard Jobs, Stabilise the Economy and Strengthen Livelihoods are the key directions of this year's Budget. On the premise of ensuring the stability of our public finances, the Budget adopts a forward-looking and strategic fiscal approach with the aim of nurturing industries, supporting enterprises, enhancing public services, improving people's livelihood and investing in the future. The Budget deserves the community's support.

i,Ÿ The recurrent expenditure for the three key livelihood areas, that is, education, health care and social welfare, is expected to reach \$255.5 billion, accounting for nearly 60 per cent of the Government's total recurrent expenditure or an increase of over 7 per cent over the last year's revised estimates. This demonstrates the current-term Government's commitment in supporting the needy and disadvantaged and also in building a harmonious, caring and inclusive community.

i,Ÿ This year's Budget introduces a number of important and forward-looking measures to foster the long-term development of Hong Kong, including, let me quote for examples:

i,² Earmarking \$10 billion to set up a public health stabilisation fund to ensure stable funding for public healthcare services and for coping with unexpected circumstances.

i,² Secondly, providing additional recurrent funding of over \$700 million for the Hospital Authority to increase the rate of allowance and salaries of front-line staff, the number of Advanced Practice Nurse posts as well as allied health professional posts, and also allocating additional resources to continue implementing the Special Retired and Rehire Scheme.

i,² Finally, allocating \$20 billion for the purchase of 60 properties for accommodating over 130 welfare facilities including day child care services centres, neighbourhood elderly centres, on-site pre-school rehabilitation services, etc, to address the problem of insufficient venues for welfare facilities. We expect 86 000 people will benefit.

i,Ÿ The Budget has also introduced a number of one-off measures to relieve people's burden, including tax deduction and an additional month of allowance for recipients of the CSSA, Old Age Allowance, Old Age Living Allowance, elderly allowance, Disability Allowance and, of course, Working Family Allowance and Work Incentive Transport Subsidy. Also, we will provide a one-off grant to each student in need amounting to \$2,500.

i,Ÿ I fully support this year's Budget and hope that the Legislative Council will pass the Appropriation Bill as quickly as possible so that the many important and caring measures can be implemented promptly for the benefit of the entire community.

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

LCQ4: Guarding against sudden deaths of employees caused by overexertion at work

Following is a question by the Dr Hon Fernando Cheung and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (February 27):

Question:

In recent years, incidents of sudden deaths of employees suspected to be caused by overexertion at work (commonly known as "deaths from overexertion") have been heard from time to time, arousing public concern about overexertion at work. In this connection, will the Government inform this Council:

(1) of the number of cases, as recorded by the Labour Department (LD) in each year since 2013, in which employees suddenly died not as a result of an accident arising out of and in the course of the employment, together with a breakdown by the gender of the deceased, the age group to which the deceased belonged, the industry and job type in which the deceased was engaged before death, as well as the cause of death of the deceased (e.g. brain disease and heart disease);

(2) whether it knows which 10 industries had the highest median weekly working hours in each year since 2013, as well as the relevant distributions of working hours;

(3) given that LD has commissioned the Occupational Safety and Health Council to conduct a study on cases of employees' sudden deaths at work, of the progress of the study; and

(4) whether it will draw up a legal definition for "death from overexertion" and stipulate death from overexertion as one of the incidents in respect of which employers must pay compensation in accordance with the Employees' Compensation Ordinance (Cap. 282)?

Reply:

President,

My reply to the question raised by the Member is as follows:

(1) Occupational injury statistics published by the Labour Department (LD) are released on a quarterly basis and the latest available statistics are up to the first three quarters of 2018. The breakdown of the number of fatalities not caused by accidents (i.e. fatalities due to various non-occupational diseases) by sex, age, industry section and disease from 2013 to the first three quarters of 2018 are set out in Annex 1. LD does not keep the statistical breakdown by trade.

(2) According to Annual Earnings and Hours Survey undertaken by the Census and Statistics Department, the 10 industries with the highest employees' median weekly working hours and their respective distributions of weekly working hours during the period from May – June 2013 to May – June 2017 are set out in Annex 2.

(3) The causes of death of employees not caused by work accidents in the course of the employment are often complex, and may involve a multitude of factors including personal health condition, heredity, eating and living habits, work nature and environment, etc. In October 2017, LD commissioned the Occupational Safety and Health Council (OSHC) to conduct a study focusing on death of employees at workplace caused by cardiovascular diseases or cerebrovascular diseases. OSHC will look into the possible causes leading to the death of these employees from different perspectives, like working condition, personal health condition, living habits, etc., through interviewing the deceased workers' relatives, employers and colleagues. OSHC started the interviewing work in the first quarter of 2018 and expects to complete the study in about three years.

(4) As stipulated in the Employees' Compensation Ordinance (ECO) (Cap. 282), if an employee sustains an injury or dies (including the case of sudden death) as a result of an accident arising out of and in the course of the employment, the employer is liable to pay compensation in accordance with the Ordinance. To further expand the scope of ECO to cover all fatal cases that happen during the period of work irrespective of whether they are caused by work accidents would involve a significant change in the basic principle of employees' compensation, and employees' benefits as well as affordability of employers should also be taken into account.

[LCQ11: Making use of next generation](#)

government cloud infrastructure

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 (February 27):

Question:

In May last year, the Finance Committee (FC) of this Council approved a funding of more than \$530 million for the establishment of the next generation government cloud infrastructure (cloud facilities) and a big data analytics platform to support agile delivery of e-Government services. The Government anticipates that those systems will be commissioned in the third quarter of 2020 and they can bring about a one-off cost avoidance of about \$570 million for the Government over the next six financial years. However, when the Government recently put forward proposals of other projects on information technology (IT) systems (e.g. a centralised electronic platform for the administration of Mandatory Provident Fund registered schemes), it did not mention how it would make use of the cloud facilities to achieve greater cost-effectiveness. In this connection, will the Government inform this Council:

(1) of the latest progress (including whether there are changes in the projected (i) commissioning dates and (ii) cost-effectiveness) of the establishment of the two aforesaid systems;

(2) of the number of proposed projects on IT systems, since May last year, in respect of which the Government has submitted discussion papers and/or funding proposals to the panel(s) and FC of this Council, as well as the following details of each of such projects: (i) the name of the project, (ii) the policy bureau/government department (B/D) responsible, (iii) the estimated non-recurrent expenditure, (iv) the (projected) date for awarding the service contract for system development, (v) the (projected) commissioning date for the system, (vi) whether the system will make use of the cloud facilities, and (vii) the panel(s) concerned (set out in a table);

(3) whether the tender documents for the projects in (2) have contained/will contain provisions (i) specifying that the proposed IT system must make use of the cloud facilities, and (ii) encouraging the successful bidder to make use of the cloud facilities in developing the proposed IT system; if so, of the details; if not, the reasons for that;

(4) regarding the estimations of the non-recurrent expenditure and the financial benefits for the projects in (2) submitted by the Government to this Council, of the respective numbers of those projects for which (i) the bases of such estimations included the making use of the cloud facilities, and (ii) quantitative assessments on the cost implications for using the cloud facilities were provided;

(5) whether the Office of the Government Chief Information Officer (OGCIO) has been involved in the preparatory work and tender exercises for the projects in (2); if so, of the details of OGCIO's involvement in each of such projects (including whether it has conducted any technical and cost assessments on making use of the cloud facilities in the projects concerned), and whether OGCIO has advised the B/Ds concerned to provide, when drawing up the relevant tender conditions, incentives for encouraging the successful bidders to make use of the cloud facilities in developing the proposed IT systems; if so, of the details; if not, the reasons for that;

(6) whether the Government has put in place policies and guidelines to encourage various B/Ds and public bodies to make use of the cloud facilities in future; if so, of the details; if not, the reasons for that; and

(7) of the estimated number of funding proposals for projects on IT systems to be submitted by the Government to this Council's FC in the coming year and, among such projects, the number of those which will make use of the cloud facilities, and set out by project name the details, such as the B/D responsible?

Reply:

President,

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

(1) The Office of the Government Chief Information Officer (OGCIO) is conducting tender exercise for the implementation of the Next Generation Government Cloud Infrastructure (GovCloud) and Big Data Analytics Platform. It is expected that the concerned system and platform will be launched in the third quarter of 2020 as planned. The estimated total expenditure for the project is \$533 million. The cost savings from GovCloud in other government IT systems between 2019-20 and 2024-25 are estimated to be about \$573 million, which include the costs of upgrading individual infrastructures and developing respective government bureaux/departments (B/Ds) systems. The cost-effectiveness figure remains unchanged.

(2) Between May 2018 and January 2019, relevant panels of the Legislative Council (LegCo) have discussed six funding proposals for government department IT system projects and the Finance Committee (FC) has approved five of them. Details are as follows:

| Name of Project | B/D | Estimated Non-recurrent Expenditure (\$ million) | Estimated Contract Award Date for System Development Services | Estimated System Commissioning Date | Will GovCloud Panel be adopted | Will Concerned Panel be Concerned |
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|-----|---|--|----------|---|--|-----|----------------------------|
| (1) | Redevelopment of Service Performance Management Information System | Social Welfare Department | 65.42 | Not applicable (the system is mainly developed by in-house staff) | September 2022 | Yes | Panel on Welfare Services |
| (2) | Redevelopment of Client Information System | Social Welfare Department | 316.88 | Not applicable (the system is mainly developed by in-house staff) | June 2023 | Yes | Panel on Welfare Services |
| (3) | Electronic Submission Hub | Buildings Department | 214.39 | Q2 2019 | To be rolled out in phases from Q1 2022 to Q2 2025 | Yes | Panel on Development |
| (4) | Information Technology Equipment and Services for the 2021 Population Census# | Census and Statistics Department | 202.68 | Service contracts for individual sub-systems will be awarded from June 2019 to October 2020 | Individual sub-systems will be rolled out progressively from June 2020 to September 2022 | Yes | Panel on Financial Affairs |
| (5) | Development of Smart Library System | Leisure and Cultural Services Department | 877.30 | December 2020 | December 2024 | Yes | Panel on Home Affairs |
| (6) | Information Technology Enhancement Project of the Department of Health (covering 35 projects) | Department of Health | 1,057.13 | To be awarded in Q4 2019 at the earliest depending on individual projects | To be fully completed by December 2024 | Yes | Panel on Health Services |

The funding proposal is yet to be approved by FC

In addition, the Financial Services and the Treasury Bureau (FSTB) submitted to the Panel on Financial Affairs the proposal for the IT project "Centralised Electronic Platform for the Administration of Mandatory Provident Fund Registered Schemes" in December 2018. According to the information provided by FSTB, the Mandatory Provident Fund Schemes Authority is considering different options, including the adoption of GovCloud.

(3) to (7) In August 2016, OGCI0 issued guidelines to B/Ds, requesting them to accord priority to adoption of GovCloud when developing new systems or revamping existing systems. Relevant B/Ds should also include the requirement of adopting GovCloud in their tender documents.

The estimated non-recurrent expenditure and financial benefits for the six projects in the reply for part (2) above have included the resources

involved for adopting GovCloud.

Currently, OGCI0 does not have the timetable of other B/Ds' proposals for IT system projects to be submitted to the LegCo in the coming year. It is envisaged that large-scale projects on IT systems submitted to the LegCo FC for funding approval in the coming year will adopt GovCloud.

LCQ6: Suspension of fresh water supply in public rental housing estates

Following is a question by Hon Ho Kai-ming and a reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (February 27):

Question:

Quite a number of residents in public rental housing estates (estates) have relayed to me that in recent years, fresh water supply to the estates in which they reside was suspended on many occasions due to bursts of communal water mains, causing inconvenience to their daily lives. In this connection, will the Government inform this Council:

(1) of the respective numbers of incidents of suspension of fresh water supply in each of the past five years that were caused by (i) bursts and (ii) leakages of communal water mains in the estates, and set out the duration of each incident by name of estate;

(2) given that aged water mains are more susceptible to bursts and leakages, whether the authorities will expeditiously and comprehensively replace the communal water mains in those estates aged 30 years or above, so as to minimize the occurrence of such incidents;

(3) whether master meters have been installed in all estates at present; if not, whether it has plans to install master meters in all estates to facilitate monitoring water losses in the communal water mains in the estates; if so, of the details and timetable; and

(4) whether the Water Supplies Department and the Housing Department have put in place a coordination mechanism to monitor the conditions of communal water mains in the estates and carry out timely repair and maintenance?

Reply

President,

Having consulted the Development Bureau and the Water Supplies Department (WSD), I set out my consolidated reply to various parts of the question raised by the Hon Ho Kai-ming as follows.

In respect of the water supply systems in the common area of public rental housing (PRH) estates, the Hong Kong Housing Authority (HA) has since 1995 gradually replaced the aged galvanised iron fresh water supply pipes by non-ferrous pipes under a large scale re-plumbing programme. The programme is currently generally completed. In addition, the HA conducts regular inspections on water supply systems and arrange contractors to carry out maintenance and repair works in a timely manner to ensure their proper functioning. The HA also evaluates the condition of the systems annually for formulating appropriate maintenance arrangements and improvement programmes.

Since 2006, all new PRH estates with two or more building blocks have been installed with master meters as required by the WSD. The WSD is gradually installing master meters in other existing PRH estates. Currently, master meters have been installed in about 100 PRH estates. Installation works of the remaining about 80 PRH estates is targeted for completion by 2023.

The WSD has always been attaching great importance to the leakage problem of the water supply system in Hong Kong, including PRH estates. The WSD and the HA have put in place a regular communication mechanism for examining the general leakage situation of PRH estates; sharing the experience of handling of water leakage as well as maintenance and repair of water mains with a view to reducing the risk of water main bursts; following up the progress of installing master meters in the existing PRH estates; coordinating related works, etc. From time to time, the WSD advises the HA of the cases with suspected water leakages in underground communal water mains, so as to facilitate the HA to carry out necessary testing and to arrange timely repair. The WSD would also discuss with the HA the progress of relevant cases.

Since 2016, the WSD has referred to the HA about 30 suspected water loss cases in PRH estates. Among these cases, 2 were confirmed to be not related to the HA properties after examination. The HA has completed the follow-ups and repairs for 12 cases. The remaining 16 cases are being tested or repaired with the WSD's assistance. As our follow-up works are carried out at hours with less impact to the residents, the disruptions to the fresh water supply of the concerned estates are usually minimal. Both the WSD and the HA do not keep statistics on water supply interruption incidents resulted from pipe seepage and burst of common water mains in PRH estates.

LCQ12: Requests made to ICT companies for disclosure and removal of information

Following is a question by the Hon Charles Mok and a written reply by the Secretary for Innovation and Technology, Mr Nicholas W Yang, in the Legislative Council today (February 27):

Question:

Regarding the requests made by the Government to information and communication technology (ICT) companies for disclosure and removal of information, will the Government inform this Council:

(1) of the following details of the requests for information disclosure made by the Government respectively in the first and the second halves of 2018 to ICT companies (set out the information in a table, broken down by government department):

- (i) total number of ICT companies involved,
- (ii) names and types of ICT companies involved (e.g. Internet service providers, device producers, social media and search engines),
- (iii) total number of requests made,
- (iv) total number of user accounts involved,
- (v) types of information requested for disclosure (e.g. user names, Internet Protocol addresses and contact methods) and the respective numbers of the requests concerned,
- (vi) nature of information requested for disclosure (i.e. metadata and/or content of communication) and the respective numbers of the requests concerned,
- (vii) reasons for making the requests concerned (e.g. investigation of cases, law enforcement and other reasons) and the respective numbers of the requests concerned,
- (viii) number of requests made under court orders,
- (ix) number of requests acceded to, and
- (x) reasons why some requests were not acceded to (e.g. the request not made under a court order, failure to provide appropriate legal documents, insufficient justifications, not in compliance with the policies of the ICT companies, and other reasons) and the respective numbers of the requests concerned;

if such information cannot be provided, of the reasons for that;

(2) of the following details of the requests for information removal made by the Government respectively in the first and the second halves of 2018 to ICT companies (set out the information in a table, broken down by government department):

(i) total number of ICT companies involved,
(ii) names and types of ICT companies involved,
(iii) total number of requests made,
(iv) volume of information requested for removal,
(v) types of information involved (e.g. videos, text, images) and the respective numbers of the requests concerned,
(vi) nature of information involved (e.g. indecent content, illegal advertisements, copyright infringement and false information) and the respective numbers of the requests concerned,
(vii) reasons for making the requests concerned (e.g. for investigation of complaints, law enforcement and other reasons),
(viii) number of requests made under a court order,
(ix) number of requests acceded to, and
(x) reasons why some requests were not acceded to and the respective numbers of the requests concerned;

if such information cannot be provided, of the reasons for that;

(3) given that information technology is advancing and changing rapidly and the methods adopted by law enforcement agencies for collecting evidence have changed, whether it has plans to review and amend the relevant laws such as the Interception of Communications and Surveillance Ordinance (Cap. 589), to ensure that Hong Kong people continue to fully enjoy the rights to freedom of speech, privacy of communication, etc., as safeguarded under Articles 27 to 30 of the Basic Law;

(4) given that quite a number of advanced countries/regions have enacted laws (e.g. the Regulation of Investigatory Powers Act 2000 of the United Kingdom, the Telecommunications (Interception and Access) Act 1979 of Australia and the Communication Security and Surveillance Act of Taiwan) to regulate the access to residents' electronic communication records and personal data by law enforcement agencies, and those countries/regions also require law enforcement agencies to proactively make public, on a regular basis, statistics and reports on access to such information, so as to ensure that there is a certain degree of transparency in law enforcement actions, whereas Cap. 589 of Hong Kong regulates only matters such as "postal interception" and "telecommunications interception" and does not regulate the interception of communication records and personal data stored in media such as web servers, whether the Government has plans to amend its internal guidelines and codes of practice, to regulate the making of requests by various law enforcement agencies concerning information disclosure and removal (including the aspect of enhancing transparency); if not, of the reasons for that; and

(5) whether the authorities will proactively and regularly make public, in machine readable format, the statistics and reports on requests for information disclosure and requests for information removal made to ICT companies, so as to enhance the transparency of law enforcement actions; if not, of the reasons for that?

Reply:

President,

In consultation with relevant bureaux and departments, our reply is as follows:

(1) and (2) Details of the requests for information disclosure and information removal made by the Government to information and communications technology (ICT) companies in 2018 are set out in Tables 1 and 2 respectively.

(3) The Security Bureau advises that the Interception of Communications and Surveillance Ordinance (Cap. 589) (ICSO) regulates interception of communications and covert surveillance by the four designated law enforcement agencies (LEAs) for prevention and detection of serious crimes and protection of public security. The covert operations regulated by the ICSO do not cover general government LEAs' requests to the Internet service providers during their day-to-day work for information that does not involve non-open communications, such as user information, IP addresses, login records, etc.

ICSO was amended in June 2016, and the Code of Practice issued by the Secretary for Security under section 63 of ICSO was also updated in the same month. The Government will keep in view closely the application of the ICSO and does not have any plan to further amend the ICSO in the near future.

(4) If officers of individual government departments and LEAs, in discharging their duties, need to request for information or co-operation from relevant persons or organisations (including ICT companies), they will make the requests in accordance with duty-related legislations, procedures or guidelines, and will ensure that relevant requests would only be made if they are necessary for discharging their duties. The above mechanism and procedures or guidelines have been functioning properly and effectively. At present, the Government does not have any plan to change the above.

(5) Regarding the requests made by the Government to ICT companies for disclosure and removal of information, no relevant statistics and reports are provided in machine-readable format at present. Provided that it will not affect future investigation and enforcement actions, the Government will consider disseminating regularly relevant data in machine-readable format having regard to specific circumstances.