

LCQ7: Redevelopment projects on private residential buildings carried out by land owners and developers

Following is a question by the Hon Chu Hoi-dick and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (June 6):

Question:

Regarding the redevelopment projects on private residential buildings carried out by land owners and developers (redevelopment projects), will the Government inform this Council:

(1) of the following details of each of the redevelopment projects for which the relevant building plans were approved for the first time within the past five years (set out in a table):

- (i) name,
- (ii) address and lot number,
- (iii) site area and details of site amalgamation,
- (iv) the completion date for the demolition works of the old building(s),
- (v) the date on which the building plan was approved for the first time,
- (vi) whether an application was made for an order for compulsory sale of land under the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) (if so, of the application number),
- (vii) original land use and total gross floor area of site,
- (viii) land use and total gross floor area of site upon redevelopment,
- (ix) total gross floor area and number of residential units upon redevelopment,
- (x) total gross floor area and number of commercial premises upon redevelopment (if any),
- (xi) amount of land premium payable, and
- (xii) whether an occupation permit has been obtained from the Buildings Department; and

(2) whether it will enact a dedicated legislation to govern those redevelopment projects and stipulate that the relevant information of those redevelopment projects must be made public to facilitate the public to assess, from the perspective of overall planning, the impacts of those redevelopment projects on the various aspects of the communities concerned?

Reply:

President,

(1) For development projects (including redevelopment projects) carried out by land owners/developers, approval of building plans must be sought from the

Building Authority in accordance with the Buildings Ordinance (Cap. 123) (BO). Besides, land owners/developers have to obtain approval of demolition plan and demolition consent from the Building Authority before the commencement of demolition works in accordance with the requirements of the BO, if the development project involves the demolition of existing buildings. Summary information on new building plans approved in the month (except amendment plans) including the address of the development project, types of new buildings, total gross floor areas for domestic or/and non-domestic uses as shown in the approved plans, numbers of domestic units (if applicable), occupation permits already obtained from the Buildings Department (BD) and sites with demolition consents issued of all private development projects are set out in the Monthly Digest of BD and uploaded to the BD website (www.bd.gov.hk/english/documents/index_statistics.html) for public inspection. Members of the public may also request to inspect and copy the approved plans of individual completed private development projects.

As the release of information aims at providing information contained in approved building plans, it does not contain records as to whether the projects involved are redevelopment projects or any relevant information on the original buildings of the redevelopment projects.

For details of compulsory sale orders issued in the past five years, please refer to our written reply to the supplementary question (question serial number: S0105) raised by the Finance Committee in examining the Estimates of Expenditure 2018-19 (www.legco.gov.hk/yr17-18/english/fc/fc/sup_w/s-devb-pl-e.pdf).

The amounts of land premium payable for lease modifications involved in development projects are set out in relevant land documents, and members of the public may obtain relevant land documents by searches at the Land Registry.

(2) There are relevant legislations at present to regulate development projects (including redevelopment projects) and we consider it unnecessary to enact a dedicated legislation to govern redevelopment projects. Specifically, development projects are governed by the BO to ensure that the planning, design and construction of new buildings comply with the building design and construction standards under the BO on various aspects such as structure and fire safety and sanitation. In addition, development projects have to comply with the requirements stipulated in the Outline Zoning Plans (OZPs) prepared under the Town Planning Ordinance (Cap. 131) (TPO). For development projects requiring planning permission from the Town Planning Board (TPB) or amendment to OZP, the proponent must file an application to TPB under the TPO. The application will be published according to the provisions of the TPO for public comment. Also, land owners/developers are also bound by the respective land lease conditions.

The Government has all along been releasing information on development projects for public inspection. As mentioned above, members of the public can access information on the approved building plans of individual completed development projects through the Monthly Digest available on the BD website or by making a request to BD. According to existing mechanism, if a

development project is the subject of an application for planning permission, the Planning Department (PlanD) will prepare a gist of the application which will be deposited at PlanD's planning enquiry counters and uploaded to the TPB website for public inspection. Planning documents submitted by applicants are also kept at PlanD's planning enquiry counters. Under the TPO, members of the public may submit their views on amendments to OZPs and planning applications. Information on OZPs and planning applications are available on the TPB website (www.tpb.gov.hk) and the Statutory Planning Portal 2 (www2.ozp.tpb.gov.hk/gos). Moreover, regarding development projects involving applications for lease modification or land exchange, the Lands Department will upload the information on each completed application to its website (www.landsd.gov.hk/en/exc_mod) for public inspection.

LCQ20: Improvement of Hongkong Post's modus operandi in order to increase its revenue

Following is a question by the Hon Kenneth Leung and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (June 6):

Question:

The Post Office Trading Fund (POTF) was established in August 1995 to manage and account for the operation of the Hongkong Post (HKP). On the other hand, the Director of Audit's Report No. 65 published in October 2015 pointed out that for the 20-year period from 1995-1996 to 2014-2015, HKP had recorded operating losses in eight years and had not achieved the target rates of return in 14 years. There are views that HKP should, apart from improving its operation by implementing measures to generate revenue and manage costs, also draw reference from overseas successful experience and revamp the modus operandi of postal services in order to increase revenue. In this connection, will the Government inform this Council:

- (1) of POTF's target rate of return and actual rate of return, as well as HKP's operating cost and trading receipt, in each of the past five years;
- (2) of the specific measures taken by HKP in the past five years to reduce its operating cost, and boost the percentage of revenue from sources other than traditional postal services, in its total revenue; the effectiveness of such measures, including the resultant increase in HKP's overall revenue;
- (3) apart from rationalising the post office network and closing down those post offices which have been operating at a loss, whether HKP has studied

ways to further diversify, through collaboration with various types of organisations, including non-profit-making organisations and commercial establishments, the services provided by various post offices so as to enhance HKP's operational efficiency and increase its revenue; and

(4) whether it has plans to comprehensively review the current arrangement under which HKP operates under the trading fund mode, and to re-engineer HKP upon drawing reference from the experience of overseas governments in revamping their postal departments, so as to bring the operation of HKP closer to a business model; if so, of the details; if not, the reasons for that?

Reply:

President,

A consolidated reply to the questions raised is set out below.

The Post Office Trading Fund (POTF) started operation in August 1995. The operating revenues and expenditures and the rates of return (Note 1) of the POTF from 2013-14 to 2017-18 are as follows:

	2013-14	2014-15	2015-16	2016-17	2017-18 (Note 2)
Operating revenue	\$5,249 million	\$5,344 million	\$4,878 million	\$4,881 million	\$5,016 million
Operating expenditure	\$5,252 million	\$5,175 million	\$4,663 million	\$4,728 million	\$5,171 million
Actual rate of return	-0.5 per cent	4.9 per cent	6.5 per cent	4.7 per cent	-4.0 per cent
Target rate of return	5.9 per cent	5.9 per cent	5.9 per cent	5.9 per cent	2.6 per cent

Hongkong Post (HKP) has been making sustained efforts to contain its operating costs and increase revenue.

Initiatives to contain operating costs include revising the procurement terms for major expenditure items such as airfreight services and vehicle hiring services to better encourage market competition; formulating bilateral agreements with other postal administrations to reduce expenditures on terminal due (Note 3); and business process re-engineering, automation and mechanisation such as implementing the Integrated Postal Services System and the Mail Flow Management and Tracking System to streamline mail processing procedures, improve operational efficiency and enhance user experience.

On revenue generation, HKP has been developing new services with a wider range of service features to capture the varied needs of e-commerce, including introduction of the e-Express Service and expansion of the service network to provide an economical and speedy delivery solution with priority

delivery at the destination and basic mail tracking functions; and introduction of Express Lanes in collaboration with individual postal administrations based on a work-sharing model. For the new services developed to capture e-commerce, the revenue generated for 2017-18 is estimated to be about \$700 million, constituting about 14 per cent of HKP's total revenue for that year. The revenue generated to a certain extent helps mitigate the drop in revenue caused by e-substitution of traditional mail items. HKP also engages with the Airport Authority Hong Kong and other postal authorities to explore collaboration with a view to maximising the use of the Air Mail Centre's transit handling capability to foster cross-border logistics and trading activities.

In addition, HKP has been collaborating with various organisations to offer a more diverse range of services, including collaborating with the Airport Authority Hong Kong to provide free delivery service for purchases reaching specified amounts at the Hong Kong International Airport to designated destinations (Note 4); collaborating with GS1 Hong Kong (GS1 HK) to launch the "Hong Kong Trusted Product" programme on HKP's ShopThruPost e-market place, so that small and medium enterprises can offer products authenticated by GS1 HK and delivered by HKP to achieve "Double Trust in e-Commerce" to customers all over the world; and collaborating with the Hong Kong Trade Development Council (HKTDC) to provide international courier service via HKTDC's "Small Order Zone" platform to support local merchants to reach out to the global market.

We have no plan at this stage to change the mode of operation of the HKP as a trading fund. This arrangement allows HKP to manage its resources in a more flexible manner to better achieve cost-effectiveness, and to formulate appropriate business strategies in response to changes in the operating environment so as to provide customers with quality, reliable and value-for-money services. HKP will continue to explore and implement measures to contain expenditure, increase revenue and improve productivity to improve the financial performance of POTF.

Note 1: The rate of return on fixed assets = total comprehensive income (excluding interest income, interest expenses and net realised and revaluation gains or losses on derivative financial instruments and structured notes) divided by average net fixed assets. Fixed assets include properties, plants and equipment and intangible assets.

Note 2: Pending audit review.

Note 3: The fee charged by the destination postal administration from the originating postal administration for handling the mail.

Note 4: Hong Kong, Australia, Canada, Indonesia, Japan, Macao, Mainland China, Malaysia, the Philippines, Singapore, South Korea, Taiwan, Thailand, the United States and Vietnam.

LCQ14: Access to government information

Following is a question by the Hon Charles Mok and a written reply by the Secretary for Constitutional and Mainland Affairs, Mr Patrick Nip, in the Legislative Council today (June 6):

Question:

Some members of the public have complained that they had made applications for access to government information under the Code on Access to Information (the Code) to the policy bureaux and government departments (B/Ds) covered by the Code, but then the B/Ds concerned rejected such applications without giving any reasons. They have pointed out that the criteria adopted by various B/Ds for vetting and approval of such applications are vague, thereby lowering the transparency of public administration and hindering members of the public from effectively monitoring the use of public funds. Besides, it has been reported recently that the Government, when commissioning consultancy studies, often incorporates a confidentiality clause in the contracts, and then claims on this ground that the relevant study reports are within the scope of exemptions under the Code, and hence rejects the access applications concerned. In this connection, will the Government inform this Council:

- (1) of the details of the applications for access to information which were made by invoking the Code as received by various B/Ds in the 2017-2018 financial year, including the (i) names of B/Ds, (ii) number of applications received, (iii) number of pieces of information involved, (iv) number of applications under process, (v) number of applications the applicants of which were provided with all the requested information, (vi) number of applications the applicants of which were provided with part of the requested information, and (vii) average time for processing an application (set out in a table);
- (2) of the number of applications for access to information which were rejected by various B/Ds in the 2017-2018 financial year, together with a breakdown by (i) category of information requested and (ii) reason for rejection; the number of times for which the applicants of such cases requested a review of the refusal decisions;
- (3) as paragraph 2.2 of the Code stipulates that if the harm or prejudice which arises from disclosure of the information may outweigh the public interest, including both actual harm or prejudice and the risk or reasonable expectation of harm and prejudice (harm or prejudice outweighing the public interest), a department may refuse to disclose the information, and paragraph 2.2.3 of the Guidelines on Interpretation and Application of the Code states

that a civil servant is required to act reasonably in reaching his/her decision, of the procedures for various B/Ds to conduct the "harm or prejudice" tests and the number of the tests conducted last year; whether a mechanism is currently in place to review if (i) the decisions concerned and (ii) the justifications therefor are reasonable; if so, of the details; if not, the reasons for that;

(4) of the number of applications for access to information that were rejected by various B/Ds in the past five years on grounds of "harm or prejudice outweighing the public interest", together with a breakdown by name of B/D; the procedure (e.g. conducting the "harm or prejudice" tests, and assessing public interest) that various B/Ds went through in reaching the decisions to reject the applications?

(5) of the number of cases in which various B/Ds set out the aforesaid confidentiality clause in the contracts when commissioning consultants or other organisations to conduct studies in the past three years and the details, including the (i) names of B/Ds, (ii) names of the study projects, (iii) dates on which the studies were conducted, (iv) consultancy fees, and (v) reasons for keeping the study reports and the relevant documents confidential (set out in a table); and

(6) of the figures relating to the study reports which were classified by various B/Ds as information available for public access after they had commissioned consultants or other organisations to conduct the studies in each of the past three financial years (set out in the table below)?

Financial year	2015-2016	2016-2017	2017-2018
Number of consultancy studies			
Number of study reports available for public access			

Reply:

President,

The Government has always been committed to providing information requested by members of the public in accordance with the Code on Access to Information (the Code). Having consulted the policy bureaux, our consolidated reply to different parts of the Hon Charles Mok's question is as follows:

(1) and (2) The number and details of applications for access to information made by invoking the Code as received by various policy bureaux/departments (B/Ds) between January 2017 and December 2017 are set out at Annex 1. Of the 6 051 applications for access to information received during the above-mentioned period, 136 were refused. The B/Ds involved, together with the statistical data on reasons for refusal, are at Annex 2. There had been 10

requests by members of the public for reviews against these refusals. As for the number of pieces of information sought in the applications for access to information, and the category of information requested in the refused cases, no statistics or records had been kept by the relevant B/Ds.

(3) and (4) Part 2 of the Code sets out the categories of information that a department can refuse to disclose, including information the disclosure of which may harm or prejudice certain kinds of work or matters (such as the conduct of external affairs, or relations with other governments or with international organisations). The Guidelines on Interpretation and Application (the Guidelines) of the Code gives a detailed interpretation in this respect. In deciding whether harm or prejudice may arise in disclosure of the information, a department must consider all relevant material and balance the public interest in disclosure against any harm or prejudice that could result in order to reach a reasonable decision. Where the harm which may arise from disclosure would be extremely serious, then it is not necessary to establish that the harm would be likely or certain to occur to take it into account. On the other hand, if the perceived risk is neither very likely nor serious, this point should be given less weight. In addition, in circumstances where there is no statutory restriction or legal obligation which prevents disclosure, and where there is a clear public interest in the disclosure of information sought, and this public interest outweighs the harm or prejudice that may result to the Government or to any other person, such information may be disclosed. We have not collected information from departments on the number of cases where departments refused disclosure of information on the consideration that the harm or prejudice that may thus be caused had outweighed public interest in disclosure. Any person who believes that a department has failed to comply with any provision of the Code may ask the department to review the situation. Any person who believes that a department has failed to properly apply any provision of the Code may also complain to The Ombudsman.

(5) The number and details of cases involving the setting of confidentiality clause in the contracts by the B/Ds when commissioning consultants or other organisations to conduct studies in the past three financial years which prevent the Government from disclosing the related reports are at Annex 3.

(6) The figures relating to the study reports which were classified by various B/Ds as information available for public access following commissioned studies by consultants or other organisations in each of the past three financial years are provided in the table below:

Financial year	2015-2016	2016-2017	2017-2018
Number of consultancy studies	114	138	131
Number of study reports available for public access	94	99	122

SHA to visit youth facilities in Shenzhen

The Secretary for Home Affairs, Mr Lau Kong-wah, will depart for Shenzhen tomorrow morning (June 7) to visit facilities providing support services for young people in Hong Kong to learn more about these developments.

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Mr Lau will return to Hong Kong in the afternoon on the same day.

LCQ1: Measures to facilitate cinema development in Hong Kong

Following is a question by the Hon Luk Chung-hung and a reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (June 6):

Question:

In recent years, quite a number of cinemas have closed down one after another. At present, there is no cinema in certain districts (e.g. Tai Po), resulting in fewer entertainment choices for the residents in those districts. In March last year, the Government announced a series of new measures to facilitate the development of cinemas in Hong Kong, with a view to assisting in movie audience-building and promoting the long-term development of the film industry. However, some members of the public have pointed out the slow progress made by the Government on the implementation of such measures. Regarding the measures to promote the development of cinemas and the film industry, will the Government inform this Council:

(1) whether it knows, in respect of each District Council district in each of the past three years, the number of cinemas, the respective numbers of seats and screens of cinemas, and the year-on-year percentage changes of such numbers and the average ticket price;

(2) of the latest progress made by the Government on the implementation of the measures to facilitate the development of cinemas; the measures in place to assist the film industry in setting up more cinemas, so that there will be cinemas in each district, as well as to encourage and assist the film industry in showing more locally produced films and lowering ticket price, so

as to attract members of the public to go to the movies; and

(3) whether the Government will consider amending the Hong Kong Planning Standards and Guidelines to reclassify cinemas as "cultural facilities" instead of "retail facilities"; if not, of the reasons for that; whether the Government will conduct regular surveys and studies on local film consumption and the development of the local film industry, in order to assist in the formulation of a more comprehensive development policy for the film industry?

Reply:

President,

The film industry is among the eight major creative industries in Hong Kong, with direct employment of about 12 550 in 2016. Hong Kong was once a major player in Chinese films but has been faced with numerous challenges in recent years. The Government has been sparing no efforts in promoting the development of local film industry on all fronts, mainly through the Film Development Fund (FDF), to support and promote film productions and other marketing and audience-building activities.

In respect of local cinemas, the Government announced in March 2017 new measures to facilitate cinema development in Hong Kong, including incorporation of a requirement to include cinema in the land sale conditions of two designated government land sale sites to increase the supply of cinemas, with a view to helping the long-term development of the film industry.

My reply to Hon Luk Chung-hung's question is as follows:

(1) From 2015 to 2017, the average price of a movie ticket in Hong Kong had remained stable, at HK\$73, HK\$76 and HK\$75 respectively. The number of cinemas, seats and screens categorised by District Council districts in the three years are set out in Annex.

Overall speaking, from 2015 to 2017, the number of cinemas had increased by 12.8 per cent from 47 to 53; the number of seats by 3.2 per cent from 37 779 to 38 976; and the number of screens by 13.4 per cent from 209 to 237.

Out of the 18 District Council districts, all of them now have cinemas except Tai Po, which will also see the opening of a cinema in 2019. In the past three years, the number of cinemas had increased in six districts, reduced in two districts and stood the same in the remaining nine districts.

(2) As aforementioned, we will incorporate requirement to include a cinema in the land sale conditions of two designated government land sites in Kai Tak and Sha Tin, with a view to increasing the supply of cinemas. The Kai Tak site has been included in the 2018-19 Land Sale Programme, while a technical assessment by the Government is underway for the Sha Tin site. Upon completion of the relevant procedures and work, the two sites will be made available to the market at appropriate junctures.

While adopting the above measure, the Government considers that the

provision of cinemas should still largely be market-driven. We are delighted to see the upward trend in respect of the numbers of cinemas, seats and screens in the past three years. With the upcoming launch of a cinema in Tai Po in 2019, there will be provision of cinemas in all the 18 districts.

The Government will continue, through the FDF and relevant measures, to keep pace with the development of the film market and broaden the audience base. For instance, the Government has provided additional screening facilities to the auditorium of the North District Town Hall and commissioned the Hong Kong Film Art Association to organise film screening activities on a regular basis with post-screening seminars in a bid to promote the film industry and build up audience base among students. Moreover, we have provided additional funding to the Hong Kong International Film Festival Society for adding Chinese subtitles to non-Chinese films screened in the Hong Kong International Film Festival and offering student discount tickets, thereby fostering the public's film-watching habit and their ability to appreciate films of different genres.

(3) The Hong Kong Planning Standards and Guidelines (HKPSG) stipulates the general guidelines for determining the various land uses and facilities in accordance with the population size and other factors. The relevant guidelines serve as general reference for the Government to, at the planning stage, reserve land for different developments and facilities to meet the public's needs. Relevant Government bureaux and departments would review, update and formulate the HKPSG from time to time in light of different policy and development needs, while the Planning Department would assist in coordinating the formulation of the relevant standards.

According to the HKPSG, cinemas operating on a commercial basis are categorised as retail activities, and can be built within land use zones where commercial uses, including retail, are permitted. Generally speaking, the provision of commercial and retail facilities should be market-led.

We understand that the development of cinemas and the development of the film industry complement each other. The Government has been consulting the Hong Kong Film Development Council (FDC) on the overall strategies, policies and practical arrangements for promotion and development of the film industry, as well as the use of public funds to support the industry, to understand the needs of the industry and offer support as appropriate.

In view of the considerable changes in the film market in recent years, the Government has engaged a consultant to review the operation and effectiveness of the various funding schemes under the FDF, to study the latest market development trends and to propose feasible corresponding measures. The study report will be completed shortly. We will consider the recommendations therein and, in consultation with the FDC, formulate proposals to enhance the operation of the FDF so as to assist the industry to respond to the needs of the market more effectively.