[Auction of traditional vehicle registration marks to be held on December 1]

The Transport Department (TD) today (November 13) announced that the auction of traditional vehicle registration marks will be held on December 1 (Sunday) in Meeting Room S421, L4, Old Wing, Hong Kong Convention and Exhibition Centre, Wan Chai.

"A total of 350 vehicle registration marks will be put up for public auction. The list of marks has been uploaded to the department's website, www.td.gov.hk/en/public_services/vehicle_registration_mark/index.html," a department spokesman said.

Applicants who have paid a deposit of $1,000 to reserve a mark for auction should also participate in the bidding (including the first bid at the reserve price of $1,000). Otherwise, the mark concerned may be sold to another bidder at the reserve price.

People who wish to participate in the bidding at the auction should take note of the following important points:

(1) Successful bidders are required to produce the following documents for completion of registration and payment procedures immediately after the successful bidding:
(i) the identity document of the successful bidder;
(ii) the identity document of the purchaser if it is different from the successful bidder;
(iii) a copy of the Certificate of Incorporation if the purchaser is a body corporate; and
(iv) a crossed cheque made payable to "The Government of the Hong Kong Special Administrative Region" or "The Government of the HKSAR". (For an auctioned mark paid for by cheque, the first three working days after the date of auction will be required for cheque clearance confirmation before processing of the application for mark assignment can be completed.) Successful bidders can also pay through the Easy Pay System (EPS). Payment by post-dated cheques, cash or other methods will not be accepted.

(2) Purchasers must make payment of the purchase price through EPS or by crossed cheque and complete the Memorandum of Sale of Registration Mark immediately after the bidding. Subsequent alteration of the particulars in the memorandum will not be permitted.

(3) A vehicle registration mark can only be assigned to a motor vehicle which is registered in the name of the purchaser. The Certificate of Incorporation must be produced immediately by the purchaser if a vehicle registration mark purchased is to be registered under the name of a body corporate.

(4) Special registration marks are non-transferable. Where the ownership of a motor vehicle with a special registration mark is transferred, the allocation of the special registration mark shall be cancelled.

(5) The purchaser shall, within 12 months after the date of auction, apply to the Commissioner for Transport for the registration mark to be assigned to a motor vehicle registered in the name of the purchaser. If the purchaser fails to assign the registration mark within 12 months, allocation of the mark will be cancelled and arranged for reallocation in accordance with the statutory provision without prior notice to the purchaser.

For other auction details, please refer to the Guidance Notes – Auction of Traditional Vehicle Registration Marks, which can be downloaded from the department's website, www.td.gov.hk/en/public_services/vehicle_registration_mark/tvrm_auction/index.html.

LCQ12: Financial results of the Government

Following is a question by the Hon Adrian Ho and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (November 13):

Question:

According to the information released by the Government at the end of September this year, in the first five months of this financial year alone and before taking into account the issuance and repayment of bonds, the Government has recorded a deficit of $201 billion, far exceeding the consolidated deficit of $143.8 billion for the whole year as forecast in the Budget of this financial year. There are views that the above situation reflects the Government's difficulty in meeting the Medium Range Forecast (MRF) in the Budget of this financial year (i.e. the Operating Account will record a surplus from the 2026-27 financial year onwards and the Capital Account will record a surplus in the 2028-29 financial year), and that once the relevant situation worsens, the Government will have difficulty in complying with the relevant requirement under Article 107 of the Basic Law to strive to achieve a fiscal balance in drawing up its budget. In this connection, will the Government inform this Council:

(1) in the remaining months of this financial year, other than revenues including salaries and profits taxes that are mostly received towards the end of a financial year, what additional measures the authorities plan to introduce to reduce the consolidated deficit for the whole year before taking

into account the issuance and repayment of bonds;

(2) of the authorities' practical measures in place in each year from the next financial year to the 2028-29 financial year to meet the MRF of recording surpluses in both the Operating Account and the Capital Account;

(3) as there are views that while the 2023-24 Budget proposed that the Government issue government bonds totalling $65 billion in each year from that financial year until the 2028-29 financial year, the Budget of this financial year puts forward a plan to issue government bonds totalling about $95 billion to $135 billion in each year from this financial year until the 2028-29 financial year, indicating the Government's tendency to gradually increase the amount of bond issuance that will lead to a miscalculation of the time required to achieve fiscal balance, whether the Government has assessed if it is required to readjust the amount of bond issuance in this financial year and in the next few financial years; if it has assessed and the result is in the affirmative, of the latest projection for the amount of bond issuance in each year from this financial year until the 2028-29 financial year, and how the relevant adjustment will affect the aforesaid MRF in the Budget of this financial year; and

(4) as there are views that the estimated land premium revenue for this financial year is $33 billion, but as at October this year, the proceeds from the land premium of land sales in this financial year were only $720 million, and even after taking into account the proceeds from cases of registered lease modifications, land exchanges, private treaty grants and lot extensions in the second and third quarters of 2024, the total land premium revenue is merely $4.9 billion, which is a worrying situation, of the Government's plan in place to make up for the shortfall of almost $30 billion in estimated land premium revenue in the remaining months of this financial year?

Reply:

President,

Having consulted the Development Bureau, our consolidated reply to the question raised by Hon Adrian Ho is as follows:

The Government has all along been upholding the principle of keeping expenditure within the limits of revenues in drawing up its budget as enshrined in Article 107 of the Basic Law. We strive to achieve a fiscal balance, avoid deficits and keep the budget commensurate with the growth rate of its gross domestic product, with a view to ensuring the resilience and sustainability of our public finances. The Government has constitutional responsibility to uphold the principle of fiscal prudence and achieve fiscal balance over a period of time.

During the earlier pandemic, the Government launched several rounds of large-scale counter-cyclical measures to support the enterprises and citizens. In addition, the implementation of anti-epidemic measures led to a sharp increase of expenditure. Therefore, relatively larger fiscal deficits were recorded. Furthermore, as a small and externally-oriented economy, Hong

Kong is inevitably susceptible to the influence of a complicated and volatile external environment. While revenues related to the asset market will still require some time to fully recover, the Government has to keep devoting resources to strengthen the growth momentum of our economy and enhance public services. This is why we have a deficit budget for the 2024-25 financial year.

The Government is determined to overcome the challenges facing our public finances. In the 2024-25 Budget, the Financial Secretary put forward a comprehensive fiscal consolidation programme, which seeks to narrow our fiscal deficit progressively and restore fiscal balance in a few years' time by containing the growth of expenditure, increasing revenue and issuing government bonds.

On expenditure, the Government strictly contains the growth of its operating expenditure, including continuing to maintain zero growth in the civil service establishment with the aim of containing the establishment at a level not exceeding that as at end-March 2021, and implementing the Productivity Enhancement Programme, under which recurrent government expenditure will be cut by 1 per cent each year from 2024-25 to 2026-27 on the premise that such schemes as the Comprehensive Social Security Assistance Scheme and the Social Security Allowance Scheme will not be affected. In addition, the Government reviews the cost-effectiveness of capital works projects and gives due regard to priority and urgency to adjust the implementation schedule. Some works projects that are at a comparatively mature stage of planning, including the site formation and infrastructure works for the Northern Metropolis, will continue to be taken forward as planned. For those that are currently at the preliminary planning or conceptual stage, the implementation schedule will be adjusted in light of their importance and other factors.

On revenue, the Government will put in place four revenue-raising measures in 2024-25, namely (a) implementing a two-tiered standard rates regime for salaries tax and tax under personal assessment starting from the year of assessment 2024-25; (b) increasing business registration fees and branch registration fees by 10 per cent with effect from April 1, 2024; (c) implementing the progressive rating system for domestic properties starting from January 1, 2025; and (d) resuming the collection of hotel accommodation tax at a rate of 3 per cent with effect from January 1, 2025. The four measures are expected to bring in revenue of about $3.1 billion in total for the Government annually.

In addition, the Government will apply the global minimum tax rate of 15 per cent on large multinational enterprise groups with an annual consolidated group revenue of at least EUR 750 million, and impose the Hong Kong minimum top-up tax starting from 2025 in accordance with the global minimum tax proposal drawn up by the Organisation for Economic Co-operation and Development to address base erosion and profit shifting. Based on our current estimates, the measures will bring in an additional tax revenue of about $15 billion for the Government annually starting from 2027-28. We plan to introduce the relevant bill into the Legislative Council by January 2025.

The Government has made the issuance of government bonds a financing option for infrastructure projects, with a view to driving the development of the Northern Metropolis and other infrastructure with the capital raised from the market. Taking into account the pace of development in respect of the Northern Metropolis and other infrastructure projects, the Government plans to issue bonds worth about $95 billion to $135 billion per annum from 2024-25 to 2028-29. The actual size of bond issuance will be subject to the prevailing fiscal position, market situation and works progress. The Government will continue to adhere strictly to fiscal discipline and keep government debt at a prudent level. It is expected that the ratio of government debt to Gross Domestic Product will range from about 9 per cent to 13 per cent during the period from 2024-25 to 2028-29, which is much lower than most other advanced economies. We will look into the scale and forms of bond issuance for the next few years when formulating the 2025-26 Budget.

In formulating the Budget every year, the Government takes into account factors such as the overall performance of the property market, demand and supply situation in the market, and economic environment etc. in drawing up the Government Land Sale Programme of the upcoming year and estimating the revenue from land premium in the next financial year. Since the pace of land sale and the revenue from land premium are often affected by property market situation and economic environment, there may be a variance between the actual receipt and the estimate of land premium. As at end October this year, the total revenue from land sales by tender in this financial year as well as land transactions involving private treaty, lease modification, land exchange, etc. is around $3.7 billion.

Furthermore, the Government's overarching goal when supplying land is to maintain a sustained supply so as to allow for the healthy development of the property market. The Government will judge the hour and size up the situation by considering the actual circumstances (including the economic environment and market changes) and roll out sites to the market in a prudent manner. The Government will announce its quarterly land sale programme in advance, and maintain flexibility to put up additional sites for sale in course of a quarter. The Government will update the estimation of revenue from land premium in its 2025-26 Budget to be announced in February 2025.

In preparing the Budget, the Government takes into account the levels of revenue, expenditure and fiscal reserves, as well as the imminent and long-term needs of the society in order to draw up suitable measures and financial arrangements. As the 2025-26 Budget exercise is about to commence, we will review the latest position and forecast in respect of the public finances, and draw up measures with a view to restoring fiscal balance in a few years' time.

Mui Wo Temporary Public Fill Reception Facility to close

Attention TV/radio announcers:

Please broadcast the following as soon as possible:

The Civil Engineering and Development Department today (November 13) announced that as the Strong Wind Signal Signal No. 3 has been issued by the Hong Kong Observatory, the Mui Wo Temporary Public Fill Reception Facility will be closed at 4.40pm today until further notice.

LCQ11: Lift incidents caused by electricity problem

Following is a question by the Hon Tony Tse and a written reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (November 13):

Question:

It is learnt that several lift incidents in Hong Kong in recent years have been caused by power outage or voltage dip. If the lifts concerned have not been installed with voltage dip mitigation and/or auto restart systems, the impact on lift users will be extended substantially, and the workload of property management companies, rescuers and repairmen will also increase. In this connection, will the Government inform this Council:

(1) of the numbers relating to lift operation suspension cases caused by power outage and voltage dip respectively in the past three years, including the number of such cases, the number of instances involving the deployment of rescuers such as firemen, the time required for restarting lift operation after the resumption of normal power supply, etc.;

(2) of the number and proportion of lifts in Hong Kong installed with voltage dip mitigation and/or auto restart systems, as well as the costs and time generally required for installing such systems;

(3) of the latest situation of the Lift Modernisation Subsidy Scheme implemented by the Government in partnership with the Urban Renewal Authority, including the number of applications received and their vetting and approval, the number of applications for modernisation works in progress

and completed, the amount of subsidies granted and the balance of the Scheme, etc.; and

(4) whether the scope of subsidies under the Lift Modernisation Subsidy Scheme currently covers the installation of voltage dip mitigation and/or auto restart systems of lifts; if not, whether the authorities will consider enhancing the Scheme to cover such systems?

Reply:

President,

The Government has all along been attaching great importance to lift safety. Through the Lifts and Escalators Ordinance (Cap. 618) (the Ordinance), the Government regulates the design, installation, maintenance, commissioning and examination of lifts. As the enforcement department of the Ordinance, the Electrical and Mechanical Services Department (EMSD) is responsible for implementing a series of safety-related regulatory measures, including type approval of lifts and their safety components, formulation of code of practice on the design and construction of lifts, and investigation into incidents so as to ensure the safe operation of the lifts. As part of these efforts, the Director of Electrical and Mechanical Services has issued the Code of Practice on the Design and Construction of Lifts and Escalators pursuant to the Ordinance, setting out the technical and safety requirements as laid down in the Ordinance for the design and construction of lifts and their associated devices or machineries, which includes the safety requirements related to power failure or voltage dip to ensure public safety.

The reply to the four parts of the question is as follows:

(1) A lift is an installation that assembles different electrical and mechanical systems. In the event of a power failure or voltage dip, the protective device of a lift will be activated automatically, halting the lift operation to ensure the safety of the lift passenger(s). According to the Ordinance, suspension of lift service due to a power failure or voltage dip does not fall into situations that require reporting to the EMSD. Therefore, the EMSD does not possess such data. Nevertheless, in the event of major incidents resulting in suspension of service of a number of lifts, the EMSD will liaise proactively with the registered lift contractors to understand the progress of their handling of the lift entrapment cases and where necessary, request them to deploy more manpower to deal with the incidents. For example, in the large-scale voltage dip incident that occurred on April 6, 2024, according to the Fire Services Department, a total of 144 lift entrapment cases were received within one hour after the occurrence of the voltage dip incident and based on the EMSD’s understanding, the relevant registered lift contractors handled about 140 lift entrapment cases and it took less than 23 minutes on average to handle the cases and resume normal lift service.

(2) At present, there are about 74 000 lifts in Hong Kong, of which about 23 000 lifts (i.e. 31 per cent) have already been equipped with the "voltage-dip

mitigating device" (or called the "automatic restart system") (Note). The remaining about 51 000 (i.e. 69 per cent) relatively aged lifts do not have such provision. Nevertheless, all lifts can operate safely if they have proper periodic examinations and maintenance. The "voltage-dip mitigating device" is part of the electronic control system of a lift. In general, the electronic control system will be replaced when an aged lift is replaced or undergoes modernisation of larger scale. At the same time, the new system will be equipped the "voltage-dip mitigating device" and the required cost has been included in the cost of procuring the new system. If, however, the responsible person of the lift chooses to retain the lift and only retrofit it with "voltage-dip mitigating device", the works involved will include the replacement of the entire electronic control system or even the traction machine as well. The associated replacement cost will generally range from $500,000 to $800,000 and the time required for the works will depend on the technical specification and the site condition of the lift location.

(3) and (4) Since 2019, the Government has allocated a total of about $4.51 billion for implementing the Lift Modernisation Subsidy Scheme (LIMSS) which aims to subsidise eligible owners of private residential or composite buildings to carry out lift modernisation works (the scope of which covers the installation of the "voltage-dip mitigating device") to enhance the safety level of aged lifts. The Government has entrusted the administration of the LIMSS to the Urban Renewal Authority (URA).

Through the two rounds of application under the LIMSS, the URA received a total of about 1 900 valid applications involving 7 886 lifts in total. All eligible applications have been assessed according to a risk-based principle to determine their priority and whether subsidy will be granted.

As at end-September 2024, the URA issued a "Notice of Approval-in-Principle" to 5 250 eligible lifts. Among them, 913 lifts have their works completed and the remaining 4 337 lifts have commenced various stages of works. As the number of approved cases involving total lift replacement (rather than just modernising individual safety components) and the number of elderly owner-occupier applicants (who are qualified for a higher subsidy) are significantly higher than those originally estimated, the average subsidy per case is higher than our original budget. As a result, based on our latest estimate, the funding under the LIMSS can only subsidise not more than 5 250 aged lifts of higher risk level to carry out modernisation works. Once the costs of the works of the 5250 lifts and the total amount of subsidies are ascertained, we will review the financial situations of the LIMSS. If surplus funds are available, we will strive to subsidise more lifts to carry out modernisation works.

Note: According to the Code of Practice on the Design and Construction of Lifts and Escalators published by the EMSD, the correct name of this device is "Post-Voltage-Dip-Operation Means". This device will send the lift car to an appropriate landing for releasing passengers after a voltage dip. However, the lift can resume normal operation afterwards or not will depend on individual design and whether there are other lift faults.

HAD’s emergency hotline activated

Attention duty announcers, radio and TV stations:

Please broadcast the following as soon as possible and repeat it at suitable intervals:

Following the issuing of Tropical Cyclone Warning Signal No. 3, the Home Affairs Department has activated a round-the-clock hotline, 2572 8427, for public enquiries on the tropical cyclone situation.