

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 28 February 2024

The Council met at Eleven o'clock

MEMBERS PRESENT

THE PRESIDENT

THE HONOURABLE ANDREW LEUNG KWAN-YUEN, GBM, GBS, JP

THE HONOURABLE TOMMY CHEUNG YU-YAN, GBM, GBS, JP

THE HONOURABLE JEFFREY LAM KIN-FUNG, GBM, GBS, JP

THE HONOURABLE CHAN HAK-KAN, SBS, JP

THE HONOURABLE CHAN KIN-POR, GBS, JP

PROF THE HONOURABLE PRISCILLA LEUNG MEI-FUN, SBS, JP

THE HONOURABLE MRS REGINA IP LAU SUK-YEE, GBM, GBS, JP

THE HONOURABLE PAUL TSE WAI-CHUN, JP

THE HONOURABLE MICHAEL TIEN PUK-SUN, BBS, JP

THE HONOURABLE STEVEN HO CHUN-YIN, BBS, JP

THE HONOURABLE FRANKIE YICK CHI-MING, GBS, JP

THE HONOURABLE MA FUNG-KWOK, GBS, JP

THE HONOURABLE CHAN HAN-PAN, BBS, JP

THE HONOURABLE KWOK WAI-KEUNG, JP

THE HONOURABLE ELIZABETH QUAT, SBS, JP

THE HONOURABLE MARTIN LIAO CHEUNG-KONG, GBS, JP

IR DR THE HONOURABLE LO WAI-KWOK, GBS, MH, JP

THE HONOURABLE JIMMY NG WING-KA, BBS, JP

DR THE HONOURABLE JUNIUS HO KWAN-YIU, BBS, JP

THE HONOURABLE HOLDEN CHOW HO-DING, JP

THE HONOURABLE SHIU KA-FAI, JP

THE HONOURABLE YUNG HOI-YAN, JP

THE HONOURABLE CHAN CHUN-YING, JP

THE HONOURABLE LUK CHUNG-HUNG, JP

THE HONOURABLE LAU KWOK-FAN, MH, JP

THE HONOURABLE KENNETH LAU IP-KEUNG, SBS, MH, JP

THE HONOURABLE VINCENT CHENG WING-SHUN, MH, JP

THE HONOURABLE TONY TSE WAI-CHUEN, BBS, JP

THE HONOURABLE DOREEN KONG YUK-FOON

THE HONOURABLE CHU KWOK-KEUNG

THE HONOURABLE STANLEY LI SAI-WING, MH, JP

DR THE HONOURABLE HOEY SIMON LEE, MH, JP

THE HONOURABLE ROBERT LEE WAI-WANG

THE HONOURABLE DOMINIC LEE TSZ-KING

IR THE HONOURABLE LEE CHUN-KEUNG, JP

DR THE HONOURABLE TIK CHI-YUEN, SBS, JP

THE HONOURABLE STANLEY NG CHAU-PEI, SBS, JP

DR THE HONOURABLE JOHNNY NG KIT-CHONG, MH, JP

THE HONOURABLE CHAU SIU-CHUNG

DR THE HONOURABLE CHOW MAN-KONG

DR THE HONOURABLE DAVID LAM TZIT-YUEN

THE HONOURABLE LAM CHUN-SING

THE HONOURABLE LAM SO-WAI

THE HONOURABLE NIXIE LAM LAM

DR THE HONOURABLE DENNIS LAM SHUN-CHIU, JP

THE HONOURABLE LAM SAN-KEUNG, JP

THE HONOURABLE ANDREW LAM SIU-LO, SBS, JP

THE HONOURABLE DUNCAN CHIU

THE HONOURABLE YIU PAK-LEUNG, MH, JP

DR THE HONOURABLE WENDY HONG WEN

THE HONOURABLE DENNIS LEUNG TSZ-WING, MH

THE HONOURABLE LEUNG MAN-KWONG, MH

THE HONOURABLE EDWARD LEUNG HEI

THE HONOURABLE KENNETH LEUNG YUK-WAI, JP

THE HONOURABLE CHAN YUET-MING, MH

THE HONOURABLE ROCK CHEN CHUNG-NIN, SBS, JP

THE HONOURABLE CHAN PUI-LEUNG

THE HONOURABLE CHAN YUNG, BBS, JP

THE HONOURABLE SUNNY TAN

THE HONOURABLE JUDY CHAN KAPUI, MH, JP

IR THE HONOURABLE CHAN SIU-HUNG, JP

THE HONOURABLE CHAN HOI-YAN

THE HONOURABLE JOEPHY CHAN WING-YAN

THE HONOURABLE CHAN HOK-FUNG, MH, JP

IR THE HONOURABLE GARY ZHANG XINYU

THE HONOURABLE LILLIAN KWOK LING-LAI

THE HONOURABLE BENSON LUK HON-MAN

DR THE HONOURABLE KENNEDY WONG YING-HO, BBS, JP

THE HONOURABLE EDMUND WONG CHUN-SEK

THE HONOURABLE KINGSLEY WONG KWOK, BBS, JP

THE HONOURABLE YANG WING-KIT

REVD CANON THE HONOURABLE PETER DOUGLAS KOON HO-MING,
BBS, JP

THE HONOURABLE TANG FEI, MH

THE HONOURABLE TANG KA-PIU, BBS, JP

THE HONOURABLE LAI TUNG-KWOK, GBS, IDSM, JP

PROF THE HONOURABLE LAU CHI-PANG, BBS, JP

THE HONOURABLE KENNETH FOK KAI-KONG, JP

THE HONOURABLE LOUIS LOONG HON-BIU

DR THE HONOURABLE NGAN MAN-YU

THE HONOURABLE CARMEN KAN WAI-MUN

DR THE HONOURABLE TAN YUEHENG, JP

DR THE HONOURABLE SO CHEUNG-WING, SBS, JP

THE HONOURABLE YIM KONG

THE HONOURABLE ADRIAN PEDRO HO KING-HONG

THE HONOURABLE SHANG HAILONG

PROF THE HONOURABLE CHAN WING-KWONG

PROF THE HONOURABLE WILLIAM WONG KAM-FAI, MH

MEMBERS ABSENT

THE HONOURABLE STARRY LEE WAI-KING, GBS, JP

THE HONOURABLE MAGGIE CHAN MAN-KI, MH, JP

PUBLIC OFFICERS ATTENDING

THE HONOURABLE CHAN KWOK-KI, GBS, IDSM, JP
CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE PAUL CHAN MO-PO, GBM, GBS, MH, JP
FINANCIAL SECRETARY

THE HONOURABLE PAUL LAM TING-KWOK, SBS, SC, JP
SECRETARY FOR JUSTICE

THE HONOURABLE CHEUK WING-HING, GBS, JP
DEPUTY CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE MICHAEL WONG WAI-LUN, GBS, JP
DEPUTY FINANCIAL SECRETARY

THE HONOURABLE CHEUNG KWOK-KWAN, SBS, JP
DEPUTY SECRETARY FOR JUSTICE

THE HONOURABLE KEVIN YEUNG YUN-HUNG, GBS, JP
SECRETARY FOR CULTURE, SPORTS AND TOURISM

THE HONOURABLE ERICK TSANG KWOK-WAI, GBS, IDSM, JP
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

THE HONOURABLE CHRISTOPHER HUI CHING-YU, GBS, JP
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE TANG PING-KEUNG, GBS, PDSM, JP
SECRETARY FOR SECURITY

THE HONOURABLE TSE CHIN-WAN, BBS, JP
SECRETARY FOR ENVIRONMENT AND ECOLOGY

DR BERNARD CHAN PAK-LI, JP
UNDER SECRETARY FOR COMMERCE AND ECONOMIC
DEVELOPMENT, AND
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

PROF THE HONOURABLE LO CHUNG-MAU, BBS, JP
SECRETARY FOR HEALTH

THE HONOURABLE LAM SAI-HUNG, GBS, JP
SECRETARY FOR TRANSPORT AND LOGISTICS

THE HONOURABLE BERNADETTE LINN HON-HO, JP
SECRETARY FOR DEVELOPMENT

THE HONOURABLE WINNIE HO, JP
SECRETARY FOR HOUSING

THE HONOURABLE MRS INGRID YEUNG HO POI-YAN, JP
SECRETARY FOR THE CIVIL SERVICE

DR THE HONOURABLE CHOI YUK-LIN, JP
SECRETARY FOR EDUCATION

PROF THE HONOURABLE SUN DONG, JP
SECRETARY FOR INNOVATION, TECHNOLOGY AND INDUSTRY

THE HONOURABLE ALICE MAK MEI-KUEN, SBS, JP
SECRETARY FOR HOME AND YOUTH AFFAIRS

THE HONOURABLE CHRIS SUN YUK-HAN, JP
SECRETARY FOR LABOUR AND WELFARE

CLERK IN ATTENDANCE

MR KENNETH CHEN WEI-ON, SBS, SECRETARY GENERAL

LAYING OF PAPERS ON THE TABLE OF THE COUNCIL

The following papers were laid on the table under Rule 21(2) of the Rules of Procedure:

| Subsidiary Legislation | <i>Legal Notice No.</i> |
|--|-------------------------|
| Merchant Shipping (Prevention of Pollution by Garbage) (Amendment) Regulation 2024..... | 18 of 2024 |
| Merchant Shipping (Prevention of Air Pollution) (Amendment) Regulation 2024..... | 19 of 2024 |
| Merchant Shipping (Seafarers) (Health and Safety: General Duties) (Amendment) Regulation 2024 | 20 of 2024 |
| Merchant Shipping (Seafarers) (Working and Living Conditions) (Amendment) Regulation 2024..... | 21 of 2024 |
| Merchant Shipping (Seafarers) (Returns of Births, Deaths and Missing Persons) Regulation (Amendment of Schedules) Notice 2024..... | 22 of 2024 |
| Factories and Industrial Undertakings (Safety Management) Regulation (Commencement) Notice 2024 | 23 of 2024 |

Other Papers

Hong Kong Examinations and Assessment Authority
Report on Activities for September 2022-August 2023 and Financial Statements for the year ended 31 August 2023 (including Independent Auditor's Report)

Estimates

for the year ending 31 March 2025

Volume I— General Revenue Account

(not including Consolidated Summary of Estimates, General Revenue Account—Summary, and Revenue Analysis by Head)

Volume II— Fund Accounts

Report No. 4/2024 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments

WRITTEN ANSWERS TO QUESTIONS

Enhancing the support for homeless women

1. **MS LAM SO-WAI** (in Chinese): *A study report has pointed out that society lacks support services which target the needs of homeless women, while homeless services are male user-oriented, and the number of accommodation places for homeless women is quite limited. In this connection, will the Government inform this Council:*

- (1) *of the annual number of female street sleepers in the past five years; whether the authorities have studied the underlying causes for the change in the number of female street sleepers and formulated corresponding plans; if so, of the details; if not, the reasons for that;*
- (2) *given that according to the aforesaid study report, homeless women have greater emotional needs when compared with homeless men, whether the authorities have reviewed the adequacy of emotional and mental health support services currently provided by the Social Welfare Department and other non-governmental organizations for homeless women; and*
- (3) *whether it will, by drawing reference from the practices in overseas countries, provide doubleton accommodation for the homeless without limitations on gender and relationship, so as to cater for their interpersonal needs, assist them in building a mutual support network,*

and further facilitate follow-up and intervention by social workers, such that the homeless can more easily quit street sleeping for good; if so, of the details; if not, the reasons for that?

The written reply provided by the **Secretary for Labour and Welfare** on 28 February 2024 is in **Appendix 1**.

General outpatient clinic services

2. **MR STANLEY LI** (in Chinese): *Many members of the public have relayed that the general outpatient clinic (“GOPC”) services under the Hospital Authority have long been in short supply, and the facilities of the clinics are obsolete. In this connection, will the Government inform this Council:*

(1) *of the following information on the GOPCs in Shatin and Sai Kung (i.e. (a) Shatin (Tai Wai) GOPC, (b) Lek Yuen GOPC, (c) Yuen Chau Kok GOPC, (d) Ma On Shan Family Medicine Centre, (e) Mona Fong GOPC, (f) Tseung Kwan O (Po Ning Road) GOPC, and (g) Tseung Kwan O Jockey Club GOPC) (set out in the table below):*

- (i) *the year of commencing service;*
- (ii) *the intended service capacity (in terms of the daily attendance) at the time of construction, together with a breakdown by (A) chronic disease patients and (B) episodic disease patients;*
- (iii) *the average daily attendance in the past year, together with a breakdown by (A) chronic disease patients and (B) episodic disease patients;*
- (iv) *the ratio of healthcare personnel to patients;*
- (v) *the medical services provided;*
- (vi) *whether refurbishment or conversion works have been carried out (and the years concerned);*

- (vii) *the services enhanced after refurbishment or conversion of the clinic; and*
- (viii) *whether the building in which the clinic is located has a sufficient plot ratio which allows expansion of the clinic to enhance its services;*

| <i>Information of clinic</i> | | <i>(a)</i> | <i>(b)</i> | <i>(c)</i> | <i>(d)</i> | <i>(e)</i> | <i>(f)</i> | <i>(g)</i> |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <i>(i)</i> | | | | | | | | |
| <i>(ii)</i> | <i>(A)</i> | | | | | | | |
| | <i>(B)</i> | | | | | | | |
| <i>(iii)</i> | <i>(A)</i> | | | | | | | |
| | <i>(B)</i> | | | | | | | |
| <i>(iv)</i> | | | | | | | | |
| <i>(v)</i> | | | | | | | | |
| <i>(vi)</i> | | | | | | | | |
| <i>(vii)</i> | | | | | | | | |
| <i>(viii)</i> | | | | | | | | |

- (2) *of the respective populations of Shatin, Ma On Shan, Sai Kung and Tseung Kwan O according to the latest population census conducted by the Census and Statistics Department; the respective numbers of GOPCs that should be provided in the two District Council districts of Sha Tin and Sai Kung based on their existing populations according to the Hong Kong Planning Standards and Guidelines;*
- (3) *as many Ma On Shan residents have relayed that the Ma On Shan Family Medicine Centre does not provide holiday outpatient clinic services, whether the Government will consider introducing holiday outpatient clinic services at the Centre to meet the demand of Ma On Shan residents for medical services during holidays; and*
- (4) *whether the Government has plans to enhance GOPC services; if so, of the details; if not, the reasons for that?*

The written reply provided by the **Secretary for Health** on 28 February 2024 is in **Appendix 1**.

Easing the shortage of parking spaces

3. **MS YUNG HOI-YAN** (in Chinese): *Many motorists have relayed that the shortage of parking spaces in various districts had caused them inconvenience when going out. In this connection, will the Government inform this Council:*

- (1) *of (i) the ratio of private car (“PC”) and motorcycle parking spaces to the relevant licensed vehicles, (ii) the number of PC and motorcycle parking spaces available in public car parks in each of the 18 districts across the territory as well as their usage, (iii) the number of on-street PC parking spaces with parking meters in each of the 18 districts across the territory as well as their usage, (iv) the number of on-street motorcycle parking spaces with parking meters in each of the 18 districts across the territory as well as their usage, (v) the number of prosecutions instituted against illegal parking in each of the 18 districts across the territory, and (vi) the ratio of parking spaces for village housing to standard New Territories Exempted Houses, in each of the past three years;*
- (2) *given that according to the parking standards of the Planning Department, up to one car parking space can be provided for each standard New Territories Exempted House with a size not exceeding 65 square metres, yet some rural residents have relayed that the provision of parking spaces in rural residential areas has long been insufficient, and no additional parking spaces can be provided for some adjacent village houses as they do not meet the relevant parking standards, of the Government’s plans to provide additional parking spaces in rural residential areas, and whether it will review and make timely adjustments to the relevant standards so as to meet the needs of the residents; if so, of the details; if not, the reasons for that;*
- (3) *as it has been reported that the shortage of parking spaces has undermined motorists’ desire to go out, adversely affecting the Government’s promotion of the night-time economy, of the Government’s plan to facilitate parking by members of the public, including whether consideration will be given to providing more temporary parking spaces in designated areas and during specified periods; if so, of the details; if not, the reasons for that; and*

- (4) *as some members of the public have relayed that they had been prosecuted for occasionally stopping their vehicles outside the “Where not to stop” areas designated by the Transport Department or in the “No stopping” zones during non-restriction time, and such enforcement actions had left them at a loss, how the Government can ensure that law enforcement officers can pinpoint specifically the contravention of legal requirements by the relevant vehicles when instituting prosecutions against illegal parking, and whether it will consider leveraging technology to assist law enforcement, with a view to improving the accuracy of prosecutions; if so, of the details; if not, the reasons for that?*

The written reply provided by the **Secretary for Transport and Logistics** on 28 February 2024 is in **Appendix 1**.

Recovery of waste textiles

4. **MR CHAN YUNG** (in Chinese): *According to the waste statistics for 2021 published by the Environmental Protection Department (“EPD”), the quantity of waste textiles disposed of at landfills was 404 tonnes on average per day, accounting for 3.6% of the total quantity of municipal solid waste (“MSW”), and the quantity of textiles accounted for less than 1% of the quantity of recyclables recovered from MSW. On the other hand, the Home Affairs Department (“HAD”) has since 2006 implemented the Community Used Clothes Recycling Bank Scheme (“the Scheme”), which aims at facilitating members of the public to make use of the Community Used Clothes Recycling Banks to donate used clothes in support of environmental protection and for charitable purposes. In this connection, will the Government inform this Council:*

- (1) *of the quantity of waste textiles recovered through the Scheme in the past three years, and its percentage in the total quantity of waste textiles recovered;*
- (2) *whether it has compiled statistics on the quantity of waste textiles recovered from the Community Used Clothes Recycling Banks in the 18 districts in Hong Kong; if so, of the details;*

- (3) *as there are views pointing out that the rise of “fast fashion” has led to a decline in the quality of clothing, resulting in nearly 70% of the used clothes recovered at present being waste, of the corresponding measures put in place by EPD to recover and recycle used clothes;*
- (4) *of the total number of clothing recovery and recycling contractors in Hong Kong at present; whether it knows the main recycling methods adopted by these contractors;*
- (5) *whether EPD has set targets for the quantity of waste textiles reduced, their recovery rate and recycling rate; if so, whether it will put in place new measures to encourage community-wide participation in the recovery of waste textiles; and*
- (6) *whether HAD has considered enhancing the Scheme by, for example, installing smart devices in the Community Used Clothes Recycling Banks, so that the quantity of clothing recovered in the recycling banks can be displayed in real time on a one-stop website, with a view to making it more convenient for members of the public to use the recycling banks?*

The written reply provided by the **Secretary for Environment and Ecology** on 28 February 2024 is in **Appendix 1**.

Public library services

5. **DR NGAN MAN-YU** (in Chinese): *At present, the Government provides mobile libraries to enable people living in areas without static libraries and those living in remote areas to gain access to library services. The Government also provides self-service library stations at convenient locations with heavier pedestrian flow but far from existing libraries, rendering round-the-clock library services such as borrowing, return, payment and pickup of reserved library materials. There are views that self-service library stations can facilitate self-service borrowing and return of books by members of the public, especially working people, at any time. In this connection, will the Government inform this Council:*

- (1) *of the following information for each mobile library and each self-service library station in each of the past three years: the number of loans, the number of returns and the number of pickups of reserved library materials (with the relevant information tabulated by District Council district);*
- (2) *how the costs of mobile libraries compare with those of self-service library stations in each of the past three years, including the total costs and the average operating costs of each unit (with the relevant information tabulated by District Council district);*
- (3) *whether it has reviewed and compared the effectiveness (including cost-effectiveness and level of public satisfaction) of the services of mobile libraries and self-service library stations, and whether it has considered providing more self-service library stations in various districts and, where appropriate, using them to replace mobile libraries; and*
- (4) *as there are views pointing out that the current opening hours of libraries mostly fall within normal working hours, making it more difficult for working people to make use of the services, whether the authorities have studied the adjustment of the opening hours of libraries, including extending library opening hours in the evenings and on public holidays?*

The written reply provided by the **Secretary for Culture, Sports and Tourism** on 28 February 2024 is in **Appendix 1**.

Support service centres for ethnic minorities

6. **MR CHAN CHUN-YING** (in Chinese): *It is learnt that the Home Affairs Department will set up 2 additional support service centres for ethnic minorities (“EM centres”) this year, bringing the total number of EM centres to 10, and invite each of the 10 EM centres to set up an Ethnic Minority Care Team (“EM Care Team”) to proactively reach out to ethnic minority households and residents, so as to understand their needs and introduce to them public services they require. In this connection, will the Government inform this Council:*

- (1) *of the number of various support service items (including language classes, interest classes, and after-school tutorial classes) launched by various EM centres and the number of attendees for such activities in each of the past three years;*
- (2) *whether the authorities have, since the Commission on Poverty conducted the Study on Ethnic Minorities' Awareness and Satisfaction towards Selected Public Services (including integration services provided by EM centres) in 2016, collected the views of participants in activities organized by EM centres and conducted related consultation on services provided by EM centres and the way forward; if so, of the details; if not, the reasons for that;*
- (3) *whether it has set relevant basic criteria for the establishment of the two new EM centres, such as their location and size; if so, of the details; if not, the reasons for that; and*
- (4) *whether it has assessed if there is overlap in functions between EM Care Teams and the existing District Services and Community Care Teams, if there is room for collaborative service provision, and if there are differences in their respective selection process and monitoring mechanism?*

The written reply provided by the **Secretary for Home and Youth Affairs** on 28 February 2024 is in **Appendix 1**.

Traffic accidents involving heavy vehicles

7. **MR TONY TSE** (in Chinese): *It has been reported that in recent years, incidents of traffic accidents involving heavy vehicles such as dump trucks, works vehicles, refuse collection vehicles and container trucks and resulting in heavy casualties have occurred from time to time. In this connection, will the Government inform this Council:*

- (1) *among the traffic accidents involving heavy vehicles in each of the past 10 years, of the number of traffic accidents involving serious casualties and the number of casualties, as well as the major causes of such accidents;*

- (2) *whether it has analysed the data, information, accident trends and causes of the traffic accidents involving serious casualties mentioned in (1) and formulated corresponding standards and measures to reduce and prevent the occurrence of accidents; if so, of the respective measures to rectify and combat inappropriate driving behaviour;*
- (3) *given that the Road Traffic Ordinance (Cap. 374) requires that the speed at which a medium and heavy goods vehicle and a bus travels on a road must not exceed 70 km an hour or the speed limit for the road, whichever is the lower, of the numbers of law enforcement actions taken and prosecutions instituted by the authorities in respect of contraventions of the relevant requirements in each of the past seven years; of the new measures in place to monitor the speed of heavy vehicles; and*
- (4) *as the authorities advised in 2003 in response to the recommendations put forth in the Report on Enhancement of Highway Safety that they would explore the feasibility of installing speed limiters in heavy vehicles other than franchised buses, of the latest progress of the relevant work?*

The written reply provided by the **Secretary for Transport and Logistics** on 28 February 2024 is in **Appendix 1**.

Planning of vacant school premises sites

8. **MR JEFFREY LAM** (in Chinese): *According to the information from the Planning Department, the Department has successively reviewed a total of 256 vacant school premises (“VSP”) sites as at 2022, and recommended that 191 of these sites be retained for long-term Government, Institution or Community use, 40 sites be retained for long-term residential use, and 25 sites, which are former village schools located within village areas in the New Territories, be retained for long-term village type development, rural use and open space use, etc. In this connection, will the Government inform this Council:*

- (1) *of the districts to which the aforesaid VSP sites belong, the areas of the school premises, as well as the latest planning circumstances (set out in a table);*

- (2) *as there are views pointing out the tight supply of housing sites in urban areas, whether the Government will consider rezoning more VSP sites with larger areas located in urban areas for residential use in order to release more “spade-ready sites”; if so, of the details; if not, the reasons for that;*
- (3) *whether, in order to make more efficient use of land resources, the Government will consider allocating some of the VSP sites that are to be used for long-term planning purposes but are not currently used for short-term purposes for the construction of temporary housing or for leasing to merchants under short-term tenancies for purposes such as bazaars; if so, of the details; if not, the reasons for that; and*
- (4) *in respect of the schools which will cease operation in the next five years, of the districts to which the school premises sites belong, the areas of the school premises, as well as the landowners (set out in a table); for those school premises sites on government land, whether there is already a preliminary proposed land use of such sites?*

The written reply provided by the **Secretary for Development** on 28 February 2024 is in **Appendix 1**.

Positioning of Hong Kong’s development

9. **MR PAUL TSE** (in Chinese): *It has been reported that a Mainland political scientist warned earlier on at a Guangdong-Hong Kong-Macao Greater Bay Area seminar that Hong Kong was “rapidly becoming isolated”. In a recent newspaper feature interview, the Provost and Deputy Vice-Chancellor cum Chair Professor of Economics of the University of Hong Kong also indicated that the established industries in Hong Kong were facing difficulties and were even dying. On the other hand, there are views that the implementation of the new 30-day mutual visa-free arrangement (“the new arrangement”) between China and Singapore this month has facilitated the entry of Mainland talents and capital into Singapore for travel, property acquisition and investment, which has in effect strengthened and favoured the competitive advantage of Singapore vis-à-vis Hong Kong. Some commentators on current affairs have even pointed out that the new arrangement is only the first step, and it is Beijing’s strategic goal to let Singapore*

become another fundraising window in place of Hong Kong. In this connection, will the Government inform this Council:

- (1) as there are views pointing out that with a number of western countries already regarding Hong Kong as a “Mainland city” and Mainland cities regarding Hong Kong as a competitor, Hong Kong is facing “internal and external ordeals”, how the authorities identify development directions;*
- (2) in the light of some experts’ views pointing out that the four pillar industries which used to be on the lips of government officials have “fallen” one after another, and the innovation and technology industries in which investment has been made at all costs have not been seen yielding significant economic returns, how the Government, in the face of the established industries which are said to be “dying”, separates the wheat from the chaff and makes good use of the increasingly tight public money to make appropriate investment, so as to bring returns to the Treasury; and*
- (3) as some members of the public are concerned that Mainland residents’ entry into Hong Kong is currently subject to visa restrictions, whereas the new arrangement allows Mainland residents to enter Singapore visa-free for 30 days, whether the authorities have studied the possible negative economic impacts of the new arrangement on Hong Kong’s tourism, commerce and trade, investment, etc., so as to relay the matter to the Central Authorities and gain an understanding of the reasons for that?*

The written reply provided by the **Deputy Financial Secretary** on 28 February 2024 is in **Appendix 1**.

Arrangements for students of subsidized schools ceasing operation

10. **DR TIK CHI-YUEN** (in Chinese): *It has been reported that following the announcement made by the school sponsoring body (“SSB”) of Rosaryhill Secondary School in September last year that the school would cease operation*

after two school years, the SSB announced in December last year that the school would cease operation earlier in the coming school year, with its students transferring to Yu Chun Keung Memorial College No. 2. Regarding the arrangements for students of subsidized schools ceasing operation, will the Government inform this Council:

- (1) of the number of SSBs of subsidized schools giving up their school operating rights of their own accord, other than those with under-enrolment, in the past five years;*
- (2) as it is learnt that most subsidized schools will make proper arrangements for students to graduate smoothly from their original schools before ceasing operation, but the SSB of Rosaryhill Secondary School, which is a subsidized school, has reportedly planned to give up its school operating right starting from the coming school year, making it impossible for students of the school to graduate from their original school, how the Government ensures that SSBs of subsidized schools will make every effort to enable a smooth transition for the relevant students to continue their studies in another school after their schools cease operation;*
- (3) as it has been reported that Rosaryhill Secondary School had conducted two parents' opinion surveys on the transitional arrangements for students, and some parents pointed out that as the school conducted a second survey with revised options and selection criteria when the outcome of the first survey fell short of expectation, they considered that the relevant surveys were "fake consultations", whether the Government knows the relevant details; whether it has monitored the conduct of parents' opinion surveys by the school and other subsidized schools, and how it ensures the integrity of their practices; and*
- (4) as it has been reported that the SSB of Rosaryhill Secondary School has decided to adopt a vote by simple majority instead of a vote by the number of parents at least half the total number of the relevant students for a given proposal in requesting that all students be transferred to Yu Chun Keung Memorial College No. 2 in the coming*

school year, whether the Government has reviewed if subsidized schools have such a power, and how it safeguards the interests of the affected students and parents?

The written reply provided by the **Secretary for Education** on 28 February 2024 is in **Appendix 1**.

Job-hopping acts of foreign domestic helpers

11. **MS DOREEN KONG** (in Chinese): *It has been reported that the supply of foreign domestic helpers (“FDHs”) in Hong Kong falls short of demand, and the trend of FDHs job-hopping (i.e. premature termination of employment contracts for change of employers) has not abated. On the other hand, the Labour Department reviewed the Code of Practice for Employment Agencies (“CoP”) in March last year and put forth three proposals to combat job-hopping of FDHs. In this connection, will the Government inform this Council:*

- (1) of the progress of work on revising the CoP, and whether there is a specific timetable;*
- (2) how it ensures that once the CoP has been revised, employment agencies (“EAs”) will be able to clearly explain to FDH jobseekers the application criteria and possible consequences of changing employers under the prevailing policy; whether it will consider requiring EAs to make audio or video recordings of the entire explanation process; if so, of the details; if not, the reasons for that;*
- (3) whether it has considered including in the sample service agreement in the CoP a provision on refund arrangements when FDHs leave employment early, such as specifying the refund ratio and arrangements for departing Hong Kong, in order to strengthen the protection for the rights and interests of FDHs and employers; if so, of the details; if not, the reasons for that;*
- (4) whether it will consider stipulating in the CoP that EAs should not provide monetary incentives to FDHs to induce them to terminate their contract prematurely, nor should they provide monetary incentives to the families of FDHs; of the investigation approach and*

disciplinary mechanism put in place by the Government to address the aforesaid acts allegedly committed by EAs through overseas agents or recruiters;

- (5) in order to further protect the rights and interests of employers in Hong Kong, whether the authorities will consider strengthening cooperation with governments of the source countries of FDHs to prevent immoral EAs and FDHs, respectively, from seeking to obtain by deception intermediary fees and leaving service benefits (such as free return passage to FDHs' place of origin); if so, of the details; if not, the reasons for that; and*
- (6) as the 2023 Policy Address proposed to relax the visa policy for Laotian talents for employment in Hong Kong, whether the authorities have at the same time explored expanding the source countries of FDHs to Laos; if so, of the details; if not, the reasons for that?*

The written reply provided by the **Secretary for Labour and Welfare** on 28 February 2024 is in **Appendix 1**.

Operation of the community recycling network GREEN@COMMUNITY

12. **MR EDWARD LEUNG** (in Chinese): *Regarding the operation of the community recycling network GREEN@COMMUNITY, will the Government inform this Council:*

- (1) as the Secretary for Environment and Ecology indicated earlier on that the contractors of the community recycling network GREEN@COMMUNITY (“the contractors”) would not be required to pay disposal fees for the non-recyclable waste collected in their daily operation, whether the authorities will issue guidelines to the contractors on the ways to dispose of such waste or provide the contractors with an appropriate quantity of designated bags (“DBs”); if so, of the details; if not, the reasons for that;*
- (2) as it is learnt that at present, the authorities will disburse performance pay according to the percentage by which the quantity of recyclables handled by the contractors is greater than the target handling quantity*

each month, of the various contractors' percentages of attaining the target handling quantity since the establishment of the relevant performance pay mechanism, as well as the number of times the authorities disbursed the performance pay and its amount, with a breakdown by GREEN@COMMUNITY Recycling Stores; whether the authorities have plans to raise the ceiling on the amount of the aforesaid performance pay in the light of the implementation of Municipal Solid Waste Charging ("MSW charging"), so as to encourage the contractors to raise the handling quantity of recyclables; if so, of the details; if not, the reasons for that;

- (3) as some of the contractors have told me that following the implementation of MSW charging, it is believed that members of the public will have greater incentive to deliver styrofoam to them for recycling, but since styrofoam is in general larger in size whereas many shops provided under GREEN@COMMUNITY are small in area, they are worried that it will be difficult for those shops to cope with the relevant demand, of the corresponding measures put in place by the authorities in this regard;*
- (4) as there are views that at present, the opening hours of GREEN@COMMUNITY Recycling Stores are generally from 9:00 am to 7:00 pm, making it difficult for the working people to deliver waste to them for recycling on working days, whether the authorities will consider allocating additional resources so that the contractors can extend the opening hours of various Recycling Stores; if so, of the details; if not, the reasons for that;*
- (5) as the authorities have already signed operating contracts with many of the contractors before the implementation of MSW charging, whether the authorities have examined afresh the terms of those contracts and allocated additional resources in the light of the expected changes in the demand of members of the public following the implementation of MSW charging; if so, of the details; if not, the reasons for that;*
- (6) as the authorities indicated earlier on that members of the public could redeem DBs through the GREEN\$ Electronic Participation Incentive Scheme in the future, whether the authorities have plans to*

include DBs in the relevant gift redemption list before the implementation of MSW charging in government departments and some buildings under an “early and pilot implementation” approach on 1 April this year; if so, of the details; if not, the reasons for that; and

- (7) *given that the current GREEN\$ Mobile App only has Chinese and English versions and is not available in languages such as Bahasa Indonesia, Hindi, Nepali, Tagalog, Thai and Urdu which are common among ethnic minorities (“EMs”), whether the authorities will consider adding these language versions to incentivize EMs to participate in recycling and support them in recycling; if so, of the details; if not, the reasons for that?*

The written reply provided by the **Secretary for Environment and Ecology** on 28 February 2024 is in **Appendix 1**.

Promoting the development of low-altitude economy

13. **MS NIXIE LAM** (in Chinese): *It has been reported that in recent years, the Mainland has been proactively promoting the development of low-altitude economy (i.e. an integrated form of economy which centres around various low-altitude flying activities by manned and unmanned aircrafts, manifesting into integrated development of related fields) with the widespread use of unmanned aircrafts in areas such as smart city development, logistics and transportation, emergency response, aerial surveying and environmental protection. In this connection, will the Government inform this Council:*

- (1) *whether it has explored the development potential of low-altitude economy; if so, of the details; if not, whether the authorities will draw reference from the Mainland’s experience to formulate strategies and plans for the development of low-altitude economy industries, so as to coordinate and regulate the development of such emerging industries;*
- (2) *whether it has reviewed the relevant laws and regulations with a view to removing red tape for the development of low-altitude economy; if so, of the details and timetable; if not, the reasons for that;*

- (3) *whether it has reserved space and land for the development of low-altitude airspace transport infrastructure, so as to facilitate pilot applications for low-altitude flying activities; if so, of the details; if not, the reasons for that; and*
- (4) *in respect of promoting low-altitude economy, whether it will expedite the provision of relevant software and hardware infrastructure as well as ancillary facilities in Hong Kong; whether it has looked into ways to enhance collaboration among industry, academic and research sectors in respect of low-altitude economy and its market applications, and to develop industrial clusters involving its industry chain, supply chain and innovation chain, with a view to promoting the innovative development of low-altitude economy industries in a comprehensive manner?*

The written reply provided by the **Secretary for Transport and Logistics** on 28 February 2024 is in **Appendix 1**.

Combating unlicensed persons conducting audits

14. **MR EDMUND WONG** (in Chinese): *Some members of the accounting profession have relayed that the problem of persons impersonating qualified practising accountants and unlicensed audit business intermediaries (commonly known as “agents”) carrying out unlicensed audit work has persisted for many years, seriously undermining the reputation of the accounting profession and public interest. On the other hand, the Legislative Council duly passed the Financial Reporting Council (Amendment) Ordinance on 22 October 2021, whereby the Financial Reporting Council became the independent regulatory body for the accounting profession and was renamed the Accounting and Financial Reporting Council (“AFRC”). AFRC’s statutory functions were expanded on 1 October 2022 to include the inspection, investigation and discipline work of the accounting profession. In this connection, will the Government inform this Council if it knows:*

- (1) *the total number of complaints received by AFRC from 1 October 2022 to the 31st of last month regarding persons impersonating qualified practising accountants and agents and conducting*

unlicensed audit business work, and (i) the number of persons impersonating qualified practising accountants and agents and (ii) the amount of money involved; whether AFRC has commenced investigation into and followed up on such complaints; if so, of the details; if not, the reasons for that;

- (2) from 1 October 2022 to the 31st of last month, whether AFRC has proactively investigated if some enterprises and persons soliciting business in the community under the guise of “accounting firms”, “audit services”, “accounting affairs firms”, “chartered accountancy”, etc. are persons impersonating qualified practising accountants or agents; if it has, of the outcome, and whether it has taken follow-up actions; if it has not investigated, the reasons for that; and*
- (3) whether AFRC will formulate policy initiatives or mechanisms to combat persons impersonating qualified practising accountants and agents, and conduct joint law enforcement actions with other relevant policy bureaux and government departments (e.g. the Financial Services and the Treasury Bureau, the Inland Revenue Department and the Hong Kong Police Force); if so, of the details; if not, the reasons for that?*

The written reply provided by the **Secretary for Financial Services and the Treasury** on 28 February 2024 is in **Appendix 1**.

Encouraging the public to exercise more

15. **MR KENNETH LEUNG** (in Chinese): *The findings of the Territory-wide Physical Fitness Survey for the Community announced by the Government last year indicated that more than half of the public did not have sufficient physical activity, with 66.3% of children and 50.7% of adolescents failing to meet the World Health Organization’s recommended standards for physical activity (i.e. an average of 60 minutes per day of moderate-to-vigorous physical activity through the week). On the other hand, the Leisure and Cultural Services Department (“LCSD”) organizes diversified sports programmes for people of different ages and abilities. In this connection, will the Government inform this Council:*

- (1) *of the number of persons registered as Users of LCSD Fitness Rooms, as well as the attendance and overall average usage rate of LCSD Fitness Rooms in each of the past three years;*
- (2) *as the Chief Executive mentioned in the 2023 Policy Address that the Government would introduce smart fitness equipment at four LCSD outdoor recreation venues in 2024, of the latest progress and timetable of the relevant initiative, as well as the number of smart fitness equipment to be set up at each venue;*
- (3) *whether it will consider drawing reference from overseas experience to launch an exercise programme for all which deploys innovative digital technologies, such as fitness mobile applications and platforms for storing personal sports data, to encourage the public to exercise more, thereby establishing a healthy lifestyle; if so, of the details; if not, the reasons for that;*
- (4) *as the aforesaid survey report has made recommendations for different age groups, for instance, emphasizing the importance of quality of homework to schools, organizing more family-based exercise events on holidays, and providing more weight management education and exercise programmes specific to obesity in adolescents, whether the relevant government departments have taken follow-up actions, and whether indicators will be set for improving the level of physical activity of different age groups in the future; and*
- (5) *whether it will step up various measures for the promotion of “Sports for All” (e.g. increasing the frequency of holding the Sport For All Day, as well as increasing the number of times for which LCSD sports facilities are opened up for free and thematic sports days are conducted), so as to drive the public to build up a habit of regular exercise, thereby increasing their physical activity sufficiency?*

The written reply provided by the **Secretary for Culture, Sports and Tourism** on 28 February 2024 is in **Appendix 1**.

Improving the traffic light control system

16. **PROF LAU CHI-PANG** (in Chinese): *There are views that Hong Kong's conventional traffic light control system and its ancillary facilities are lagging behind, and fail to allocate green signal time flexibly according to actual pedestrian and vehicular flows, causing unnecessary delays to road users. In this connection, will the Government inform this Council:*

- (1) *as the Transport Department ("TD") proposed in July last year to install at about 50 road junctions a "real-time adaptive traffic signal system" ("RTATSS"), which would, through the use of artificial intelligence, analyze images and data of real-time vehicular and pedestrian flows collected by sensors to allocate signal time at road junctions, whether TD will consider implementing RTATSS across the territory; if so, of the specific plan and timetable; if not, the reasons for that;*
- (2) *as it has been reported that the Government commenced a trial of a new type of "pedestrian traffic light countdown device" in Tung Chung in December last year, but there are views that such type of traffic light timers have not been made available to drivers after a prolonged period of time, whether the Government will consider introducing on a full scale traffic lights with countdown devices for drivers; if so, of the specific plan and timetable; if not, the reasons for that and the relevant considerations;*
- (3) *as it has been reported that about 12 000 pedestrian crossings in Hong Kong have been installed with units of the Electronic Audible Traffic Signals system, commonly known as "yellow boxes", but members of the public generally do not understand their functions and the ways of using them, or they ignore such units, resulting in their effectiveness being minimal, whether the Government will plan to step up efforts in publicizing the yellow boxes to members of the public, for example, by displaying signs or instructions for use near traffic lights; if so, of the specific plan; if not, the reasons for that; and*

- (4) *as it is learnt that in the past, a number of District Councils (“DCs”) put forward to the Government their views on the traffic light waiting time in their districts with specific data, of the Government’s specific plan to work with various DCs, so as to improve the traffic light waiting time in various districts?*

The written reply provided by the **Secretary for Transport and Logistics** on 28 February 2024 is in **Appendix 1**.

Promoting waste reduction and recycling

17. **MR DENNIS LEUNG** (in Chinese): *Regarding promoting waste reduction and recycling, will the Government inform this Council:*

- (1) *whether the Environmental Protection Department (“EPD”) has plans for extending the service hours of Recycling Stores of the community recycling network GREEN@COMMUNITY to 8:00 pm across the board, and for Recycling Stations, Recycling Stores and Recycling Spots of GREEN@COMMUNITY to open on all public holidays in order to facilitate delivery of waste for recycling by members of the public; if so, of the details; if not, the reasons for that;*
- (2) *prior to the implementation of Municipal Solid Waste Charging in August this year, whether it has plans to increase the number of Recycling Stations, Recycling Stores and Recycling Spots of GREEN@COMMUNITY; if so, of their numbers;*
- (3) *as it is learnt that waste plastics recycling bins for recycling, among others, “other plastics” (such as plastic bags, polyfoam products and plastic utensils) are provided in some public and private residential buildings registered under the pilot scheme on waste plastics collection and recycling, of the respective numbers of public rental housing (“PRH”) estates and private housing courts provided with such recycling bins as at 31 December last year, as well as the number of recycling bins involved; whether EPD has plans to provide more of*

such recycling bins at PRH estates and private housing courts by August this year; if so, of the respective numbers of relevant PRH estates and private housing courts, as well as the number of recycling bins involved; if not, the reasons for that; and

- (4) *of the number of public refuse collection points (“RCPs”) in rural villages provided with waste plastics recycling bins for recycling other plastics as at 31 December last year, as well as the number of recycling bins involved; whether EPD has plans to provide more of such recycling bins at RCPs in rural villages by August this year; if so, of the respective numbers of RCPs and recycling bins involved; if not, the reasons for that?*

The written reply provided by the **Secretary for Environment and Ecology** on 28 February 2024 is in **Appendix 1**.

Schools affected by the redevelopment of housing estates in which they are located

18. **MR CHU KWOK-KEUNG** (in Chinese): *In December 2023, the Hong Kong Housing Authority announced the initiation of a feasibility study for the redevelopment of Choi Hung Estate. It has been learnt that two secondary schools and one primary school within the Estate, which are currently over 60 years old, will be affected by the redevelopment project. Following the precedent of the redevelopment of Pak Tin Estate, the Education Bureau will not directly allocate school premises to the affected schools for reprovisioning use in the light of estate redevelopment, but will require these schools to participate in the allocation of school premises on a competitive basis among school sponsoring bodies. In this connection, will the Government inform this Council:*

- (1) *as the authorities indicated at the June 2022 meeting of the Panel on Education of this Council their intention to submit to the Public Works Subcommittee of this Council a project proposal at an estimated cost of approximately \$429.8 million for the construction of a new school premises at an alternative site within the Choi Hung Estate for The Church of Christ in China Kei Wa Primary School (“KWPS”) in the Estate, whether the project and the decision to allocate the new school*

premises to KWPS will be changed with the initiation of the feasibility study for the redevelopment of Choi Hung Estate; if so, of the details;

- (2) whether the authorities have plans to reprovise the aforesaid three schools affected by the redevelopment of Choi Hung Estate through direct allocation of school premises; if so, of the details; if not, the reasons for that; and*
- (3) whether the authorities will consider reviewing the existing school allocation mechanism so that priority allocation of school premises for reprovise will be arranged for schools affected by the redevelopment of housing estates in which they are located?*

The written reply provided by the **Secretary for Education** on 28 February 2024 is in **Appendix 1**.

Post-secondary institutions

19. **DR CHOW MAN-KONG** (in Chinese): *Regarding post-secondary institutions, will the Government inform this Council:*

- (1) whether it knows the following information in respect of the (a) 11 approved post-secondary colleges registered under the Post Secondary Colleges Ordinance (Cap. 320), (b) self-financing arms or community colleges under the eight universities funded by the University Grants Committee (“UGC”), and (c) seven post-secondary institutions registered under the Education Ordinance (Cap. 279) or the post-secondary institutions registered under other relevant legislation: (i) the number of teaching staff and (ii) the amount of funding awarded under the “Competitive Research Funding Schemes for the Local Self-financing Degree Sector” in the 2022-2023 school year and the current school year, as well as (iii) the number of students enrolled in sub-degree (“SD”) and undergraduate (“Ug”) programmes and (iv) the number of students enrolled in research postgraduate (“RPg”) programmes and taught postgraduate (“TPg”) programmes in each year since the 2021-2022 school year up to the current school year (set out in Tables 1 to 4);*

| Name of institution | (i) | |
|---------------------|-----------------------|-----------------------|
| | 2022-2023 school year | 2023-2024 school year |
| (a) | | |
| | | |
| (b) | | |
| | | |
| (c) | | |
| | | |

| Name of institution | (ii) | |
|---------------------|-----------------------|-----------------------|
| | 2022-2023 school year | 2023-2024 school year |
| (a) | | |
| | | |
| (b) | | |
| | | |
| (c) | | |
| | | |

[illegible]

Table 4

| Name of institution | (iv) | | | | | | | | |
|---------------------|-----------------------|-----|-------|-----------------------|-----|-------|-----------------------|-----|-------|
| | 2021-2022 school year | | | 2022-2023 school year | | | 2023-2024 school year | | |
| | RPg | TPg | Total | RPg | TPg | Total | RPg | TPg | Total |
| (a) | | | | | | | | | |
| | | | | | | | | | |
| (b) | | | | | | | | | |
| | | | | | | | | | |
| (c) | | | | | | | | | |
| | | | | | | | | | |

- (2) of the total number of projects receiving funding under the “Enhancement and Start-up Grant Scheme for Self-financing Post-secondary Education” in the past two school years, and set out in a table the following information in respect of each approved project: (i) institution, (ii) the industry/sector involved in the project, (iii) project name, (iv) offering mode (i.e. full-time or part-time), (v) grants approved, (vi) cost savings and percentage, (vii) the key areas for which the grants are used and (viii) the number of students benefited; if there were rejected project applications, the percentage of rejected projects in each round of application and the specific reasons for that;
- (3) whether UGC has considered launching a new round of Matching Grant Scheme, and through regularly injecting funds and adopting a two-tier matching formula to promote the long-term development of local post-secondary institutions (including self-financing post-secondary education institutions (“self-financing institutions”)) in projects such as independent research and development (“R&D”), commercialization of R&D outcomes, and facilitation of the construction of disciplines in which Hong Kong has a pressing need for talents, so as to tie in with the National 14th Five-Year Plan and the Hong Kong Innovation and Technology Development Blueprint to develop Hong Kong into an international innovation and technology centre; if so, of the details; if not, the reasons for that;

- (4) given that currently there is still a cap on the number of non-local students that publicly-funded institutions and self-financing institutions may admit, of the specific details of the implementation of the relevant requirements by various post-secondary institutions in the 2022-2023 school year and the current school year, and set out, by programme level, in tables 5 and 6: (a) in respect of non-local students, (i) their number and (ii) their percentage in the funded student quota of the relevant programmes, and (b) in respect of the Mainland, Macao and Taiwan students enrolling in SD and Ug programmes, (iii) their number and (iv) their percentage in the total student enrolments of the relevant programmes in the preceding school year;

Table 5

| Name of institution | Level of study | (a) | | | |
|---------------------|----------------|-----------------------|------|-----------------------|------|
| | | 2022-2023 school year | | 2023-2024 school year | |
| | | (i) | (ii) | (i) | (ii) |
| | SD programme | | | | |
| | Ug programme | | | | |
| | TPg programme | | | | |
| Total | SD programme | | | | |
| | Ug programme | | | | |
| | TPg programme | | | | |

Table 6

| Name of institution | (b) | | | | | |
|---------------------|-----------------------|----|------|-----------------------|----|------|
| | 2022-2023 school year | | | 2023-2024 school year | | |
| | (iii) | | (iv) | (iii) | | (iv) |
| | SD | Ug | | SD | Ug | |
| | | | | | | |

- (5) whether it will consider completely revoking the cap on the number of non-local students (especially Mainland students) who may be admitted to self-financing programmes offered by publicly-funded institutions and self-financing institutions in order to make good use of higher education resources and build up the talent pool, thereby further achieving the goal of building Hong Kong into an

international hub for post-secondary education as proposed by the Chief Executive in the 2023 Policy Address; if so, of the details; if not, the reasons for that; and

- (6) *as it is learnt that self-financing institutions, before offering programmes in a new subject (including SD, Ug and TPg programmes), are required to obtain approval from the Hong Kong Council for Accreditation of Academic and Vocational Qualifications, the relevant professional bodies and the Education Bureau, and it can take years from the organization to the offering of such programmes, some members of the sector are of the view that some of the relevant procedures are redundant and outdated and have imposed many constraints on self-financing institutions, whether the authorities will, on the premise of maintaining the quality of education and credibility, consider reviewing and streamlining the administrative procedures for vetting and approving the programmes offered by self-financing institutions, in order to meet the manpower demand in the market (particularly for the development of innovation and technology as well as emerging industries) and expeditiously offer places in the corresponding programmes; if so, of the details; if not, the reasons for that?*

The written reply provided by the **Secretary for Education** on 28 February 2024 is in **Appendix 1**.

Self-financing post-secondary education institutions

20. **PROF WILLIAM WONG** (in Chinese): *Regarding self-financing post-secondary education institutions (“self-financing institutions”), will the Government inform this Council:*

- (1) *as the 2023 Policy Address has stated that the Government will build Hong Kong into an international hub for post-secondary education, of the relevant roles and positioning of self-financing institutions;*
- (2) *as the Post Secondary Colleges (Amendment) Bill, which seeks to strengthen the regulatory regime on the registration of colleges and provide for a unified regulatory framework for all self-financing*

institutions operating post-secondary education programmes at both the degree and sub-degree levels, was once included in the 2022 and 2023 Legislative Programmes, of the reasons why the authorities ultimately did not present the Bill to the Legislative Council for scrutiny in those two legislative sessions, and whether the obstacles concerned have been removed; whether the authorities can ensure that the Bill will be presented to the Legislative Council for scrutiny in the current legislative session;

- (3) given that students enrolling in self-financing undergraduate programmes offered by University Grants Committee-funded universities cannot benefit from the Non-means-tested Subsidy Scheme for Self-financing Undergraduate Studies in Hong Kong, whether the authorities will extend the coverage of the Scheme to include such students; if so, of the timetable;*
- (4) given that it has all along been the Government's policy to support the parallel development of the publicly-funded and self-financing post-secondary education sectors, and that the 2023 Policy Address has stated that the Government will increase the admission quota of non-local students to Government-funded post-secondary institutions, of the restrictions currently placed by the authorities on the admission of non-local students to various self-financing institutions, and whether it will likewise increase the admission quota of non-local students to self-financing institutions;*
- (5) as the 2023 Policy Address has stated that the Government will promote the development of universities of applied sciences, and self-financing institutions play an important role in the relevant work, of the policies and measures to be put in place by the Government to assist self-financing institutions in developing more applied degree programmes that appeal to non-local students; and*
- (6) of the Government's current measures to assist self-financing institutions in admitting non-local students?*

The written reply provided by the **Secretary for Education** on 28 February 2024 is in **Appendix 1**.

Corporate applications for loans secured by non-residential properties

21. **MR TANG FEI** (in Chinese): *It is learnt that amid geopolitical tensions and uncertainty in global economic outlook, some corporates face hindrance when making applications to banks for loans secured by non-residential properties for the purpose of financing their business operation. In this connection, will the Government inform this Council:*

- (1) *in respect of the aforesaid applications made by corporates to banks, whether the Hong Kong Monetary Authority has formulated vetting and approval criteria and limitations; if so, of the details;*
- (2) *for corporate loans secured by non-residential properties, of the current loan-to-value ratios offered by banks; and*
- (3) *of the number of applications for corporate loans secured by non-residential properties which were approved by banks in the past year, together with a breakdown by quarter?*

The written reply provided by the **Secretary for Financial Services and the Treasury** on 28 February 2024 is in **Appendix 1**.

Financial position of the Hong Kong Housing Authority

22. **DR WENDY HONG** (in Chinese): *According to the paper on the budgets and financial forecasts issued by the Hong Kong Housing Authority (“HA”) in January this year (“the paper”), HA’s rental housing operating account will record a deficit for four consecutive years from 2024-2025, with the deficit concerned increasing from \$1,167 million to \$4,284 million in 2027-2028. In this connection, will the Government inform this Council:*

- (1) *of the total income (including rental and other income) and the total expenditure (including expenditure such as property management, maintenance and improvements, government rent and rates and personal emoluments) of HA’s rental housing operating account in each of the past 10 years; whether HA has formulated the financial forecasts for 2028-2029 to 2032-2033;*

- (2) *given that according to the paper, the expenditure on government rent and rates under HA's rental housing operating account will increase substantially from \$253 million in 2022-2023 to the forecasted \$2,869 million in 2027-2028, representing an increase of more than 11 times, of the reasons for that;*
- (3) *given that as indicated by the paper, the item "other recurrent expenditure" is the largest expenditure item under HA's rental housing operating account, of the expenditure incurred by each of the sub-items of this item in 2022-2023;*
- (4) *as HA envisages that the construction expenditure involved for meeting the 10-year public housing supply target beyond 2027-2028 will be at least double the current estimates, of the details of the public housing construction expenditure and the sources of funding envisaged by HA for each of the coming 10 years, together with a breakdown by public rental housing and subsidized sale housing; and*
- (5) *given that according to the paper, the Government has earmarked \$82.4 billion in the fiscal reserves for the development of public housing and related infrastructure, of the conditions under which the Government will inject the funds reserved into HA; given the current consolidated fiscal deficit of the Government, whether the Government will undertake to avoid using the funds reserved as far as possible; if so, of the details; if not, the reasons for that?*

The written reply provided by the **Secretary for Housing** on 28 February 2024 is in **Appendix 1**.

GOVERNMENT BILL

First Reading and Second Reading of Government Bill

First Reading of Government Bill

PRESIDENT (in Cantonese): Government Bill: First Reading.

APPROPRIATION BILL 2024

CLERK (in Cantonese): Appropriation Bill 2024.

Bill read the first time and ordered to be set down for Second Reading pursuant to Rule 53(3) of the Rules of Procedure.

Second Reading of Government Bill

PRESIDENT (in Cantonese): Government Bill: Second Reading.

APPROPRIATION BILL 2024

FINANCIAL SECRETARY (in Cantonese): President, Honourable Members and fellow citizens,

Introduction

During the past year, Hong Kong has returned to normalcy after the epidemic. Our society and the daily lives of our people are back to normal as they have longed for. Visitors are returning, and our economy is regaining positive growth. A series of mega events have helped to restore a buoyant mood in the community.

Meanwhile, geopolitical uncertainties and high interest rates have impacted capital flows. Resumption of outbound travel, changes in consumption patterns and a shift in inbound visitors' preferences, along with competition from other economies and so forth have all weighed down economic confidence.

Amid a complicated and ever-changing international environment, and with our economy and society constantly evolving, more strenuous efforts are required to strengthen momentum of our economic recovery. While the uneven pace of recovery across industries merits our attention, there are also certain constraints that need to be unravelled in a gradual manner.

Innovation and technology as well as data empowerment will catalyse the emergence of new business models; however, they will also heighten competition

and pose challenges to many enterprises. Through vigorous promotion of innovative research and transformation of its outcomes as well as acceleration of digital transformation in recent years, we are well-equipped to navigate the changes.

Underpinned by our country's firm and steady development, our institutional advantages under "one country, two systems" and our highly international characteristics, Hong Kong will attract yet a bigger pool of talent, capital and enterprises. I have absolute confidence in Hong Kong's future.

Our public finances, nevertheless, need consolidation as the epidemic subsides. Upon a full and thorough evaluation, we will adopt a fiscal consolidation strategy to narrow our fiscal deficit progressively towards achieving the goal of restoring fiscal balance.

The theme of this Budget is: "Advance with Confidence. Seize Opportunities. Strive for High-quality Development." I will elaborate on this a little later.

Economic Situation in 2023

In 2023, the Hong Kong economy returned to normalcy in the aftermath of the pandemic. Economic activities showed improvement immediately following the removal of anti-epidemic measures and the resumption of normal travel early in the year, though the difficult external environment continued to constrain the pace of growth. For the year as a whole, the economy grew 3.2%. Incomes of the general public recorded growth in real terms.

Private consumption expenditure increased 7.3% in real terms last year, supported by the Government's Consumption Voucher Scheme, activities and initiatives such as "Happy Hong Kong" and "Night Vibes Hong Kong" and the continuing increase in household income. Overall investment expenditure also rebounded, by 10.8%, alongside the economic recovery.

Visitor arrivals bounced back sharply, to about 34 million last year, with fourth-quarter arrivals recovering to 58% of the same period in 2018. Exports of travel services soared for the year, while exports of transport services increased in tandem, bringing about notable growth of 21.2% in total exports of services for the year as a whole.

Nonetheless, the challenging external environment continued to affect Hong Kong's export performance. Heightened geopolitical tensions severely undermined economic confidence around the world. Central banks of the advanced economies raised interest rates sharply to tame inflation, tightening global financial conditions and dampening import demand for goods. The International Monetary Fund ("IMF") estimated that global economic growth slowed to 3.1% last year. Against this backdrop, Hong Kong's total goods exports fell notably by 10.3% last year.

The labour market continued to improve. The seasonally adjusted unemployment rate declined from 3.5% in the fourth quarter of 2022 to the latest 2.9%. The median monthly employment earnings of full-time employees increased 8.6%, year-on-year, in the fourth quarter of last year.

Inflation remained moderate in overall terms. While prices of individual items such as energy, clothing and footwear, as well as meals out and takeaway food, rose visibly, price pressures faced by other major components were largely contained. Netting out the effects of the Government's one-off measures, the underlying inflation rate was 1.7% last year.

The local stock market consolidated through most of 2023, and trading activities shrank. The Hang Seng Index, once again supported by economic activities, returned to normal at the beginning of the year. The market softened subsequently, however, with the Hang Seng Index falling 13.8% in 2023, alongside weakened market confidence in the Mainland economy and expectations of interest rates remaining high.

As for residential property, market sentiment has become very cautious since the middle of last year amid rising interest rates and an external environment fraught with uncertainties. Flat prices fell 7% during the year. The number of transactions declined by 5%, to a low level of about 43 000. The non-residential property market was largely quiet.

Economic Outlook for 2024 and the Medium Term

The external environment remains complicated. Geopolitical tensions will continue to impact international trade and capital flows, and may cause disruption to global supply chains. Sharply tightened financial conditions over the past two years will continue to constrain the growth rate of advanced economies. That

said, the market widely believes that the United States (“US”) Federal Reserve will start cutting rates this year, though the timing and magnitude of rate cuts are still uncertain. Last month, IMF forecast that global economic growth would remain at 3.1% this year, below the average annual growth rate of 3.8% between 2000 and 2019.

The Mainland’s export performance this year will continue to be affected by the external environment. The Mainland economy, however, is resilient, with solid fundamentals. Our country’s measures for boosting the economy are progressively taking effect, and there is still sufficient policy room to further support the economy. Domestic demand should improve, and the Mainland economy is expected to register steady growth this year.

Among advanced economies, the US this year is expected to realize lower economic growth than last year, as the lagged effects of rate hikes over the past two years continue to surface. Nevertheless, if the Federal Reserve, as expected, starts cutting interest rates, there would be some support for the economy. As consumption growth in the US was more concentrated in services over the past two years, demand for goods may grow faster this year and render support to global trade. For Europe, economic growth is expected to remain weak this year amid geopolitical tensions and the lack of significant improvement in external demand.

The external environment will continue to put pressure on Hong Kong’s exports of goods. But global monetary conditions may ease progressively over the course of the year, which would bode well for export performance.

On the other hand, with the continued revival of handling capacity, particularly air passenger capacity, and the Government vigorously promoting mega event economy, visitor arrivals are expected to increase further, driving growth in exports of travel and other related services.

Moreover, rising incomes among the general public will continue to support private consumption. Successive government measures will help lift consumption sentiment as well. Fixed asset investment should also increase alongside continuing economic growth.

Having regard to the above factors, we forecast that the Hong Kong economy will expand further this year, with growth of 2.5% to 3.5% in real terms for the year as a whole.

Domestic cost pressures are expected to increase alongside the economic recovery. External price pressures, however, should ease further, though persisting geopolitical tensions may pose upside risks. We forecast an underlying inflation rate and headline inflation rate of 1.7% and 2.4%, respectively, this year.

In the medium term, the Hong Kong economy will see sustained and solid development. While geopolitical tensions will continue to impact international capital flows and trade patterns, and the expansionary fiscal and monetary policies vigorously pursued by most economies during the pandemic have also added vulnerabilities to the global economy and financial system, global demand should be able to revive gradually in tandem with the anticipated progressive declines in interest rates in the US and the euro area in the coming few years. More importantly, our country's focus on promoting high-quality development will provide Hong Kong with ample room to grow.

The National 14th Five-Year Plan has set a clear positioning for Hong Kong's development of the "Eight Centres". Future prospects will be bright, as long as Hong Kong steadily forges ahead by leveraging its unique advantages under "one country, two systems", proactively integrates into the overall national development, aligns with national development strategies, and continues to perform the role of an important node in the domestic and international dual circulation of our country. The Government's efforts in expanding economic capacity, enhancing competitiveness and cultivating new growth areas will also enable Hong Kong to seize opportunities when the global economic situation improves, enhancing its medium- to long-term growth momentum.

Based on the above considerations, we forecast that the Hong Kong economy will grow by an average of 3.2% a year in real terms from 2025 to 2028. The underlying inflation rate is forecast to average 2.5% a year.

Bolstering Confidence

The economic environment has been rather difficult in recent years amid intensifying geopolitical tensions and the rise of unilateralism and protectionism. Its impact on the Mainland economy and even the Hong Kong economy, coupled with fierce competition from other economies, have caused unease among some about the future development of Hong Kong.

That said, Hong Kong's economic outlook is bright. Despite a host of prevailing challenges, we will find infinite opportunities ahead, as long as we stay on top of global trends and dare to explore. Global economic gravity will continue to shift eastward. Asia will remain an important engine of global economic growth. Our country's economy is now pursuing high-quality development through innovation, deepening reform and sustaining a high-level, two-way opening-up. The overall trend of long-term growth remains unchanged. Our country has shown great care and staunch support for Hong Kong, and recently extended the Individual Visit Scheme to Xi'an and Qingdao. By leveraging Hong Kong's institutional advantages and our connectivity with the Mainland and the rest of the world under "one country, two systems", we will certainly be able to seize the opportunities coming our way.

In the short run, the Government has put in place a series of measures to showcase Hong Kong's appeal to people from around the world, empowering individuals and enterprises to seize every opportunity. And we will continue to roll out policies and initiatives on all fronts, drawing in capital, enterprises and talent, expanding our economic capacity and strengthening our impetus for development.

Attracting Enterprises, Capital and Talent on All Fronts

Our economy will develop better by drawing together a larger pool of companies, capital and talent. The Office for Attracting Strategic Enterprises ("OASES"), the Innovation, Technology and Industry Bureau ("ITIB"), Invest Hong Kong ("InvestHK") and the Hong Kong Investment Corporation Limited ("HKIC") actively reach out to enterprises from the Mainland and overseas, and proactively attract and assist high value-added technology industries and enterprises to establish a foothold in Hong Kong.

Attract Strategic Enterprises

Next month, 10-plus strategic enterprises will sign a partnership agreement with OASES. The companies have either confirmed setting up or expanding their businesses in Hong Kong, or they are planning to do so. Together with the 30 companies from the first batch, they are expected to bring about over \$40 billion in investment to Hong Kong, creating about 13 000 jobs over the next few years. Their presence in Hong Kong will attract upstream, midstream and downstream

partners from their industry chains, promoting our innovation and technology (“I&T”) sector’s vibrant development.

Hong Kong Investment Corporation Limited

Performing its role of channelling capital and leveraging market resources, HKIC will attract more I&T companies to establish their presence in Hong Kong, accelerating the development of strategic industries. The first batch of direct investment and co-investment projects will be implemented in the first half of this year, covering areas such as life technology, green technology and finance, semi-conductors and chips, as well as the upgrading and transformation of manufacturing industries.

HKIC will also encourage enterprises in its investment portfolio to engage more actively in local, Mainland and overseas I&T networks, where they can explore more application and development opportunities, while identifying potential investors and their target clientele.

To enhance Hong Kong’s attractiveness to enterprises and capital, HKIC will host a Roundtable for International Sovereign Wealth Funds. Sovereign wealth funds and financial leaders will be invited to explore investment opportunities and develop collaborative partnerships. A Summit on Start-up Investment and Development in Hong Kong will also be organized. It will bring together prominent figures in the start-up ecosystem, with a view to boosting collaboration among the investment, industry, academic and research sectors. That will help support I&T enterprise development at varying stages.

Re-domiciliation Mechanisms

We have already taken the first step by putting in place user-friendly fund re-domiciliation mechanisms for Open-ended Fund Companies and Limited Partnership Funds. These mechanisms attract existing foreign funds to establish and operate in Hong Kong. In the first half of 2024, we will submit a legislative proposal enabling companies domiciled overseas, especially enterprises with a business focus in the Asia-Pacific region, to re-domicile in Hong Kong.

Opening Up New Capital Sources

Alongside our longstanding efforts to reinforce Hong Kong’s appeal to traditional European and American capital, we are striving to open up new capital

sources, including those from the Middle East. At the end of last year, the Asia-Pacific region's first Exchange Traded Fund ("ETF"), which tracks stocks in Saudi Arabia, was listed in Hong Kong, a milestone in enhanced mutual access between our two markets. The Hong Kong Monetary Authority ("HKMA") is also working with a number of financial institutions on the listing of an ETF in the Middle East that tracks Hong Kong stock indices.

Pooling Talent

A larger pool of talent can boost economic development and competitiveness.

In recent years, we have rolled out a number of measures, including the Top Talent Pass Scheme ("TTPS"), to trawl for talent. In the past year or so, more than 140 000 applications were approved under various talent admission schemes. About 100 000 of them have already arrived in Hong Kong. The Labour and Welfare Bureau will review the relevant arrangements in the middle of this year to ensure the competitiveness of these measures and their effectiveness in addressing our manpower demand.

The median average age of successful applicants of TTPS is 35. Over 60% of them are married, and most of them have brought their families to Hong Kong. More than half of those who have been in Hong Kong for at least half a year are employed, and their median monthly income is about \$50,000.

The Hong Kong Talent Engage ("HKTE") is committed to attracting talent from the Mainland and overseas, providing one-stop support services to help them settle here. HKTE will organize a Global Talent Summit and the Guangdong-Hong Kong-Macao Greater Bay Area High-quality Talent Development Conference in May this year. Their aim is to promote Hong Kong's advantages as an international talent hub, enabling the flow of talent among the cities of the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA").

Creating Favourable Conditions for Recovery

Property Market

The Government announced on 25 October 2023 the adjustment of demand-side management measures for residential properties. The relevant

adjustments included shortening the applicable period of the Special Stamp Duty (“SSD”) from three years to two years, reducing the rates of the Buyer’s Stamp Duty (“BSD”) and the New Residential Stamp Duty (“NRSD”) by half, and introducing a stamp duty suspension arrangement for incoming talents’ acquisition of residential properties. Among them, the stamp duty suspension arrangement has been well-received, with over 500 applications approved. This is a testament to the appeal of Hong Kong for overseas talents.

We have been keeping a close watch on the residential property market. After prudent consideration of the overall current situation, we decide to cancel all demand-side management measures for residential properties with immediate effect, that is, no SSD, BSD or NRSD needs to be paid for any residential property transactions starting from today. We consider that the relevant measures are no longer necessary amidst the current economic and market conditions.

HKMA adjusted the countercyclical macroprudential measures for property mortgage loans in July last year. Taking into account the external and local economic situation, we consider that there is now room to make further amendments, that is, to relax the relevant measures and adjust other supervisory policies pertinent to property lending where appropriate, under the premise of maintaining the stability of the banking system. HKMA will make announcements later today.

Stock Market

During the past year, we have made good progress in developing the stock market. We joined hands with regulators and the Hong Kong Exchanges and Clearing Limited (“HKEX”) in implementing a number of measures, including establishing the listing regime for specialist technology companies and the Hong Kong Dollar—Renminbi Dual Counter securities model. Regarding attracting overseas enterprises to be listed in Hong Kong, HKEX has included the Saudi Arabia and Indonesia stock exchanges in its list of Recognized Stock Exchanges last year, which facilitates enterprises primary listed on the main market of these exchanges to seek secondary listing in Hong Kong.

We are actively implementing measures proposed, last October, by the Task Force on Enhancing Stock Market Liquidity. They include reforming the Growth Enterprise Market (GEM). HKEX has consulted the market on such initiatives as introducing a treasury share buy-back regime and maintaining trading operations

under severe weather. Both are targeted for implementation in the middle of the year.

The Securities and Futures Commission of Hong Kong (“SFC”) and HKEX are considering an array of measures to boost market efficiency and liquidity, including:

- (a) enhancing the listing regime: explore enhancing the process of price discovery in the initial public offering of shares and reviewing requirements for the public float of shares of listed companies to boost market efficiency. Listing requirements and arrangements for structured products will also be enhanced, while the listing costs of the products will be lowered;
- (b) improving the transaction mechanism: explore reducing the minimum trading spread to narrow bid-ask spreads, with the proposal to be submitted in the second quarter; enhancing stock-trading units adopted in the cash market as the next step; and making further adjustments to the position limits and margin requirements of derivative products to better meet risk-management needs;
- (c) boosting investor services: explore refining real-time, market-data services, to provide investors with targeted services at a reasonable price; and
- (d) stepping up market promotion: HKEX will strengthen the promotion of Hong Kong’s securities market through its overseas offices and deepen connectivity with the Middle East and the Association of Southeast Asian Nations (“ASEAN”) countries, to attract more issuers and capital.

To further enhance market competitiveness, stamp duties payable on the transfer of real estate investment trust (“REIT”) units and the jobbing business of option market-makers will be waived. It is estimated that this will reduce government revenue by about \$1 billion annually.

Assisting Small and Medium Enterprises

Taking into consideration that the strength of our economic recovery still requires consolidation and changes in market conditions, the Government will

assist small and medium enterprises (“SMEs”) through different measures to tackle their capital-flow problems, tap into new markets and accelerate upgrading and transformation.

SME Financing Guarantee Scheme

To assist SMEs in tackling their capital-flow problems, I will extend the application period for the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme for two years to the end of March 2026. The total guaranteed commitment under the scheme will increase further by \$10 billion.

In addition, I have instructed HKMA to maintain close communication with banks and the commercial sectors, adopt an accommodating manner to help enterprises tide over their liquidity needs, and refrain from demanding repayment of loans due to a fall in collateral value.

Digital Transformation

SMEs in the food and beverage industry and the retail industry will be invited to select suitable options among ready-to-use basic digital solutions and apply for subsidies on a matching basis early this year under the Digital Transformation Support Pilot Programme. The solutions will focus on three areas: digital payment and shopfront sales, online promotion and customer-management solutions. It is expected that at least 8 000 eligible SMEs will benefit from the pilot programme.

Dedicated Fund on Branding, Upgrading and Domestic Sales

We have been making continuous enhancements to the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund). They include raising the cumulative funding ceiling per enterprise and streamlining application procedures. I propose to inject \$500 million more into the fund to help SMEs boost their competitiveness and tap into Mainland and overseas markets. This includes the launch of “E-commerce Easy” under the fund. It will provide support of up to \$1 million per enterprise for implementing e-commerce projects in the Mainland.

Deduction of Expenses and Allowances under Profits Tax

We propose to introduce two enhancement measures for deduction of expenses under profits tax. Profits-tax payers will be granted tax deduction for

expenses incurred in reinstating the condition of the leased premises to their original condition. As regards the allowances for industrial buildings and structures as well as commercial buildings and structures, the time limit for claiming the allowances will be removed. This will allow the new owner to claim allowances for the property after a change of ownership, subject to factors such as the construction cost of the property and the balancing charge of its previous owner. Both enhancement measures will take effect from the year of assessment 2024-2025.

Building the Hong Kong Brand on All Fronts

Hong Kong is an international financial centre and a world city with a distinctive blend of Chinese and Western cultures. We will build Hong Kong as a premier destination for business and tourism through better use of our social and natural resources, the consolidation of mega events and thematic annual conferences and the integration of opportunities created by industry development.

Mega Events

Mega events create opportunities for attracting tourists, while bringing wider entertainment and leisure choices for the people of Hong Kong. We will stage more mega events, boost their promotion and coordination and maximize their economic and publicity benefits to enhance our international image.

More than 80 mega events in a variety of themes and genres will be staged in Hong Kong in the first half of this year. For “Art March” alone, a series of arts and cultural events will be presented, such as Art Basel, Art@Harbour and the Asian debut of the international pop-culture festival ComplexCon. For sports events, LIV Golf, an international golf tournament also featuring musical entertainment and other activities, will be staged for the first time in Hong Kong.

Hong Kong, Guangdong Province and Macao will co-host the 15th National Games in 2025. Members of the public can cheer the athletes on home ground or visit nearby GBA cities to watch the games.

The Government has set up a Mega Events Coordination Group to reach out proactively for more mega events to be staged in Hong Kong, while strengthening interdepartmental collaboration for such events to be successfully held. We have earmarked \$100 million to boost mega event promotions over the next three years.

Financial Forums

Organizing thematic conferences can help reinforce Hong Kong's branding. The Global Financial Leaders' Investment Summit and the Asian Financial Forum are two very successful illustrations of this. The Financial Mega Event Week will be launched in Hong Kong in March, featuring an array of major financial events, including the Wealth for Good in Hong Kong Summit, which brings together owners and managers of family offices, the Global Investors' Symposium by Milken Institute etc. There will also be a wealth of activities for enriching Hong Kong's branding, including a round-table conference to be organized by HKIC.

Apart from inviting visitors to our city, we will continue to go global, visiting regions and markets to tell the good stories of Hong Kong and expand our circle of friends. We will also launch a new Sponsored Overseas Speaking Engagement Programme. Renowned scholars and industry leaders will be sponsored to attend overseas events and give speeches to promote Hong Kong and its many advantages.

Better Use of the Harbourfront and Cultural Resources

Our magnificent Victoria Harbour, with its stunning harbourfront, is a natural beauty and popular leisure destination for tourists and the general public that creates memorable moments and positive impressions of Hong Kong. We will make good use of such valuable resources to offer many more enchanting moments and experiences for our people and visitors alike.

The dazzling fireworks display above the night sky of Victoria Harbour, and last year's special waterfront pyrotechnic shows along the waterfronts of Wan Chai and the West Kowloon Cultural District, were well-received by the public. The Hong Kong Tourism Board ("HKTB") will hold pyrotechnic and drone shows against the backdrop of the splendid night views of Victoria Harbour every month. HKTB will also revamp its light-and-sound show, "A Symphony of Lights". The Development Bureau ("DEVB") will also introduce commercial facilities such as food and beverages, retail and entertainment on a pilot basis at selected suitable harbourfront locations to bring convenience and better experience to visitors.

Energize Tourism

HKTB will develop brand new seasonal, festival and event experiences of varying themes featuring Chinese and Western arts, popular cultures,

wine-and-dine, outskirt explorations, active sports and more to cater to the interests of wide-ranging visitor segments. HKTb will also encourage the industry to launch a more diversified portfolio of tourism products.

We will continue to enhance local group-tour activities. The Tourism Commission will, over the next few years, continue to organize well-received signature creative arts and cultural tourism projects. That includes the Sai Kung Hoi Arts Festival, which features an integration of arts with the island, allowing visitors to experience its natural landscape, history, culture and heritage. Another example is the Design District Hong Kong (#ddHK), which takes visitors on a journey to discover the local culture and characteristics of Hong Kong.

In addition, HKTb will promote immersive, in-depth tourism with themes like “Citywalk”, and promote young-adult focused activities such as hiking, cycling, stand-up paddle-boarding, trail running and stargazing in the wilderness. It’s all part of an energizing effort to soft-sell Hong Kong.

Our Temple Street Night Market promotion last December successfully drew tourists and locals alike to this street of distinctive character. HKTb will offer more diversified activities and promotion to boost the flow of people in the district and create more business opportunities for its merchants.

Enhance Publicity and Promotional Efforts

HKTb will launch a new Hong Kong tourism brand, and continue to target source markets and collaborate with GBA cities to jointly promote multi-destination tourism.

Sincerity and hospitality will make Hong Kong even more popular. HKTb will enhance the Quality Tourism Services Scheme and launch a new round of publicity activities, including reality shows and the commendation of outstanding frontline staff in the service industry. We want to promote Hong Kong as a hospitable, people-focused city in collaboration with various sectors.

We will make every effort to promote mega events and design in-depth thematic tours, enrich tourism resources and provide more novel products and experiences to cater to visitors of all types and sources. This will help stimulate retail, consumption, catering and transportation demand throughout Hong Kong.

We will allocate additional funding, totalling \$1.095 billion, to support the Tourism Commission and HKTB in organizing these and other Hong Kong events and activities.

Supporting People and Enterprises

Having regard to the economic pressure faced by some industries and the people, and the Government's financial position this year, we will introduce the following measures:

- (a) provide rates concession for domestic properties for the first quarter of 2024-2025, subject to a ceiling of \$1,000 for each rateable property. This measure is estimated to involve 3.08 million domestic properties and reduce government revenue by \$2.6 billion;
- (b) provide rates concession for non-domestic properties for the first quarter of 2024-2025, subject to a ceiling of \$1,000 for each rateable property. This measure is estimated to involve 430 000 non-domestic properties and reduce government revenue by \$370 million;
- (c) reduce salaries tax and tax under personal assessment for the year of assessment 2023-2024 by 100%, subject to a ceiling of \$3,000. The reduction will be reflected in the final tax payable for the year of assessment 2023-2024. This measure will benefit 2.06 million taxpayers and reduce government revenue by \$5.1 billion;
- (d) reduce profits tax for the year of assessment 2023-2024 by 100%, subject to a ceiling of \$3,000. The reduction will be reflected in the final tax payable for the year of assessment 2023-2024. This measure will benefit 160 000 businesses and reduce government revenue by \$430 million; and
- (e) provide an allowance to eligible social security recipients, equal to one half of a month of the standard rate Comprehensive Social Security Assistance ("CSSA") payments, Old Age Allowance, Old Age Living Allowance or Disability Allowance, while similar arrangements will apply to recipients of the Working Family Allowance, altogether involving an additional expenditure of about \$3 billion.

Accelerating the Promotion of High-quality Development

The promotion of high-quality development inspires continuing economic innovation and growth while conserving the natural environment, making life better for people. Green future and digitalization are two of its overarching themes.

We have to make better use of Hong Kong's distinctive advantages of enjoying our nation's strong support and being closely connected to the world under "one country, two systems". In pursuing high-quality development, we will open up new opportunities and bring more room for growth.

Moving towards a Green Future

"Green development is a defining feature of high-quality development". As global economies pursue carbon neutrality, green transformation creates huge business opportunities and financing needs, leading to industry clusters of great diversity. Sustainable fuels, energy saving, emission reduction and carbon-capture technologies continue to emerge.

Green Finance

Being an international financial centre, Hong Kong is also rising as an international green finance centre.

The Government is hosting "Hong Kong Green Week" this week, comprising events covering technology, finance and other fields. It has brought together industry leaders from the Asia-Pacific region to examine issues such as green development and climate finance. This autumn, HKMA will co-host a Joint Climate Finance Conference in Hong Kong with the Dubai Financial Services Authority. The Conference will explore transition financing opportunities and challenges for the Middle East and Asia.

Extend the Green and Sustainable Finance Grant Scheme

The Government has so far provided subsidies to eligible bond issuers and loan borrowers for the issuance of more than 340 green and sustainable debt instruments in Hong Kong through the Green and Sustainable Finance Grant

Scheme totalling US\$100 billion, enriching our green and sustainable finance ecosystem. We propose to extend the scheme, which is due to expire in mid-2024, by three years to 2027, and expand the scope of subsidies to cover transition bonds and loans. This will encourage related industries in the region to make use of Hong Kong's transition financing platform as they move towards decarbonization.

Formulate Sustainability Disclosure Standards

Accurate information is essential to the promotion of sustainable financing. It is also the priority of international organizations and government agencies in the next few years. To deepen Hong Kong's green and sustainable finance development, enterprises must align their practices in sustainability disclosure with international standards. The Financial Services and the Treasury Bureau and SFC will formulate a roadmap and vision statement to assist companies and financial institutions in sustainability reporting and the analysis of relevant data, elucidating our vision of promoting green and sustainable finance.

Green Technology

Hong Kong also possesses advantages in green technology. More than 200 green-technology companies work out of Hong Kong, with some equipped with globally competitive technologies and have successfully tapped into Mainland and overseas markets. Moreover, GBA cities, apart from their market scale, enjoy strong capabilities in research, advanced manufacturing and commercialization. Together, we have what it takes to become Asia's leading green technology hub.

The Government's Green Tech Fund funds research and development ("R&D") projects which help Hong Kong decarbonize and enhance environmental protection, and encourages their subsequent practical applications. With \$400 million injected into the fund, 30 projects from local universities, public research institutes and enterprises have been approved, involving a total grant of about \$130 million for subsidizing local research projects.

We will launch the Green and Sustainable Fintech Proof-of-Concept Subsidy Scheme in the first half of this year. It will provide early-stage funding support for green fintech, facilitating commercialization and fostering the development of new green fintech initiatives.

Green Shipping

Given the maritime industry's vast market potential for green transformation, the Marine Department is planning to provide incentives for Hong Kong-registered ships that have attained high ratings under the international standards on decarbonization formulated by the International Maritime Organization. This will involve about \$65 million in funding. Moreover, the Transport and Logistics Bureau ("TLB"), in collaboration with the Environment and Ecology Bureau ("EEB") and other relevant departments, is conducting a feasibility study to provide green methanol bunkering for local and ocean-going vessels. We expect to publish an action plan for Hong Kong's development into a green maritime fuel bunkering centre this year.

Green Aviation

We are committed to developing Hong Kong International Airport ("HKIA") into a green airport. The Airport Authority Hong Kong ("AA") is working in collaboration with relevant government departments to simplify approval procedures for the transportation and storage of Sustainable Aviation Fuel ("SAF"), so as to encourage more airlines to use SAF in Hong Kong. In addition, AA has begun a consultancy study on SAF development trends worldwide, which will also put forward recommendations on policy measures, infrastructure, etc. The consultancy study is expected to be completed in the third quarter this year.

Green City

Launch a Pilot Scheme on Building-Integrated Photovoltaics

The Government has taken the lead in applying renewable energy ("RE") in government buildings and facilities. We will launch a pilot scheme at the Electrical and Mechanical Services Department Headquarters to explore photovoltaic technology applications on the facades of government buildings. We will also support public and private organizations to use RE to help Hong Kong realize carbon neutrality.

New Energy Vehicles

Through its New Energy Transport Fund, the Government has been promoting trials of various new energy public transport, including new energy

buses, while encouraging the industry to conduct trials on a variety of new energy commercial transport tools, including electric goods vehicles and electric coaches.

The Government has been encouraging a wider use of electric vehicles. The first registration tax (“FRT”) concessions for electric vehicles, due to terminate at the end of March, will be extended for two years. Nevertheless, given the price reduction of electric vehicles and increasing availability of vehicle options, we will reduce the concessions by 40%. Specifically, the maximum FRT concession for electric private cars (“e-PCs”), granted under the “One-for-One Replacement” Scheme, will be adjusted to \$172,500, whereas the concession ceiling for general e-PCs will be lowered to \$58,500. At the same time, e-PCs valued at over \$500,000 before tax will not be entitled to concessions under the “affordable users pay” principle. As for other types of electric vehicles, including electric commercial vehicles, electric motor cycles and electric motor tricycles, FRT will continue to be waived in full over the next two years. EEB will announce the relevant details in due course.

Sustainable Development of Agriculture and Fisheries Industries

EEB promulgated its Blueprint for the Sustainable Development of Agriculture and Fisheries in December last year. For agriculture, we expect to enable the establishment of a Modernised Techno-Agricultural Park of approximately 11 ha as part of the Agricultural Park’s Phase 2 this year. It will help accelerate the modernization of agriculture through public-private partnership. We will launch a pilot project on modern urban farming in Ma On Shan this year. As for fisheries, four new fish culture zones with a total area of up to 590 ha will begin operation in phases starting this year. Local mariculture production is expected to increase considerably.

Digital Economy

Digital economy has become a new driving force for economic development. As a new key production factor, data links different industries and sectors, empowering enterprises to enhance efficiency, boost their competitiveness and create fresh business opportunities.

The Digital Economy Development Committee (“DEDC”), chaired by me, has undertaken in-depth studies on promoting the development of digital economy over the past two years. DEDC’s report covers recommendations on many areas,

including the promotion of digital policies, enhancement of digital infrastructure, facilitation of the safe and orderly flow and usage of data, acceleration of digital transformation of enterprises, and talent development. Some of these recommendations have been implemented, including making preparations for the establishment of the Digital Policy Office.

Build a Data Trading Ecosystem

As the transformation of global digitalization accelerates, the presence of a highly efficient data ecosystem has become one of the considerations for many enterprises to establish a foothold in Hong Kong. Building a mechanism that facilitates data trading is particularly important in the data ecosystem. Hong Kong is underpinned by its distinctive advantages under “one country, two systems” and endowed with the characteristics of an international city. From supply and demand of data to application scenarios, we are equipped with a robust foundation and possess an abundance of favourable conditions for developing international data trading.

We have commissioned an expert group to undertake an in-depth study on how to develop a robust data trading ecosystem in Hong Kong, the scope of which includes Hong Kong’s role as a “super connector” in data trading as well as promoting the formulation of international data trading rules. The aim is to enable us to unleash the potential of data elements and facilitate its development into a new industry with an enormous growth momentum, hence empowering the upgrading and transformation of traditional industries.

Digital Finance

Digital technology has turned new financial business models into reality. Digital finance, through integrating data and technological innovations in different use case scenarios, can complement traditional financial services in enabling wider service access and enhancing the inclusiveness of financial services.

HKMA completed Phase 1 of the e-HKD Pilot Programme last October, and has studied domestic retail use cases in various areas such as programmable payments, offline payments and tokenized deposits. Phase 2 of the pilot programme will soon commence to further explore new use cases. The Multiple Central Bank Digital Currency Bridge Project (“Project mBridge”), another important initiative, has also achieved good progress. Phase 1 of its service, which is expected to be launched this year, will become one of the first projects

around the world to settle cross-boundary transactions for corporates using central bank digital currencies.

In addition, we will expand the scope of e-CNY pilot testing in Hong Kong. Members of the public may set up e-CNY wallets easily for use and for topping up funds via the Faster Payment System, thereby further enhancing the efficiency and user experience of cross-boundary payment services.

Promote Cross-boundary Data Flow

ITIB and the Cyberspace Administration of China launched an early and pilot implementation arrangement for the Standard Contract for the Cross-boundary Flow of Personal Information Within the Guangdong-Hong Kong-Macao Greater Bay Area (Mainland, Hong Kong) last December. During the first phase of implementation, we invited the banking, credit referencing and healthcare sectors to participate, and their responses have been very positive. Having regard to the outcomes of the pilot implementation in the first phase, we will gradually extend the coverage of the facilitation measures so that various business sectors of both places may leverage cross-boundary data with a smoother flow, thereby providing more cross-boundary services for the convenience of the public and enterprises.

Cross-boundary Public Services

To further facilitate access to the public services of Guangdong and Hong Kong by residents and enterprises in Hong Kong and GBA, we collaborated with Guangdong Province to launch the Cross-boundary Public Services thematic website. We also connected “iAM Smart” with the Unified Identity Authentication Platform of Guangdong Province in November last year. Having set up iAM Smart registration service counters in Guangzhou as well as in Qianhai and Futian in Shenzhen, we have also introduced the first self-service kiosk for Hong Kong’s Cross-boundary Public Services in Guangzhou. This will facilitate Hong Kong residents and enterprises in the GBA cities to access the Cross-boundary Public Services and register for “iAM Smart”.

Web 3.0

In last year’s Budget, I proposed to expedite development of the Web 3.0 ecosystem. We have made good progress over the past year.

At present, there are over 220 enterprises specialized in related technologies in Cyberport, including three unicorns. Last year, Cyberport organized a number of promotional and educational activities, attracting more than 29 000 participants. It also rolled out a subsidy scheme to encourage enterprises to conduct proof-of-concept testing, with a view to accelerating market application of the relevant technologies.

Having successfully issued the first batch of inaugural tokenized green bonds in February 2023, we issued the second batch of tokenized green bonds in early February this year, worth a total of \$6 billion and denominated in Hong Kong dollar, Renminbi (“RMB”), US dollar and Euro. This is the world’s first-ever multi-currency tokenized bond issuance and has attracted overwhelming subscription by global institutional investors, including asset managers, insurance companies, private banks and non-financial corporates. Apart from the many technological innovations, we have also achieved breakthroughs in this issuance in areas such as broadening investor participation and streamlining the issuance process.

In keeping abreast of the latest international trends and market development, we consulted the public on a legislative proposal to develop a regulatory regime for stablecoin issuers in the end of 2023, with the aim of putting in place a regulatory regime that safeguards financial stability without compromising innovation. HKMA will soon roll out a “sandbox” for entities interested in issuing stablecoins to conduct trials, under manageable conditions, on the issuance process, business models, investor protection and risk management system. The “sandbox” will also facilitate communication on future regulatory requirements.

Cybersecurity alongside investor and customer protection are matters of utmost importance in Web 3.0 development. Embracing the principle of “same activity, same risks, same regulation”, SFC has implemented a licensing regime for virtual asset (“VA”) trading platforms since last June. This regime enables investors to conduct trading on licensed trading platforms in compliance with the relevant international standards and in a protected environment, thereby enabling Hong Kong to surpass many major jurisdictions in the regulation of VA trading. To strengthen investor and customer protection, we have launched a consultation on the regulation of over-the-counter trading of VAs. We will continue to promote the development of Hong Kong’s VA market in a stable and responsible manner through a multi-pronged approach, which includes timely dissemination of information, holistic public education and enhanced enforcement.

Launch the Business Version of “iAM Smart”

The Government will set up a “digital identity of enterprises” platform, i.e. the business version of “iAM Smart”, to enable authentication of identity and verification of signature of enterprises using electronic government services or conducting online business transactions in a secure, convenient and efficient manner without having to go through complicated procedures, thus saving time and reducing the risk of human error. The expenditure involved is estimated to be about \$300 million and our goal is to roll out the platform progressively from the end of 2026 onwards.

Promote Digital Inclusion

Moreover, we strive to reduce digital exclusion and promote the wider use of information technology by various community groups, including elderly persons. The Government will allocate \$100 million under the Social Innovation and Entrepreneurship Development Fund to provide, in the next three years, elderly people aged 60 or above with digital training courses and technical support, so that they can integrate into the digital era more easily and enjoy the benefits that digital technology brings. The first group of projects is expected to commence in the fourth quarter of 2024 at the earliest and benefit at least 50 000 elderly persons.

International Innovation and Technology Centre

I&T is a key engine driving our economy and society towards high-quality development. The Hong Kong Innovation and Technology Development Blueprint, promulgated in 2022, formulates strategic plans and clear roadmaps for Hong Kong’s I&T development over the next 5 to 10 years, leading Hong Kong steadily towards its vision of becoming an international I&T centre.

The Government has committed substantial resources to building a vibrant I&T ecosystem, focusing on enhancing I&T infrastructure, research capacity, talent, etc. The Hong Kong Science Park and Cyberport are I&T flagships and incubators for the city. As at the end of 2023, the number of tenants of these two flagships, together with past and current incubatees, amounted to some 4 500, an increase of more than 60% over the past five years. Among them, 16 have been listed, 9 have become unicorns, and a total of some \$130 billion has been raised while more than 1 700 local and non-local awards have been won.

Artificial Intelligence

Artificial Intelligence (“AI”), as an important driver of a new round of technological and industrial transformation, is also the key to propelling the development of digital economy in Hong Kong.

Cyberport is expediting the establishment of an AI Supercomputing Centre to meet the demand of research institutes and the industry for computing power. The first phase facility is expected to start operating within this year at the earliest. By early 2026 at the soonest, the computing power of the supercomputing facility is expected to reach 3 000 petaFLOPS. The scale of such power is equivalent to the capacity of processing nearly 10 billion images in one hour.

We will allocate \$3 billion to Cyberport for the launch of a three-year AI Subsidy Scheme to support local universities, research institutes and enterprises to leverage the Centre’s computing power and achieve scientific breakthroughs. The subsidy will also be used to strengthen cyber security and data protection of the Centre, and launch promotional and educational activities to encourage Mainland and overseas AI experts, enterprises and R&D projects to come to Hong Kong.

R&D of Microelectronics

With an increasing demand for semiconductors worldwide, the scale of related industries is expected to grow continuously and exceed US\$1 trillion by 2030.

To capture a market with such huge potential and dovetail with the national strategy for technological development, the Government is actively fostering R&D of microelectronics. We will establish the Hong Kong Microelectronics Research and Development Institute this year. It will spearhead and facilitate research collaboration on the third-generation semiconductors among universities, R&D centres and the industry, and realize R&D outcomes by making use of the comprehensive manufacturing industry chain in GBA.

Life and Health Technology

With solid basic research capabilities in life and health technology, Hong Kong is home to world-class experts, top-notch medical schools, R&D centres and

laboratories. We are well-equipped to develop into an international life and health technology centre.

Set up Life and Health Technology Research Institutes

In the previous Budget, I earmarked \$10 billion to promote the development of life and health technology. Among that, \$6 billion will be used to provide subsidies for local universities to collaborate with Mainland and overseas organizations to set up life and health technology research institutes. The purpose is to facilitate relevant R&D activities and transformation of R&D outcomes, and attract leading I&T talent and research teams around the world to Hong Kong.

Strengthen Clinical Trial Platform

The Government will set up the Greater Bay Area International Clinical Trial Institute in the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone this year. It will provide one-stop support to attract more local, Mainland and overseas pharmaceutical and medical device enterprises to conduct clinical trials in Hong Kong. We will also actively seek support from the National Medical Products Administration for record filing, so that such data can be used by these enterprises when applying for marketing authorization of their products in the Mainland.

Establish “Primary Evaluation”

The new mechanism for registering New Drugs (“the ‘1+’ mechanism”) came into effect on 1 November 2023. This allows for new drugs for life threatening or severely debilitating diseases to be registered in Hong Kong with the submission of only one certificate of pharmaceutical product issued by reference drug regulatory authorities, subject to the fulfilment of specific requirements. The Department of Health has approved two new drugs for registration under this mechanism, bringing new hope of treatment to patients.

The “1+” mechanism is an important step in progressing towards the “primary evaluation” approach. This approach enables us to directly approve applications for registration of drugs and medical devices locally based on clinical data, without relying on other drug regulatory authorities.

The Government is committed to establishing the Hong Kong Centre for Medical Products Regulation. The preparatory office will be set up in the first

half of this year to study the restructuring and strengthening of the current regulatory and approval regimes for drugs, medical devices and medical technologies. The objective is to establish a standalone statutory body that is internationally recognized, so as to accelerate clinical application of new drugs and medical devices. It will also drive the development of emerging industries engaging in the R&D and testing of drugs and medical devices.

New Industrialization Development

Driven by information, new industrialization leverages advanced technologies such as AI, data analytics and new materials to support enterprises in moving towards smart production and develop emerging industries with high value-adding potential and economic efficiency.

We will launch a \$10 billion New Industrialisation Acceleration Scheme (“NIAS”) this year. Enterprises engaging in life and health technology, AI and data science, advanced manufacturing and new energy technology will each be provided with funding support of up to \$200 million on a matching basis of one (Government): two (enterprise). Applicant enterprises shall invest no less than \$200 million in Hong Kong.

Apart from the above funding support on a matching basis, enterprises participating in NIAS may receive subsidies to engage research talent under the Research Talent Hub. They may also, on a pilot basis, engage a small number of non-local technical personnel under the Technology Talent Admission Scheme to expedite the set-up and operation of advanced manufacturing facilities in Hong Kong.

It is anticipated that NIAS will attract 50 to 100 enterprises engaging in relevant industries to invest no less than \$20 billion in Hong Kong.

Hong Kong-Shenzhen Innovation and Technology Park

Hong Kong-Shenzhen Innovation and Technology Park (“HSITP”) in the Lok Ma Chau Loop (“the Loop”) enables Hong Kong to play an active part in GBA development, better integrate into overall national development and forge closer connections overseas. While the first batch of buildings in HSITP will commence operation progressively by the end of this year, various tasks such as attracting enterprises, investment and talent are underway. We will continue to support the

development of HSITP, and are drafting the White Paper on the Development of HSITP in the Loop targeted to be announced this year.

InnoLife Healthtech Hub

We will set up the InnoLife Healthtech Hub in HSITP to attract top-notch research teams and talent from around the world to conduct research with a focus on life and health disciplines. This will be conducive to the development of an international I&T centre in the Loop and GBA. We will allocate \$2 billion from the \$10 billion earmarked to support the InnoHK research clusters to establish presence in the Loop. We will also allocate \$200 million to provide assistance to start-ups engaging in life and health technology in the form of incubation, acceleration programmes, etc.

Nurturing Start-ups

In the Global Startup Ecosystem Report 2023, Hong Kong ranked second in the world and first in Asia in the Emerging Startup Ecosystems category. The number of start-ups rose to nearly 4 300 last year, about a fourfold increase compared to 2014. Over the same period, the number of people employed by related start-ups increased by about seven times to over 16 000.

Since its inception, the Corporate Venture Fund under the Hong Kong Science and Technology Parks Corporation (“HKSTPC”) has invested a total of nearly \$400 million in 31 start-ups and attracted private investment of about \$12.6 billion. HKSTPC will soon launch the Co-acceleration Programme to pool the efforts of the I&T industry and provide value-added support services to I&T start-ups with high potential to nurture them as regional or global enterprises.

R&D and Transformation in I&T

Frontier Technology Research Infrastructure Support Scheme

We will launch the Frontier Technology Research Infrastructure Support Scheme to assist the eight University Grants Committee (“UGC”)-funded universities, on a matching basis, in procuring facilities and conducting research projects which cover various fields such as AI, quantum information, integrated circuit, clinical medicine and health, and gene and biotechnology, led by leading

local and international researchers. To this end, we will allocate \$3 billion from the sum earmarked in the past.

Strengthen Support for Technology Transfer

To enable universities to strengthen technology transfer and marketing services, we will provide subsidies of no more than \$16 million to the Technology Transfer Office of each of the eight UGC-funded universities from 2024-2025 onwards.

Enhancing I&T Infrastructure

Batch 1 of Stage 2 of the Science Park Expansion Programme, which will provide a gross floor area (“GFA”) of about 13 000 sq m mainly for wet laboratories, is expected to be completed in the first quarter of next year. The Cyberport 5 expansion project, which will provide a GFA of about 66 000 sq m for co-working spaces, offices, etc., is expected to be completed by the end of next year at the earliest. Together with the I&T sites in the Loop to be put into use progressively, there will be more room for the local I&T ecosystem to prosper.

International Financial Centre

A highly efficient financial market accelerates the development of the real economy by effectively matching capital with the needs of industries. The financial industry is one of the pillars of Hong Kong’s economy. Hong Kong as an international financial centre is also our country’s international financial centre, having an edge in “quantity” and “quality” that enables various financial areas to thrive.

Offshore Renminbi Business Hub

Our country is the world’s second-largest economy. As the Mainland develops closer economic ties with other regions, the proportion of RMB as a global currency for international trade, investment and financing, cross-border payment and reserves is continuously increasing, and market demand for RMB has become keener than ever.

As the world’s largest offshore RMB business hub, Hong Kong processes about 75% of global offshore RMB settlement. We also have the world’s largest

offshore RMB liquidity pool of over RMB1 trillion. To capitalize on this enormous opportunity, we will press ahead with the development of an offshore RMB ecosystem to promote the internationalization of RMB in a steady and prudent manner.

We are taking forward relevant work on various fronts. It includes making continuous effort to deepen mutual market access schemes that facilitate RMB cross-boundary investment and two-way fund flows to enhance offshore RMB liquidity. It also includes encouraging financial institutions to provide more offshore RMB products and risk management tools, and carrying out RMB financing in Hong Kong. We will also develop the Central Moneymarkets Unit (CMU) into Asia's major international central securities depository platform. It will provide better support for RMB businesses such as cross-border clearing, settlement and custodian services.

Mutual Market Access

Mutual market access between financial markets in the Mainland and Hong Kong has been expanding in scope and capacity. Bond Connect, the Cross-boundary Wealth Management Connect (“WMC”) Scheme, the inclusion of ETFs in Stock Connect, and Swap Connect are among the many initiatives that have been successively implemented in recent years, providing more asset allocation and risk management options for Mainland and international investors.

This year, HKEX will host the 10th Anniversary of Mutual Access Forum to share our experience with the industry and explore how best to inject new impetus into the regime. We will stage a series of roadshows in the Mainland to further promote mutual market access.

We are now in discussion with Mainland authorities over the introduction of block trading, the inclusion of RMB counters under the Southbound Trading of Stock Connect, and the expansion of the mutual market access regime to cover REITs, bringing more enterprises and capital into the Hong Kong market.

Asset and Wealth Management Centre

Hong Kong is an international asset and wealth management centre, with assets under management amounting to more than HK\$30 trillion. It is also Asia's largest hedge-fund centre and the second-largest centre for private equity

management after the Mainland. Currently, there are more than 250 open-ended fund companies and 780 limited partnership funds registered in Hong Kong.

To drive market development, the Government will extend the Grant Scheme for Open-ended Fund Companies and REITs for three years, and set up a task force to discuss with the industry measures for further developing the asset and wealth management industry.

Attracting global family offices and asset owners to Hong Kong will help bring in more capital and drive ancillary economic activities. We have implemented a number of measures, including providing tax concessions for qualifying transactions of family-owned investment holding vehicles managed by single family offices in Hong Kong, and streamlining the suitability assessment when dealing with sophisticated professional investors.

The new Capital Investment Entrant Scheme (“CIES”) will soon invite applications. Eligible investors who invest \$27 million or more in qualifying assets and place \$3 million into a new CIES Investment Portfolio may apply to reside in and pursue development in Hong Kong. The new CIES will help strengthen our advantages in developing the asset and wealth management industry and related professional service sectors in Hong Kong, while supporting the I&T sector’s development.

We are setting the stage for the second Wealth for Good in Hong Kong Summit in the end of March in a bid to showcase Hong Kong’s unique advantages to global family offices and asset owners. In addition, we will further enhance the preferential tax regimes for related funds, single family offices and carried interest, including reviewing the scope of the tax concession regimes, increasing the types of qualifying transactions and enhancing flexibility in handling incidental transactions, all to attract more funds and family offices with potential to establish a presence in Hong Kong.

Securities Market

We are keen to foster the development of the securities market into one with greater depth, breadth and vibrancy, thereby consolidating and enhancing market competitiveness. I have explained this in detail under the chapter “Creating Favourable Conditions for Recovery”, so I am not going to repeat it here.

Bond Market

As a long-standing leader in bond issuance in Asia, Hong Kong has ranked first in the region for seven consecutive years in terms of the volume of international bond issuance. In the last Budget, I proposed to expand the scope of the Government Green Bond Programme to cover sustainable finance projects and take forward the Infrastructure Bond Scheme to raise capital for infrastructure projects, thereby facilitating the early completion of projects for the good of the economy and people's livelihood. We will set a borrowing ceiling of a total of \$500 billion for these two programmes to allow more flexibility in quota re-allocation. The sums borrowed will be credited to the Capital Works Reserve Fund for investment in projects which are conducive to long-term development. These two programmes will gradually replace the existing Government Bond Programme.

In 2024-2025, we will issue \$120 billion worth of bond, of which \$70 billion will be retail tranche that includes \$50 billion worth of Silver Bond and \$20 billion worth of green bonds and infrastructure bonds to achieve financial inclusiveness and enhance a sense of participation in infrastructure and sustainable development among the public.

Deepen Financial Cooperation in GBA

The Cross-boundary WMC Scheme in GBA has seen continuous and steady development. "WMC 2.0" was officially launched earlier this week, introducing such enhancement measures as increasing the individual investor quota to RMB3 million and lowering the threshold for participating in the Southbound Scheme.

To help enterprises secure financing in GBA more easily, HKMA and Mainland regulatory authorities will continue to build a collaborative framework on cross-boundary credit referencing. Through such collaboration, the banks of both places, upon obtaining consent from corporate customers, will be allowed to access the credit data of relevant corporations, so that credit assessment can be conducted in a more secure and efficient manner.

Speciality Insurance Market

As an international risk management centre, Hong Kong provides diversified risk management channels, including professional insurance services. We have

been making dedicated efforts to invite Mainland and overseas enterprises to establish captive insurers in Hong Kong which can enhance their corporate risk-management capabilities. We are also promoting the development of insurance-linked securities (“ILS”) by establishing a dedicated regulatory regime and launching a pilot grant scheme. To date, we have facilitated the issuance of four catastrophe bonds in Hong Kong, one of which marked the inaugural listing of its type of ILS. We will continue to attract more issuing institutes to Hong Kong while nurturing talent and propelling the industry’s development.

Create Strong Impetus for Growth in the Financial Services Industry

To bolster the competitiveness and advantages of the financial services industry in Hong Kong, the Government will earmark \$100 million to promote the sustainable development of financial services. This includes green and sustainable finance, fintech, asset and wealth management, headquarters business, and risk management.

International Trade Centre

The international trade landscape is in a constant state of flux. In recent times, the proportion of Hong Kong’s exports to the European and US markets has seen a decline, while our exports to developing countries such as those in ASEAN and the Middle East are on the rise. At the same time, Mainland manufacturing enterprises increasingly use production capabilities both at home and abroad to form multinational supply chains for manufacturing products to be exported to overseas markets. Hong Kong is equipped to seize the opportunities arising from these changes.

Multinational Supply Chain Management Centre

In line with the trend of Mainland manufacturing enterprises extending their production supply chains abroad, our goal is to develop Hong Kong into a multinational supply chain management centre. As a premier financial and commercial centre in the region, Hong Kong has the capacity to offer full-fledged and comprehensive professional support services to enterprises to meet their overseas business needs. These services are of utmost importance to Mainland enterprises seeking to go global, particularly those with less overseas experience.

Consulting services: The Hong Kong Trade Development Council (“HKTDCC”) has been providing various services through different schemes covering business operations, production and supply chain solutions, market information and other consulting services. All of these can support Mainland enterprises based in Hong Kong to establish a foothold in the Belt and Road (“B&R”) countries.

Trade financing: Mainland enterprises with operations in Hong Kong can also utilize various services provided by the Hong Kong Export Credit Insurance Corporation, including export credit insurance, surveys on buyers, and sharing of market updates to meet their business operation needs. The Commercial Data Interchange launched earlier by HKMA and its Project mBridge allow enterprises to apply trade financing and cross-border settlement services at a lower cost with higher efficiency.

Corporate training: Hong Kong’s business sector possesses rich knowledge and profound experience in managing multinational supply chains as well as handling compliance, labour protection, environmental protection and other requirements of overseas markets. We will facilitate collaboration between different organizations and industry stakeholders to provide training in areas such as environmental, social and corporate governance (“ESG”) to Mainland enterprises seeking to expand their reach to overseas markets. This will help them build goodwill with business partners and expand their markets.

In order to enhance our work on this front, the Commerce and Economic Development Bureau, in coordination with “Team Hong Kong” organizations, will work together to study the relevant details, including the establishment of a trade single window to provide one-stop services for enterprises. InvestHK will also step up efforts to attract Mainland manufacturing enterprises to set up offices in Hong Kong to serve as headquarters for managing their offshore trading.

Explore Markets

The Government has been expanding Hong Kong’s economic and trade network overseas to help the business sector explore emerging markets.

To strengthen our economic and trade relations with the Middle East, the Government is conducting negotiations with Saudi Arabia on an Investment Promotion and Protection Agreement (“IPPA”) and considering establishing an

Economic and Trade Office (“ETO”) in Riyadh, Saudi Arabia. Two consultant offices will also be set up in Turkey and Egypt this year to bring in foreign capital and enterprises. Meanwhile, Hong Kong has concluded the IPPA negotiations with Bahrain and will soon sign a Comprehensive Double Taxation Agreement with it.

ASEAN is another priority strategic partner with whom we seek to enhance our engagement. The Government is considering establishing an ETO in Kuala Lumpur, Malaysia. As for other markets, we are negotiating a Free Trade Agreement with Peru and an IPPA with Bangladesh. Furthermore, HKTDC will set up two consultant offices along B&R to enhance trade promotion in emerging countries.

Belt and Road

The B&R Initiative promulgated by our country has entered its second golden decade. Hong Kong will continue to give full play to its role as a functional platform for B&R. To this end, we will actively participate in and contribute to fostering high-quality development, especially in green development as well as innovation and technology.

Apart from continuing to host the annual Belt and Road Summit in September, a new Belt and Road Festival will be launched. The festival will promote collaboration with B&R countries in a wide range of areas including trade and investment, technology, arts and culture, and talent exchange. Hong Kong will also host the Conference of Belt and Road Initiative Tax Administration Cooperation Forum, which will be attended by representatives of the governments, international organizations, academic institutions and strategic enterprises of B&R regions. It will provide a platform for attendees to establish connections and exchange ideas, thereby promoting tax administration cooperation and capacity building. Besides, more outbound missions will be organized, including visits to the Mainland for enterprises of B&R countries which are operating in Hong Kong to explore business opportunities.

Regional Intellectual Property Trading Centre

Effective protection and efficient transaction of intellectual property (“IP”) is important for promoting industries such as R&D, cultural and creative industries, design services, and brand licensing industries in Hong Kong. In fact, for the past

three years, the Intellectual Property Department (“IPD”) granted an average of more than 10 000 standard patent registrations each year, which is a clear indication of the enormous potential of the IP trading market in Hong Kong.

The Government will introduce into the Legislative Council (“LegCo”) in the first half of 2024 a proposal to amend the Inland Revenue Ordinance for implementing the “patent box” tax incentive, which will substantially reduce the tax rate for profits derived from eligible IP assets to 5%. This incentive aims to encourage enterprises to devote more resources to R&D and conduct commercial transactions making use of patents and other IP protections.

Participate in Dedicated Programme of World Intellectual Property Organization (“WIPO”)

We are planning for the establishment of a WIPO Technology and Innovation Support Centre (“TISC”) in Hong Kong to enable our integration into the national development. TISC will focus on providing specialized services such as patent search and analysis for protecting scientific research results and enhancing support for the I&T sector, while promoting IP trading activities. TISC will also help nurture local I&T talent well versed in patent knowledge. In this regard, I have set aside \$45 million to support the Hong Kong Productivity Council in establishing and operating TISC. It is anticipated that TISC will commence operation by 2025 at the earliest.

International Maritime Centre

Currently, around 90% of the world’s merchandise goods are transported by sea. With its advantageous geographical location, unique institutional strengths and extensive experience and network in international trade and commerce, Hong Kong enjoys a prime position in the shipping market. Supported by the National 14th Five-Year Plan and the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area, the Government promulgated the Action Plan on Maritime and Port Development Strategy (“Action Plan”) in December last year. The Action Plan formulates 10 strategies and 32 action measures to support the sustainable development of Hong Kong’s maritime and port industry, with a view to enhancing the long-term competitiveness of the industry. It also consolidates and strengthens Hong Kong’s position as an international maritime centre.

Develop High Value-Added Maritime Services

One of the directions set out in the Action Plan is to develop high value-added maritime services. Over the past few years, the Government has introduced a series of tax concession measures for the maritime industry in the areas of ship leasing, marine insurance, ship agency, ship management, shipbroking and so forth, which have begun to yield results. We will commence studies on further enhancements within this year.

In addition, Hong Kong's ship registration regime is widely recognized internationally. Hong Kong ranks fourth in the world in terms of gross tonnage, and excels in its high quality fleet. The port state control detention rate of Hong Kong registered ships is much lower than the global average. We plan to offer block registration incentive to attract shipowners to register ships in Hong Kong extensively. The Government will amend the relevant regulations regarding this incentive starting this year, and provide an outline of the incentive rules, eligibility criteria and so forth.

Modern Logistics Development

The Government seeks to assist the logistics industry in better capitalizing on the latest developments and business opportunities in smart logistics and e-commerce. To encourage the logistics industry to enhance productivity through technology application, the Government launched a \$300 million Pilot Subsidy Scheme for Third-party Logistics Service Providers in 2020 to provide subsidies to eligible logistics service providers. So far, the scheme has benefited over 190 enterprises, involving a total of about \$137 million. The scheme was enhanced in February this year, with the funding ceiling for each applicant enterprise increased from \$1 million to \$2 million and the scope of funding extended to cover services related to the application of ESG technology solutions.

International Aviation Hub

Hong Kong International Airport ("HKIA") has about 120 airlines operating flights to some 180 destinations worldwide. With Hong Kong's role as an international aviation hub and tapping into the convenience and opportunities brought about by the Hong Kong-Zhuhai-Macao Bridge, our vision is to transform HKIA into an Airport City integrating commerce, conventions and exhibitions, tourism, lifestyle, logistics and more, shaping it into a world-class landmark.

Open up a New Aviation Hinterland

AA is working full steam ahead with HKIA three-runway system (“3RS”) project as scheduled, with the target of commissioning at the end of this year. Leveraging the opportunities brought by 3RS and our country’s support of the “Air Silk Road”, we will focus on current major routes and routes along B&R with potential, thus strengthening aviation services between Hong Kong and related countries and, in doing so, expand our aviation network.

Intermodal Transport

AA will make comprehensive use of HKIA’s advantages in handling high-value, temperature-controlled air cargo. We are taking forward the development of a sea-air intermodal cargo-transshipment mode in collaboration with Dongguan. Its handling capacity will gradually reach one million tonnes per annum, better fulfilling GBA’s international cargo demand, with first-phase construction of the permanent facility of the HKIA Logistics Park, which is scheduled for completion by the end of next year.

Asia’s Aviation Logistics Base

AA will actively expand air cargo services, including handling cold-chain cargo at its logistics park in Dongguan and collaborating with Zhuhai to develop its international cargo business. It will also attract international cargo forwarders and major global retailers to set up their Asian aviation logistics base in Hong Kong.

Centre for International Legal and Dispute Resolution Services in the Asia-Pacific Region

As the only common law jurisdiction in China, Hong Kong enjoys a robust legal system and a pool of elite legal talent, which are cornerstones of Hong Kong’s premier business environment and provide us with new opportunities for development.

With the staunch support from the Central Government, the International Organization for Mediation (“IOMed”), upon establishment, will have its headquarters hosted in Hong Kong. IOMed, specializing in resolving international disputes by means of mediation, will be the first international

inter-governmental organization to set up headquarters in Hong Kong. This will attract dispute parties, mediators and legal professionals to conduct mediation in Hong Kong, which will in turn boost other related economic activities.

Furthermore, the Department of Justice (“DoJ”) will continue to promote Hong Kong’s legal and dispute resolution services by organizing international conferences and exchange activities, as well as leading delegations of legal professionals to visit the Mainland, the Middle East, ASEAN member states, etc.

East-meets-West Centre for International Cultural Exchange

Hong Kong is a diverse and open community. It is a melting pot of Chinese and Western cultures, where modernity blends with tradition. The Government is committed to developing high-quality arts, cultural and creative industries through continuously developing relevant sectors, promoting Chinese culture and fostering arts and cultural exchanges between China and the rest of the world. The Government will soon promulgate the Blueprint for Arts and Culture and Creative Industries Development, to outline the vision and specific initiatives for the work.

Creative Arts Branding

The Government will inject about \$1.4 billion and \$2.9 billion into the Film Development Fund and the CreateSmart Initiative respectively in 2024-2025, to support projects in various areas such as film, arts and design. Among them, the Government will organize the Hong Kong Fashion Design Week annually from 2024 onwards. It is our vision to turn the Hong Kong Fashion Design Week into an Asian fashion design mega event, thereby introducing Hong Kong’s fashion design brands internationally.

Signature Performing Arts Programmes

The Government has announced the launch of the Signature Performing Arts Programme Scheme. The scheme will support production of representative and large-scale local signature performing arts programmes to be staged as long-running performances and become another cultural icon of Hong Kong. The Culture, Sports and Tourism Bureau will devise the key arrangements of the Signature Performing Arts Programme Scheme in the first half of 2024.

Large-scale Arts Events

We will organize the first Hong Kong Performing Arts Expo in October this year to provide a comprehensive platform for showcasing top-notch performing arts productions and enhancing exchanges to create business opportunities for these programmes and creative talents. We will also organize the 4th Guangdong-Hong Kong-Macao Greater Bay Area Culture and Arts Festival. With more than 100 arts and cultural activities taking place in Hong Kong and different cities of GBA, the festival is expected to feature about 5 000 artists and draw a total of 140 000 visitors.

Nurturing Local Talent

“Talent as the prime resource” is the fundamental driving force that underpins the development of our economy and various sectors. While proactively attracting talent from around the world, we must continue our efforts in nurturing local talent. Apart from supporting post-secondary institutions to enhance their quality and expand their capacity, we will continue to take forward a number of sector-specific talent training programmes to enrich the local talent pool.

I&T Talent

Apart from supporting various talent training programmes under new industrialization development, we have also implemented the STEM Internship Scheme to encourage university students to participate in I&T-related work. Besides, to better prepare for integration into the knowledge-based economy and development of a digital society, the Government has launched a “Knowing More About IT” Programme to enhance primary school students’ interests in information technology and its applications. In this connection, I propose to allocate an additional funding of \$134 million for the provision of subsidies of up to \$300,000 for each publicly-funded primary school in the next two academic years.

Healthcare Professionals

The Government attaches importance to training local healthcare professionals. The Health Bureau will continue to enhance healthcare-related teaching facilities, while increasing the number of local training places as appropriate. Since last April, we have also started to subsidize the relevant institutions in respect of the clinical practicum training fees for their specified

healthcare-related programmes. On another front, since the announcement of an additional injection of \$500 million into the Chinese Medicine Development Fund in last year's Budget, a number of capacity building initiatives for the industry have been taken forward under the fund, such as the Hong Kong Chinese Medicine Talent Short-term Training Programme co-organized with the National Administration of Traditional Chinese Medicine in support of building an excellent pool of Chinese medicine ("CM") talent.

Maritime and Aviation Talent

The Government introduced the Professional Training on Smart and Green Logistics Scheme and the Logistics Promotion Funding Scheme under the Maritime and Aviation Training Fund ("MATF") in January this year. These schemes aim to enhance promotion and talent development in the logistics sector in line with new developments in smart and green logistics. We also launched the Aviation Promotion Project Funding Scheme to fund activities organized by local aviation-related organizations and academic institutions, while promoting to different sectors of the community the development of our aviation industry and the opportunities available. TLB will conduct a comprehensive review of MATF this year, to gauge its effectiveness in attracting talent and promoting manpower development in the maritime and aviation sectors.

Patent Talent

The Government will allocate an additional funding of about \$12 million in total to IPD over the next three years, to prepare for the introduction of regulatory arrangements for local patent agent services. Our aim is to enhance the professionalism and support the development of the original grant patent system. The Government will also continue to strengthen and enlarge its patent examiner team and enhance its substantive examination capability, with a view to acquiring institutional autonomy in conducting substantive patent examination in 2030.

International Legal Talent

In order to nurture legal talent with an international perspective and good knowledge of different legal systems, DoJ will set up a dedicated office and an expert group this year to take forward the establishment of the Hong Kong International Legal Talents Training Academy.

Land and Housing Supply

Land Supply

The 2024-2025 Land Sale Programme will cover a total of eight residential sites. There will also be railway property developments, private development and redevelopment projects as well as projects undertaken by the Urban Renewal Authority. Taken together, the potential land supply for the whole year is expected to have a capacity for providing about 15 000 units, exceeding the annual demand of 13 200 units projected in the Long Term Housing Strategy by about 14%. The Land Sale Programme will also include two commercial sites and one industrial site, capable of providing about 120 000 sq m of commercial floor area and 540 000 sq m of industrial floor area respectively. We will take into account the market situation when deciding on the quantity and types of land to be put up for sale as well as the pace of sale.

We will make available land for the production of no less than 80 000 private housing units in the coming five years. Such land will be put to the market in a timely manner. Among them, about 60% comes from New Development Areas/New Town Extensions, with another 40% from government land sale and railway property development projects in other districts.

Housing Supply

On public housing supply, the Government has identified sufficient land for meeting the supply target of 308 000 public housing units over the next 10 years (from 2024-2025 to 2033-2034). Among which, as at the end of last year, construction of about 105 000 units under the Hong Kong Housing Authority has commenced with satisfactory progress. In view of the fact that the Cash Allowance Trial Scheme is due to expire by mid-2024, the Government has decided to extend the scheme for one year until June 2025, to help grass-roots families on the waiting list for public rental housing. The scheme will be subject to further review in due course.

On private housing supply, we estimate that the completion of private residential units will average over 19 000 units annually in the five years from 2024, representing an increase of about 15% over the annual average of the past five years. The potential supply of first-hand private residential units for the next three to four years will be around 109 000 units.

Transport Infrastructure

It is the Government's vision to build a liveable, competitive and sustainable Hong Kong by adopting the planning principles of “infrastructure led” and “capacity creating”. We are taking forward in an orderly manner the railway and major road projects set out in the Hong Kong Major Transport Infrastructure Development Blueprint, to bolster connectivity between districts and unleash their development potential. At the same time, the Government plans to put in place smart and green mass transit systems in East Kowloon, Kai Tak and Hung Shui Kiu/Ha Tsuen. We will invite within the year the relevant suppliers and operators to submit expressions of interest.

To further promote the connectivity of infrastructure within GBA, the Government will continue to work with the Shenzhen authorities through the Task Force for Hong Kong-Shenzhen Co-operation on Cross-Boundary Railway Infrastructure. We will take forward two cross-boundary projects, namely the Hong Kong-Shenzhen Western Rail Link (Hung Shui Kiu—Qianhai) and the Northern Link Spur Line, to jointly develop the concept of “GBA on the Rail”.

Meanwhile, to raise productivity of the construction industry, a cross-departmental steering committee under DEVB will soon formulate various measures to enhance the application of Modular Integrated Construction (“MiC”). We will strengthen collaboration with the Guangdong Provincial Government to enhance the manufacturing, import/export facilitation, and exportability of MiC modules, with a view to developing MiC as one of the industries in GBA that enjoy clear advantages. The HKSAR Government will also examine the feasibility of investing in the MiC supply chain. Moreover, DEVB will set up the Building Testing and Research Institute within this year to promote innovative application in the industry.

Healthcare

The Government attaches great importance to the well-being of members of the public, and is committed to maintaining Hong Kong's high-quality healthcare profession and its efficient healthcare system. We devote significant resources to the healthcare portfolio. The 2024-2025 estimated recurrent expenditure for healthcare is \$109.5 billion, accounting for about 19% of government recurrent expenditure. The Government will continue to pursue transformation with innovation, with a view to protecting the health of all citizens, further developing

primary healthcare, enhancing the quality of medical services and promoting the development of the healthcare industry.

The Government has been improving public healthcare services and enhancing the patient experience on various fronts with specific performance indicators. These include shortening the waiting time for specialist outpatient services and making wider use of telehealth services. The performance indicators of certain services, including medication delivery and electronic medical certificates, were met early last year.

Development of Chinese Medicine

The Government provides resources and implements a variety of measures to promote CM. These include increasing the quota of government-subsidized CM outpatient services, extending integrated Chinese-Western medicine services, promoting scientific research on CM and setting relevant standards. We are pressing ahead with the construction of the Chinese Medicine Hospital and the Government Chinese Medicines Testing Institute. The two institutions are expected to begin service, in phases, starting from the end of 2025.

Tobacco Control Policies

Increasing the tobacco duty is recognized internationally as the most effective means of reducing tobacco use. The Government now proposes to increase the duty on cigarettes by 80 cents per stick, with immediate effect. Duties on other tobacco products will be increased by the same proportion. The rate of increase is similar to that of last year. We expect that the proportion of tobacco duty in the retail price of cigarettes will rise to about 70%, gradually approaching the 75% level recommended by the World Health Organization. This will provide a greater incentive for the public to quit smoking, safeguarding public health. We will continue to step up enforcement against illicit cigarette trading and strengthen smoking cessation services, publicity and education.

A Caring and Inclusive Community

Youth Development

Young people are Hong Kong's future. "Hong Kong will prosper only when its young people thrive." The Government is actively implementing the

various actions and measures set out in the Youth Development Blueprint in phases. We will also open up more Mainland and overseas exchange and internship opportunities for young people. Our target is to benefit no less than 30 000 youths this year, enabling young people to learn about our country's major development trends and broaden their global exposure. The Government will also organize the Youth Development Summit in the middle of this year. Mainland and overseas youth organizations will be invited to exchange views on issues of concern to young people and to engage in mutual learning. It is anticipated that more than 1 000 people will participate in the Summit.

Vocational and Professional Education and Training

The Government will continue to foster industry-institution collaboration and diversified development to enhance vocational and professional education and training ("VPET"). The Government has set aside some \$680 million to support the Vocational Training Council's efforts. Initiatives include extending the Pilot Incentive Scheme to Employers and the Pilot Subsidy Scheme for Students of Professional Part-time Programmes for five years, as well as stepping up support for student-exchange activities, strengthening assistance to students with special educational needs, encouraging employers to provide workplace learning opportunities, etc.

Furthermore, the Government has also set aside a start-up fund of \$100 million to support self-financing, post-secondary institutions in forming an Alliance of Universities in Applied Sciences for joint publicity and promotion of VPET, and raise the status of VPET among parents, students and society in general.

Caring for the Elderly

The Government has regularized the Community Care Service Voucher ("CCSV") Scheme for the Elderly since September 2023, and extended its scope to cover the rental of assistive technology products. The number of CCSVs will increase to 11 000 in 2024-2025, involving an annual expenditure of about \$900 million. The Government also regularized the Residential Care Service Voucher ("RCSV") Scheme for the Elderly since last April. From the second quarter of this year, the number of RCSVs will increase to 5 000 for the early benefit of more eligible elderly persons. The scheme will involve an annual expenditure of about \$1,440 million.

Support to Persons with Disabilities

The Government is committed to increasing the number of day rehabilitation, residential care and respite service places for persons with disabilities. As at the end of 2023, the total number of service places had been increased to 36 400. The Government will also allocate funding of about \$130 million from the Community Care Fund to implement a three-year pilot scheme starting from the third quarter of 2024 to provide an additional subsidy of \$500 per month for employed disabled recipients of CSSA as an incentive for employment. The scheme is expected to benefit some 6 800 persons.

Women's Development

The Government attaches great importance to women's development, setting aside \$100 million last year to strengthen support for the relevant work. The Women Empowerment Fund, established in June 2023, has so far provided funding support to women's organizations and non-governmental organizations for launching over 140 projects for purposes such as helping women assume different roles in the job market and providing them with training on child and elderly care.

Assist Working Families in Childbearing

Starting this year, the Government will set up 10 more aided, standalone child-care centres, in phases. The target is to provide nearly 900 additional places for child day-care services within three years. The Government will also extend the After School Care Programme for Pre-primary Children in phases, starting this year, to cover all districts in Hong Kong. The number of service places will increase to nearly 1 200 within three years.

Revised Estimates for 2023-2024

Hong Kong's economic growth last year was slower than expected owing to global interest rate hikes, economic slowdown and continued geopolitical tensions. Notwithstanding a reduction in total government expenditure after the pandemic, revenue from land premium and stamp duty has decreased under a softened asset market, resulting in a larger deficit than expected.

The 2023-2024 revised estimate on government revenue is \$554.6 billion, lower than the original estimate by 13.7% or \$87.8 billion.

Revenue from land premium is \$19.4 billion, substantially lower than the original estimate by \$65.6 billion and also far lower than the previous year. Revenue from stamp duty of \$50 billion is lower than the original estimate by \$35 billion. Revenue from profits tax and salaries tax is \$171.2 billion and \$79.2 billion respectively, comparable to the original estimates.

The revised estimate of total government expenditure for 2023-2024 is \$727.9 billion, decreased by 10.2% compared to the previous year, and is 4.3% or \$33.1 billion lower than the original estimate.

All in all, it is expected that there will be a consolidated deficit of \$101.6 billion for 2023-2024. Fiscal reserves are expected to be \$733.2 billion by 31 March 2024.

Estimates for 2024-2025

Looking ahead, the external environment will remain complicated in the coming year. As a small and externally-oriented economy, Hong Kong's economic growth will inevitably be affected. Revenues related to asset market will still require some time to fully recover. On the expenditure side, the Government will continue to provide resources for strengthening momentum on economic growth and enhancing public services.

The major policy initiatives announced in the 2023 Policy Address involve revenue of about \$14.2 billion, operating expenditure of \$13.4 billion and capital expenditure of \$25.2 billion. The financial implications of such initiatives have been reflected in the estimates for 2024-2025.

Total government expenditure for 2024-2025 will increase by about 6.7% to \$776.9 billion, with its ratio to nominal GDP projected to increase slightly to 24.6%.

Recurrent expenditure will increase by 7% to \$580.2 billion. Of this, substantial resources will still be allocated to livelihood-related policy areas including health, social welfare and education, involving a total of \$343.7 billion, representing 59.3% of recurrent expenditure. After the pandemic, non-recurrent expenditure will substantially decrease by 47.7% to \$33.6 billion.

Total government revenue for 2024-2025 is estimated to be \$633 billion, while earnings and profits tax are estimated to be \$279.6 billion, increasing by

6.8% over the revised estimate for 2023-2024. Having regard to the Land Sale Programme and the land supply target of 2024-2025, revenue from land premium is estimated to be \$33 billion, increasing by 70.1% over the revised estimate for 2023-2024. Revenue from stamp duty is estimated to be \$71 billion, increasing by 42% over the revised estimate for 2023-2024.

Taking into account the bond issuance of \$120 billion in 2024-2025, it is expected that there will be a deficit of \$48.1 billion for the year, and fiscal reserves will decrease to \$685.1 billion.

In 2024-2025, the Government will maintain its target of zero growth in the civil service establishment. Departments will enhance their effectiveness and efficiency through re-prioritization, internal redeployment and streamlining of work processes in taking forward different new policies and initiatives of the Government. It is expected that there will be about 194 000 posts in the civil service establishment as at the end of March 2025.

Medium Range Forecast

We are determined and confident in overcoming the challenges currently facing our public finances. The fundamental principle that we follow is to maintain the sustainability of public finances. We have formulated a fiscal consolidation programme to achieve fiscal balance gradually and maintain fiscal reserves at a prudent level for ensuring the provision of various services to society and promotion of economic development while also having sufficient buffer to roll out measures for rendering assistance to the public and enterprises at times of adversity or in other emergency situations.

The Medium Range Forecast (“MRF”) projects, mainly from a macro perspective, the revenue and expenditure as well as financial position of the Government. It has fully reflected the impact of the measures under the fiscal consolidation programme, which I have just mentioned. For 2024-2025, a real economic growth rate of 2.5% to 3.5% per annum is adopted. From 2025-2026 to 2028-2029, a real economic growth rate of about 3.2% per annum is adopted.

During the above period, the average annual capital works expenditure will be about \$90 billion, while recurrent government expenditure will grow at a rate of 4.2% per annum. The ratio of total government expenditure to GDP will gradually fall from about 24.6% for 2024-2025 to about 20.6% for 2028-2029.

Regarding revenue from land premium, the forecast for 2025-2026 and onwards is mainly based on the more conservative 20-year average ratio of revenue from land premium to GDP, which is 3.4% of GDP. I also assume that the growth rates of revenue from profits tax and other taxes will correspond to the economic growth rates in the next few years. Overall, the ratio of government revenue to GDP will gradually increase from about 20% for 2024-2025 to about 22.6% for 2028-2029.

In addition, MRF reflects the proceeds from the annual issuance of government green/sustainable bonds and infrastructure bonds worth approximately \$95 billion to \$135 billion in total.

Based on the above assumptions and arrangements, the deficit in the Operating Account and Capital Account in the next five years will gradually reduce every year. The Operating Account is estimated to record a surplus two years later from 2026-2027 onwards, while the Capital Account will record surplus in 2028-2029. After taking account of proceeds from the issuance of bonds, the Consolidated Account will only record a deficit in 2024-2025 and will turn to a surplus in subsequent years. The above forecast has not taken into account any tax rebates or relief measures that the Government may implement over the coming four years.

Fiscal reserves are estimated at \$832.2 billion by the end of March 2029, representing 21.2% of GDP, or equivalent to approximately 12 months of government expenditure.

Public Finance

As one may recall, the Government launched several rounds of large-scale counter-cyclical and anti-epidemic measures during the pandemic, resulting in a sharp increase of expenditure to a high level of \$810.5 billion in 2022-2023. Although we have strived to reduce expenditure as the pandemic subsided, total expenditure for 2023-2024 still reached \$727.9 billion, representing an increase of 36.9% compared with 2018-2019, of which operating expenditure rose substantially by 40.2% whereas operating revenue during the same period increased only by 13.1%.

On capital works, the average annual expenditure has increased from about \$76 billion over the past five years to about \$85 billion in 2023-2024. This is

mainly due to the Government's all-out effort to press ahead with the land and housing supply projects, along with other infrastructure works for improving the environment and people's livelihood in recent years.

In face of challenges posed by the epidemic and external environment, our fiscal reserves have dropped to the current level of \$733.2 billion. On Government's fiscal situation, we should not just focus on the short-term situation, but should look at the fiscal position over the entire economic cycle. The Government will uphold the principle of keeping the expenditure within the limits of revenues as enshrined under Article 107 of the Basic Law, and strive to achieve fiscal balance and avoid deficits, thereby ensuring the resilience and sustainability of our public finances.

Fiscal Consolidation Programme

We are taking steps to implement a comprehensive fiscal consolidation programme. After taking account of the need to strengthen momentum on economic growth and the burden of businesses and the public, the programme focuses mainly on expenditure cut with a view to restoring fiscal balance in a few years' time, although some revenue measures have been included in a pragmatic manner.

We will address the issue at its root by exercising stronger control over the pace of expenditure growth through re-engineering of business process or re-prioritization. This notwithstanding, the Government will remain committed to taking care of people's needs by continued allocation of resources for the provision and improvement of public services.

Contain Growth of Operating Expenditure

We will strictly contain growth of operating expenditure by introducing the following measures:

- (a) 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 the end of March 2021; and
- (b) implementing the Productivity Enhancement Programme as announced earlier under which recurrent government expenditure will

be cut by 1% for two consecutive years. The resources thus saved will be re-allocated internally for enhancing existing or introducing new public services. To further contain the pace of expenditure growth, on the premise that such schemes as the Comprehensive Social Security Assistance Scheme and the Social Security Allowance Scheme will not be affected, all government departments need to cut recurrent government expenditure by another 1% in 2026-2027.

Upon implementation of the measures to contain expenditure growth, we forecast that the growth of operating expenditure will be reduced from the annual average of 7% in the past five years to an annual average of 2.2% in the coming five years, which is lower than the 5.5% increase in nominal GDP over the same period.

Moreover, I have requested the relevant bureaux to review the mode of operation of the following two transport subsidy schemes that incur higher expenditure with a rapid expenditure growth rate. We have to emphasize that the Government has no intention to cancel these schemes. The review aims to enable the continued provision of subsidies of the schemes in a financially sustainable manner. We anticipate that the above review will be completed within this year:

- (a) Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (i.e. “the \$2 Scheme”): the annual expenditure of the scheme has increased by over 200% from \$1.3 billion in 2019-2020 to about \$4 billion in 2023-2024; and
- (b) Public Transport Fare Subsidy Scheme: the annual expenditure of the scheme has more than doubled from \$1.7 billion in 2019-2020 to the revised estimate of about \$3.5 billion in 2023-2024.

I would like to emphasize that while a review will be conducted, we have no intention of cancelling these schemes. Instead, our objective is to, through the review process, identify a viable mode of operation that enables the continued implementation of these schemes in a financially sustainable manner. While we are controlling the growth rate of total expenditure, the amount of resources we allocated to public services has still recorded a significant increase. For example, recurrent expenditures related to health, social welfare and education in 2024-2025 amount to \$343.7 billion, up by about 7.3% over 2023-2024 and by 34.2% over five years ago.

Review and Re-prioritization of Capital Works

Implementation of infrastructure projects is not only an investment for the future, it can also promote Hong Kong's economic development and enhance people's livelihood. In recent years, the Government has made all-out effort to press ahead with the land and housing supply projects, including new development areas and new towns, and also proposed a number of other works projects for improving the environment and people's livelihood, such as Kai Tak Sports Park and Hospital Development Plan. It is estimated that expenditure on capital works will start reaching its peak in the next three years.

The Government needs to contain its expenditure on infrastructure works at a sustainable level. To this end, relevant bureaux and departments have reviewed the cost-effectiveness of works projects and give due regard to priority and urgency to adjust the implementation schedule. For some works projects which are at a comparatively mature stage of planning, they will continue to be taken forward by the relevant bureaux and departments as planned. They include the site formation and infrastructure works for the Northern Metropolis. As for some works projects that are currently at the preliminary planning or conceptual stage, the implementation schedule will be adjusted in light of their importance, etc.

In MRF, capital works expenditure could be contained at about \$90 billion per annum on average. This figure still represents an increase of about 17% over the average annual expenditure of \$76 billion in the last five years, which demonstrates the Government's continued allocation of resources for capital works expenditure.

Increase Revenue

The key to boosting public revenue lies in sustained high-quality economic development. Only through growing the "economic pie" and enabling the economy to grow in a more robust and diversified manner can we increase our revenue to support the building of social infrastructure and people's livelihood.

When considering measures for increasing revenue, we have to take Hong Kong's actual situation into account and avoid taking any hasty actions that may affect local economic recovery and people's livelihood while at the same time maintaining the competitive edge of the simple and low tax regime. Having

considered the above factors and based on the “affordable users pay” principle, we will implement adjustments to the following individual tax items.

We propose to implement a two-tiered standard rates regime for salaries tax and tax under personal assessment starting from the year of assessment 2024-2025. In calculating the amount of tax for taxpayers whose net income exceeds \$5 million and whose salaries tax or tax under personal assessment is to be charged at a standard rate, the first \$5 million of their net income will continue to be subject to the standard rate of 15%, while the portion of their net income exceeding \$5 million will be subject to the standard rate of 16%. It is expected that about 12 000 taxpayers will be affected, accounting for 0.6% of the total number of taxpayers chargeable to salaries tax and tax under personal assessment. The government revenue will increase by about \$910 million each year. Even with the two-tiered standard rates regime above in place, the new tax rates will still be lower than those of other advanced economies.

The Government will introduce legislative amendments in the first half of this year to implement the progressive rating system for domestic properties, with the aim to bring the system into effect from the fourth quarter of 2024-2025 onwards. The new system will only affect domestic properties with rateable value over \$550,000, which account for about 1.9% of the relevant properties. It is estimated that the system will contribute to an increase of about \$840 million in government revenue annually.

The Government will review various fees and charges in a timely manner. Besides adhering to the “user pays” principle, the affordability of the general public and businesses will also be taken into account. Business registration fees will increase by \$200 to \$2,200 per annum with effect from 1 April 2024. The last adjustment to business registration fees was in 1994. We estimate that government revenue will increase by about \$295 million per annum. To relieve the relevant impact, the business registration levy of \$150 payable to the Protection of Wages on Insolvency Fund will be waived for two years.

We propose to resume the collection of the Hotel Accommodation Tax (“HAT”) at a rate of 3%. It is anticipated that government revenue will increase by about \$1.1 billion per annum. This will take effect from 1 January 2025 in order to allow the hotel and tourism industries more time for preparation. HAT to be collected is estimated to only account for less than 1% of the total spending of overnight visitors in Hong Kong. In the coming year, the Government plans to

allocate over \$1 billion for upgrading tourism infrastructure and services to attract more high-spending overnight visitors from different visitor source markets to Hong Kong.

Developments in International Taxation

We will continue to take forward the implementation of the global minimum tax proposal drawn up by the Organisation for Economic Co-operation and Development to address base erosion and profit shifting. We aim to apply the global minimum tax rate of 15% on large multinational enterprise groups with an annual consolidated group revenue of at least €750 million and impose the Hong Kong minimum top-up tax starting from 2025. We are now conducting consultation on the implementation of the above proposals and expect to submit a legislative proposal to LegCo in the second half of this year. It is estimated that these proposals will bring in tax revenue of about \$15 billion for the Government annually starting from 2027-2028. Hong Kong maintains an edge over other tax jurisdictions in terms of tax competitiveness after the implementation of the proposals.

Investment Return of the Future Fund

As announced in the 2021-2022 Budget, the accumulated investment return of the Future Fund would be progressively reflected in the Operating Account. The Government will submit a resolution for passage by LegCo next month to complete the transfer arrangements.

Bond Issuance

The issuance of Government bonds is conducive to the development of the bond market and allows the use of the capital raised from the market to drive green/sustainable and infrastructure projects. I emphasize that proceeds from bond issuance will not be used for funding government recurrent expenditure.

The Committee on the Financing of Major Development Projects led by me has reviewed how to adopt an orderly and phased approach in developing the Northern Metropolis. We plan to issue bonds of about \$95 billion to \$135 billion per annum in the next five years to drive the development of the Northern Metropolis and other infrastructure projects. For the Kau Yi Chau Artificial Islands project, we will continue to conduct relevant studies, and in considering its

concrete implementation timetable, we will take into account various factors including the public finance position.

The Government will continue to adhere strictly to fiscal discipline and keep the government debt at a prudent level. It is expected that the ratio of Government debt to GDP will be in the range of about 9% to 13% from 2024-2025 to 2028-2029, which is much lower than most of the other advanced economies.

Concluding Remarks

President, this year will still be fraught with uncertainties. Investment sentiment and capital flows are under the sway of the complicated and volatile external environment.

In the short term, we need to reinforce the momentum of our economic recovery, while in the long run, we have to adjust our economic growth model with enhancements to both “quality” and “quantity”. By charting the course of high-quality development, we will drive further innovations, bring in new services and products, stimulate new demand and open up new markets. This is the necessary path to take for the future development of Hong Kong.

Just as nature goes through endless evolutions, so economic development has its cycles of ups and downs. New challenges and future uncertainties may be disconcerting.

But when we reflect on decades of development in Hong Kong, it is obvious that the path we have trodden, however winding or bumpy, has always led to a better tomorrow.

The colour of the cover of this year’s Budget symbolizes the first glimmer of dawn, for this inspires hope, faith and our longing for greater unity and harmony.

We have succeeded in turning challenges into greater opportunities every step of the way. We owe every success to the strong leadership of the Central People’s Government, the staunch support from our country, as well as the agility and tenacity of Hong Kong people.

Our unique positioning and distinctive functions make us irreplaceable as our country strides towards high-quality development and the building of a great

modern nation. And we have been playing an active role in contributing to our country's development. Our country's swift and steady progress, alongside a fast developing Asia, has provided us with infinite opportunities along the way. Hong Kong thrives on its cultural blend of East and West and its connectivity to the world. It is also the only place in the world where the global advantage and the China advantage come together in a single economy. So long as we know where we stand and chart the right direction, we will be able to give full play to our unique strengths. By blazing new trails and firmly pressing ahead, Hong Kong will certainly thrive and prosper, like a dragon soaring far and high in the boundless sky.

President, I move the Second Reading of the Appropriation Bill 2024. Thank you, President. Thank you, Members.

(Members thumped their desks)

(The Supplement and Appendices to the 2024-2025 Budget are in **Appendix 2**)

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Appropriation Bill 2024 be read the second time.

In accordance with the Rules of Procedure, the Second Reading debate is adjourned and the Estimates are referred to the Finance Committee for examination before the debate on the Bill resumes.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11:00 am on Wednesday, 13 March 2024.¹

Adjourned accordingly at 1:07 pm.

¹ Pursuant to Rule 14(1) and (2) of the Rules of Procedure, the President decided to call a Council meeting on 8 March 2024.

LEGCO QUESTION NO. 1

(Written Reply)

Asked by: Hon LAM So-waiDate of meeting: 28 February 2024Replied by: Secretary for Labour
and WelfareReply

President,

Street sleeping is a complex social problem, involving the policies and work of different bureaux and departments. Government departments and local service units concerned have been in close collaboration to assist street sleepers. Having consulted the Health Bureau, I provide a consolidated reply to the question as follows –

(1)

According to the information submitted to the Computerised Street Sleeper Registry, owing to the pandemic and economic reasons, the number of female street sleepers increased from 139 (as at end-December 2019) to 179 (as at end-December 2021). With the epidemic situation easing, the number of female street sleepers decreased to 114 (as at end-December 2023) due to various reasons such as having been allocated accommodation arrangement and family reunion. The number of female street sleepers in the past five years is tabulated as follows –

| Year | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------|------|------|------|------|
| Number of Female Street Sleepers (as at year end) | 139 | 162 | 179 | 158 | 114 |

(2)

Regarding the welfare support for street sleepers, the Social Welfare Department (SWD) has been subventing non-governmental organisations (NGOs) to operate three Integrated Services Teams for Street Sleepers (ISTs) to conduct day and late-night outreach visits for proactively reaching out to street sleepers and understanding their reasons for street sleeping. ISTs render integrated services according to the actual welfare needs of street sleepers and their willingness to receive services. These services, including counselling, service referral, short-term accommodation and application for financial assistance, etc., are provided to address the urgent welfare needs of street sleepers, thereby helping them live off the streets and reintegrate into the community.

Since 2020-21, SWD has been allocating additional resources to the three ISTs and the Care and Support Networking Team to increase the manpower of social workers, psychiatric nurses and drivers as well as the funding of related items. ISTs will provide appropriate services according to the needs of female street sleepers, including reaching out and supporting the female street sleepers through outreaching visits, arranging caseworkers of the same gender to handle cases to improve the effectiveness of relationship building, promptly handling the arrangement of short-term accommodation for female street sleepers, providing counselling services on female emotional management and referring them for appropriate welfare services, etc. In addition, to address the emotional need of some female street sleepers, the psychiatric nurses will provide mental health talks, group activities, personal counselling and referral services, etc. Additional psychiatric nurses can also more effectively identify and handle street sleepers (including female street sleepers) with physical and mental health problems, provide early intervention and refer them for appropriate medical services.

The Government spares no effort in mental health promotion and public education towards persons of different age groups (including female street sleepers). The Advisory Committee on Mental Health implemented the “Shall We Talk” Mental Health Promotion and Public Education Initiative, so as to enhance public knowledge about mental health and encourage members of the public in need to seek help and intervention in a timely manner. Besides, the Health Bureau launched the “18111 - Mental Health Support Hotline” in December 2023 to provide one-stop, round-the-clock support for people with

mental health needs, rendering them immediate mental health support and referral services.

(3)

The SWD-subvented short-term accommodation service provides transitional accommodation for street sleepers to tide them over to stable living arrangements. Among the existing 228 SWD-subvented places, a total of 203 places are provided in rooms that accommodate 5 to 14 people (some separated by partitions) depending on the floor area and layout. Taking into account the operational needs and views of other residents, street sleepers will be accommodated in single-sex rooms. The remaining 25 places are provided by NGOs through renting single and double rooms from licensed guesthouses to provide short-term accommodation service to street sleepers in need.

Regarding the accommodation needs of street sleepers and their partners, social workers will make appropriate accommodation arrangements with reference to their wish and individual welfare needs, such as using emergency fund to pay short-term rent or rental deposits for street sleepers to rent guesthouses or private flats, or referring them for transitional housing.

LEGCO QUESTION NO. 2

(Written Reply)

Asked by the Hon Stanley LI

Date of meeting : 28 February 2024

Replied by : Secretary for Health

Reply

President,

In consultation with the Hospital Authority (HA), I provide a consolidated reply to various parts of the question raised by the Hon Stanley LI as follows:

The general outpatient clinics (GOPC) of the HA, which have an annual attendance of over 5 million, are mainly positioned to serve low-income persons and socially disadvantaged groups in priority, as well as chronic disease patients with stable conditions and those with relatively mild episodic illnesses. The primary healthcare needs of the vast majority of the public are currently taken care of by the private medical sector with about 20 million outpatient visits annually. The services provided by GOPCs clinics include medical consultations, general nursing services, and a range of basic multi-disciplinary medical care, chronic disease management, as well as patient education and support services.

The Hong Kong Planning Standards and Guidelines (HKPSG) recommends the provision of one general clinic/health centre for every 100 000 persons. The HKPSG sets out basic planning standards. When it comes to application, not only would bureaux/departments make reference to the Guidelines, but they would also take specific circumstances of the community into full consideration to cater for the actual needs of the public. For instance, in planning and developing public primary healthcare services, the Government also needs to consider a series of factors including the delivery model of primary healthcare services, changes in the population structure and distribution of target service recipients and the supply of primary healthcare services in the district, and the need for public primary healthcare services. According to the 2021 Population Census conducted by the Census and Statistics Department, the population of Sha Tin District

(including Ma On Shan) was 692 800, whereas the population of Sai Kung District (including Tseung Kwan O) was 489 000. Having regard to the districts' demographics and demand for primary healthcare, four and three GOPCs are provided by HA in Sha Tin District and Sai Kung District respectively, providing more than 370 000 and 250 000 consultation quotas respectively in 2022-23. Over the same period, among the patients who visited the GOPCs in these two districts, about 70% were of the target service group, which is on par with the territorial average.

GOPCs in Sha Tin District and Sai Kung District reserve about 50 per cent of the total consultation quota for chronic disease patients and those with episodic illnesses respectively. The usage rate of the GOPCs in the two districts are set out in the **Annex**.

In accordance with the Primary Healthcare Blueprint (Blueprint), the Government has been reserving sites in different districts for the long-term development of primary healthcare services, studying how to plan and develop healthcare service facilities more effectively, as well as enhancing coordination of development and redevelopment of government buildings and premises for healthcare facilities, including re-provisioning, expanding or consolidating existing healthcare facilities under the principle of “optimising land use”, and would examine increasing plot ratio when necessary. The Government will also consider various measures to promote the inclusion of private or non-government organisation healthcare service providers in the district-based community health system.

In addition, the HA has implemented a series of measures to augment the service capacity of existing GOPCs. These measures include actively recruiting additional staff, carrying out clinic renovation and renewing its facilities so as to streamline patient flow, improving the clinic environment and increasing consultation rooms.

As regards Sha Tin District, the HA has completed interior renovation works and facility enhancement in Ma On Shan Family Medicine Centre, Yuen Chau Kok GOPC and Lek Yuen GOPC in 2013, 2021 and 2023 respectively. Through these renovation works, the consultation quotas of relevant clinics in Sha Tin district has increased by a total of about 60 000 since 2013-14. The HA is planning to set up a new GOPC in the proposed joint-user complex at Tsuen Nam Road in Tai Wai for re-provisioning the Sha Tin (Tai Wai) GOPC. Space has also been reserved in Phase II of the Prince of Wales Hospital Redevelopment and Ma On Shan respectively for provision of a Community Health Centre and long-term development of primary healthcare services. Among the GOPCs in Sha Tin District, Lek Yuen GOPC provides out-patient services on Sundays and public holidays. In view of the current stringent manpower of doctors, extending service hours

(such as providing outpatient services during holidays in more clinics) will put further pressure on the current manpower. At this stage, there is no plan to introduce holiday outpatient services at Ma On Shan Family Medicine Centre.

As regards Sai Kung District, the three GOPCs in the district (i.e. Mona Fong GOPC, Tseung Kwan O (Po Ning Road) GOPC and Tseung Kwan O Jockey Club GOPC) had improvement works and facility enhancement completed in 2013, 2015 and 2020 respectively. Through these renovation works, the consultation quotas of relevant clinics in Sai Kung District has increased by a total of about 50,000 since 2013-14. The HA will set up a GOPC in the new government building in Area 67, Tseung Kwan O, which will be completed by early 2025 the earliest.

In face of the rapidly ageing population, rising prevalence of chronic diseases and increasing healthcare services demand, the public healthcare system, as the cornerstone and safety net of the Hong Kong's healthcare system, has to concentrate resources and accord priority to accident and emergency and specialist services, as well as secondary and tertiary healthcare which require complicated technologies. The Government has put forward a proposal for reform in the Blueprint, focusing on strengthening primary healthcare services and alleviating the pressure of the public medical system, especially the specialist out-patient clinics under public hospitals. The Government will continue to advocate the concept of "Family Doctor for All" and has launched the "Chronic Disease Co-care Pilot Scheme" in November last year. Through the establishment of a family doctor system and screening, people with more economic capability can be diverted to the private healthcare sector for health management through a co-payment model. At the same time, we have to consider concentrating the limited resources for public general outpatient services by giving priority to those who may not be able to afford private healthcare services. We will gradually reposition the GOPCs to focus on taking care of low-income persons and the socially disadvantaged groups.

GOPC attendance in Sha Tin District in 2022-23

| GOPCs in Sha Tin District | 2022-23 | | | |
|----------------------------------|---------------------------|--|-----------------------------------|--|
| | Year of Completion | Daily average of consultation attendance on weekdays^ (rounded figures) | Annual attendance of GOPCs | Consultation quota utilisation rate |
| Shatin (Tai Wai) GOPC | 1965 | 150 | 41 881 | 99% |
| Lek Yuen GOPC | 1981 | 430 | 129 918 | 95% |
| Yuen Chau Kok GOPC | 1992 | 240 | 62 813 | 97% |
| Ma On Shan FMC | 1996 | 520 | 144 997 | 98% |

GOPC attendance in Sai Kung District in 2022-23

| GOPCs in Sai Kung District | 2022-23 | | | |
|-----------------------------------|---------------------------|--|-----------------------------------|--|
| | Year of Completion | Daily average of consultation attendance on weekdays^ (rounded figures) | Annual attendance of GOPCs | Consultation quota utilisation rate |
| Mona FONG GOPC | 1988 | 160 | 46 755 | 94% |
| Tseung Kwan O (Po Nig Road) GOPC | 1997 | 420 | 124 562 | 99% |
| Tseung Kwan O Jockey Club GOPC | 1990 | 280 | 86 817 | 99% |

^ Weekdays refer to Monday to Friday, excluding public holidays. In addition, days when services are disrupted due to extreme weather are also excluded.

** In view of the COVID-19 outbreak in Hong Kong in early 2020, the HA adjusted its services to deal with the epidemic situation. This should also be taken into account when comparing the throughput of services provided by the HA across the years.*

Note: The HA's GOPC services are organised and co-ordinated on a cluster basis. Clinics of the same cluster complement one another in terms of manpower deployment and service provision so as to meet their respective service needs and operational requirements. Services of the HA's outpatient clinics, including GOPCs, HA staff clinics and family medicine specialist clinics, are all under the family medicine specialty. Most of the doctors working in this specialty provide consultation service at GOPCs. As other staff assisting in GOPC services, viz. nursing, allied health and supporting staff, may be deployed to render support for other services in the cluster, the HA does not have the requested information on the ratio of GOPC doctors and nurses to patients.

LEGCO QUESTION NO. 3

(Written Reply)

Asked by: Hon YUNG Hoi-yan

Date of meeting : 28 February 2024

Replied by : Secretary for Transport
and Logistics

Reply

President,

It is the Government's transport policy to develop a transportation system centred on public transport with railway as the backbone. Hong Kong enjoys a well-developed public transport network, and the Government encourages the public to make good use of the public transport services as far as possible, so as to avoid aggravating the burden on road traffic resulting from excessive private cars (PCs) and motorcycles. Nevertheless, the Government understands that some members of the public choose to commute by PCs or motorcycles for various reasons. Hence, the Government has been actively pursuing a host of short-term and medium-to-long-term measures to suitably increase the supply of parking spaces where circumstances permit, which include but are not limited to the following measures:

- (a) Utilising spaces underneath flyovers for designation of parking spaces;
- (b) Opening up more parking spaces at government buildings for public use during non-office hours;
- (c) Providing additional on-street parking spaces at suitable locations while ensuring that traffic flow, road safety and the loading/unloading activities of other road users would not be

compromised;

- (d) Providing more parking spaces for public use in suitable “Government, Institution or Community” facilities and public open space projects in accordance with the principle of “single site, multiple use”. Subject to the results of technical feasibility assessments and the progress of seeking required approvals for the projects under planning, as well as the construction progress of the approved projects, it is expected that about 20 suitable development projects will be completed by batches to provide additional parking spaces starting from 2024-25;
- (e) Taking forward automated parking system projects in newly-built government car parks and short-term tenancy car parks, so as to increase parking density and make parking more convenient for the public; and
- (f) Revising the parking facilities standard for PCs in the Hong Kong Planning Standards and Guidelines (HKPSG) in 2021, which provides more parking spaces in private and subsidised housing development projects.

As regards the Member’s questions, in consultation with the Transport Department (TD), the Hong Kong Police Force (HKPF), the Lands Department (LandsD) and the Government Property Agency (GPA), a consolidated reply is as follows:

(1)

For the period between 2021 and 2023, (i) the ratio of the number of parking spaces of PCs and motorcycles to the number of licensed PCs and motorcycles; and for the 18 districts, in respect of (ii) the number and utilisation of PC and motorcycle parking spaces in public car parks, (iii) the number and utilisation of metered parking spaces for PCs, and (iv) the number and utilisation of on-street motorcycle parking spaces, please refer to **Annex I to IV** respectively.

HKPF handles statistics on fixed penalty notices (FPNs) issued

against illegal parking and other traffic offences by Police Region. Therefore, the prosecution figures by 18 District Council districts is not available. From 2021 to 2023, the figures of FPNs issued against illegal parking by HKPF by Police Region are tabulated in **Annex V**. For the ratio of parking spaces in village housing to the number of New Territories Exempted Houses, the LandsD does not maintain the relevant statistics.

(2)

Under the prevailing HKPSG, each standard New Territories Exempted House (65 square metres) is allowed to provide up to one private car parking space, which in general should be in communal parking area within the village environs. Moreover, if any village wishes to provide additional parking facilities, it may lodge an application to the Town Planning Board for a planning permission under section 16 of the Town Planning Ordinance (Cap. 131) for the provision of a temporary car park on a rural site for villagers' use.

(3)

Hong Kong has a well-developed public transport network. As the locations for activities associated with night-time economy are accessible by public transport, we encourage members of the public to make good use of the public transport services to travel to those locations as far as possible. For those who need to travel by car, they may consider using on-street parking spaces or car parks nearby, including car parks of government office buildings which are opened to the public during non-office hours (e.g. nighttime). Members of the public may also gain the latest information on special traffic arrangements and parking vacancy on the TD's website (www.td.gov.hk) or via the "HKeMobility" mobile application.

(4)

Road safety is one of the HKPF's operational priorities, and changing the irresponsible behaviour of road users (such as obstruction to traffic or illegal stopping at restricted zone which may cause inconvenience or even hazard to other road users) is also among the HKPF's Selected Traffic Enforcement Priorities. HKPF aims to raise the law-abiding awareness of road users and combat improper traffic obstruction behaviour through publicity, education and enforcement.

HKPF has clear guidelines, training and supervision on the enforcement procedures of traffic offences to ensure that frontline officers comply with operational needs and statutory requirements when taking enforcement actions. HKPF will also review and update the relevant procedures and guidelines from time to time to meet the actual needs.

HKPF has been working closely with relevant departments, adopting new technological solutions for traffic enforcement to enhance the efficiency of frontline officer in combating illegal parking and obstruction-related moving offences. For instance, to raise the enforcement effectiveness and strengthen the deterrent effect, HKPF has launched in phases the “e-Ticketing Scheme” across the territory since March 2020. Frontline enforcement officers are now able to access or input information of illegally parked vehicles via their mobile devices, take photos of non-compliance as evidence and instantly print out FPNs in order to reduce human errors in issuing handwritten FPNs. Besides, HKPF has launched the first WeChat mini-programme for online reporting of traffic offences - “Project PROVE - Public Reporting Offences with Video Evidence”, since April 2023. Members of the public can report non-emergency traffic related offences, including dangerous driving, careless driving, failing to comply with traffic signals, traffic signs and road markings, etc. by uploading relevant video clips to “Project PROVE”. HKPF will examine each report, and if prima facie evidence is established, it will follow up and investigate the case, or even take enforcement action.

HKPF will continue to explore the use of more new technologies with relevant departments to enhance the effectiveness of enforcement against offences relating to illegal parking and traffic obstruction.

- END -

Annex I

Number of Licensed Vehicles and Parking Spaces from 2021 to 2023

| Year [#] | Private Car (including van) | | | Motorcycle | | |
|-------------------|-----------------------------|-----------------------|-------|-----------------|-----------------------|-------|
| | No. of Vehicles | No. of Parking Spaces | Ratio | No. of Vehicles | No. of Parking Spaces | Ratio |
| 2021 | 635 713 | 693 902 | 1.09 | 70 937 | 37 317 | 0.53 |
| 2022 | 626 450 | 702 924 | 1.12 | 74 259 | 38 356 | 0.52 |
| 2023 | 632 174 | 713 240 | 1.13 | 73 480 | 39 864 | 0.54 |

The numbers of parking spaces in the table are calculated as at the end of the respective year.

Annex II

Car Parks under the Management of the Transport Department in the 18 Districts Number of Parking Spaces and their Utilisation Rates from 2021 to 2023

| | District | No. of Parking Spaces | | Average Utilisation Rate (%) | | | | | |
|--------------------|---------------------|-----------------------|-------------|------------------------------|-------------|-------------|-------------|-------------|-------------|
| | | Private Car | Motor cycle | 2021 | | 2022 | | 2023* | |
| | | | | Private Car | Motor cycle | Private Car | Motor cycle | Private Car | Motor cycle |
| Star Ferry | Central and Western | 377 | 37 | 43 | 78 | 45 | 64 | 48 | 61 |
| City Hall | | 170 | 27 | 33 | 73 | 32 | 65 | 38 | 71 |
| Rumsey Street | | 829 | 164 | 42 | 82 | 44 | 77 | 37 | 90 |
| Kennedy Town | | 195 | 37 | 83 | 77 | 82 | 75 | 82 | 79 |
| Tin Hau | Wan Chai | 428 | 75 | 72 | 86 | 71 | 81 | 69 | 78 |
| Shau Kei Wan | Eastern | 385 | 72 | 81 | 85 | 81 | 83 | 78 | 80 |
| Aberdeen | Southern | 293 | 51 | 77 | 74 | 78 | 75 | 74 | 71 |
| Sheung Fung Street | Wong Tai Sin | 267 | 74 | 79 | 79 | 81 | 76 | 81 | 72 |
| Kwai Fong | Kwai Tsing | 521 | 93 | 76 | 82 | 77 | 80 | 78 | 83 |
| Tsuen Wan | Tsuen Wan | 545 | 34 | 81 | 75 | 81 | 72 | 84 | 62 |

* Statistics as at November 2023

Fee-paying public car parks leased out by GPA
Number of Parking Spaces and their Utilisation Rates

| Car Park | District | Number of parking spaces | | Average Utilisation Rate (%) | | |
|--|---------------------|--------------------------|-------------|---------------------------------------|--------------------------|--------------------------|
| | | Private car | Motor cycle | 2021 | 2022 ^(Note 5) | 2023 ^(Note 6) |
| | | | | Private car | Private car | Private car |
| Queensway Government Offices | Central and Western | 155 | 21 | Information not available (Note 4) | 12.6% | 10.7% |
| Wanchai Tower, Immigration Tower and Revenue Tower | Wan Chai | 157 | 10 | | 24.9% | 12.6% |
| North Point Government Offices | Eastern | 95 | 0 | | 41.0% | 35.9% |
| Chai Wan Municipal Services Building ^(Note 1) | | 39 | 6 | | 90.9% | 88.3% |
| Cheung Sha Wan Government Offices ^(Note 2) | Sham Shui Po | 250 | 13 | | 52.3% | 48.6% |
| Tokwawan Market and Government Offices | Kowloon City | 29 | 4 | | 36.8% | 36.1% |
| Trade and Industry Tower ^(Note 3) | | 24 | 0 | | 46.5% | 37.6% |
| West Kowloon Government Offices | Yau Tsim Mong | 50 | 0 | | 38.1% | 38.8% |
| Shun Lee Disciplined Services Quarters ^(Note 1) | Kwun Tong | 89 | 16 | | 54.8% | 93.6% |
| Sai Kung Government Offices | Sai Kung | 70 | 0 | | 17.8% | 12.1% |
| Sha Tin Government Offices | Sha Tin | 122 | 22 | | 41.8% | 48.2% |
| New Territories (Sha Tin) Forensic Medicine Centre ^(Note 1) (Note 3) | | 50 | 0 | | - | 12.8% |
| Tai Po Government Offices | Tai Po | 69 | 4 | | 59.3% | 63.2% |
| Tuen Mun Government Offices | Tuen Mun | 42 | 0 | | 22.8% | 23.9% |
| Yuen Long District Office Building | Yuen Long | 43 | 0 | | 46.9% | 46.5% |
| North District Government Offices | North | 96 | 0 | | 26.2% | 35.9% |
| Heung Yuen Wai Boundary Control Point ^(Note 1) (Note 3) | | 415 | 36 | | - | 44.5% |
| Hong Kong – Zhuhai – Macao Bridge Hong Kong Port ^(Note 1) | Islands | 673 | 25 | | 0.5% | 25.6% |

Notes :

- (1) Except Chai Wan Municipal Services Building, Shun Lee Disciplined Services Quarters, New Territories (Sha Tin) Forensic Medicine Centre, Heung Yuen Wai Boundary Control Point and Hong Kong – Zhuhai – Macao Bridge Hong Kong Port, the properties in the table above are Joint-User General Office Buildings. These five car parks mentioned above are all-day fee-paying public car parks.
- (2) A portion of the fee-paying public car park in the building provides 24-hour parking spaces. The remaining parking spaces are for user departments of the Joint-User General Office Buildings and are open for public use during non-office hours only.
- (3) The fee-paying public car park at Trade and Industry Tower has ceased operation from 10 October 2023 till now. The fee-paying public car parks at New Territories (Sha Tin) Forensic Medicine Centre and Heung Yuen Wai Boundary Control Point have commenced operation on 1 February 2023 and 17 February 2023 respectively.
- (4) The relevant figures for utilization rate of the car parks in 2021 were not provided by the contractors.
- (5) The average utilisation rates of the fee-paying public car parks during the operating hours for the period from April 2022 to December 2022 are provided by the contractors.
- (6) The average utilisation rates of the fee-paying public car parks during the operating hours for the period from January 2023 to November 2023 are provided by the contractors.

Annex III

Number of Metered Parking Spaces in the 18 Districts and their Utilisation Rates from 2021 to 2023 (Note)

| District/ Year | 2021 | | | 2022 | | | 2023 | | |
|---------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | No. of parking spaces | Average utilisation rate | | No. of parking spaces | Average utilisation rate | | No. of parking spaces | Average utilisation rate | |
| | | Week days | Weekends and holidays | | Week days | Weekends and holidays | | Week days | Weekends and holidays |
| Central & Western | 612 | 88.2% | 82.4% | 612 | 90.5% | 82.2% | 599 | 90.3% | 80.9% |
| Eastern | 530 | 94.2% | 95.2% | 567 | 90.1% | 84.0% | 579 | 90.9% | 83.2% |
| Southern | 684 | 75.0% | 83.6% | 687 | 61.1% | 69.8% | 687 | 61.6% | 70.2% |
| Wan Chai | 983 | 91.8% | 92.5% | 985 | 92.1% | 91.6% | 1 019 | 91.3% | 90.6% |
| Hong Kong Island (Sub-total) | 2 809 | 88.8% | 89.3% | 2 851 | 89.6% | 86.9% | 2 884 | 84.2% | 82.3% |
| Kowloon City | 2 530 | 92.1% | 94.3% | 2 534 | 95.2% | 95.4% | 2 564 | 95.2% | 95.1% |
| Kwun Tong | 508 | 92.9% | 95.1% | 558 | 93.5% | 92.5% | 575 | 93.2% | 94.5% |
| Sham Shui Po | 1 313 | 95.7% | 94.0% | 1 324 | 96.4% | 91.5% | 1 347 | 96.1% | 91.2% |
| Wong Tai Sin | 401 | 93.6% | 96.6% | 401 | 91.7% | 92.4% | 403 | 91.3% | 90.9% |
| Yau Tsim Mong | 1 938 | 94.8% | 95.7% | 1 976 | 93.1% | 91.6% | 1 982 | 93.2% | 92.2% |
| Kowloon (Sub-total) | 6 690 | 93.2% | 95.0% | 6 793 | 94.0% | 92.7% | 6 871 | 94.5% | 93.2% |
| Islands | 192 | 71.8% | 75.5% | 177 | 72.0% | 77.1% | 175 | 68.1% | 75.8% |
| Kwai Tsing | 506 | 94.5% | 93.5% | 503 | 92.7% | 90.6% | 516 | 92.4% | 92.2% |
| North | 1 040 | 90.3% | 93.7% | 1 041 | 91.4% | 90.3% | 1 069 | 88.4% | 90.4% |
| Sai Kung | 1 261 | 72.1% | 77.2% | 1 623 | 75.1% | 77.7% | 1 863 | 73.7% | 75.5% |
| Sha Tin | 1 622 | 88.8% | 92.3% | 1 684 | 88.2% | 91.7% | 1 699 | 87.3% | 91.5% |

| District/ Year | 2021 | | | 2022 | | | 2023 | | |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | No. of parking spaces | Average utilisation rate | | No. of parking spaces | Average utilisation rate | | No. of parking spaces | Average utilisation rate | |
| | | Week days | Weekends and holidays | | Week days | Weekends and holidays | | Week days | Weekends and holidays |
| Tai Po | 1 423 | 88.6% | 91.8% | 1 600 | 89.5% | 91.3% | 1 599 | 88.3% | 91.9% |
| Tsuen Wan | 644 | 85.8% | 92.1% | 656 | 88.5% | 91.1% | 669 | 88.1% | 92.0% |
| Tuen Mun | 1 191 | 88.6% | 93.9% | 1 266 | 89.0% | 94.4% | 1 269 | 88.0% | 92.2% |
| Yuen Long | 977 | 90.8% | 92.7% | 1 072 | 90.8% | 91.4% | 1 182 | 88.4% | 90.1% |
| New Territories (Sub-total) | 8 856 | 88.8% | 90.2% | 9 622 | 84.8% | 90.1% | 10 041 | 84.9% | 87.8% |
| Total | 18 355 | 90.3 % | 91.4% | 19 266 | 90.5 % | 91.9% | 19 796 | 88.2 % | 88.8% |

Note: The numbers of parking spaces are calculated as at the end of the respective year.
The above figures cover all metered parking spaces and there is no breakdown for individual vehicle types.

Annex IV

Number of On-street Motorcycle Parking Spaces in the 18 Districts and their Utilisation Rates from 2021 to 2023

| District | As at | On-street Motorcycle Parking Spaces | |
|---------------------|-------|-------------------------------------|----------------------------|
| | | No. of Parking Spaces | Utilisation Rate (note) |
| Central and Western | 2023 | 651 | 100% |
| | 2022 | 618 | 100% |
| | 2021 | 609 | 96% |
| Wan Chai | 2023 | 761 | 100% |
| | 2022 | 711 | 100% |
| | 2021 | 684 | 90% |
| Eastern | 2023 | 818 | 100% |
| | 2022 | 777 | 100% |
| | 2021 | 776 | 98% |
| Southern | 2023 | 447 | 100% |
| | 2022 | 447 | 100% |
| | 2021 | 434 | 77% |
| Yau Tsim Mong | 2023 | 1 309 | 100% |
| | 2022 | 1 299 | 100% |
| | 2021 | 1 306 | 96% |
| Sham Shui Po | 2023 | 876 | 100% |
| | 2022 | 861 | 100% |
| | 2021 | 787 | 100% |
| Kowloon City | 2023 | 991 | 100% |
| | 2022 | 965 | 100% |
| | 2021 | 921 | 100% |
| Wong Tai Sin | 2023 | 519 | 100% |
| | 2022 | 475 | 100% |
| | 2021 | 440 | 100% |
| Kwun Tong | 2023 | 834 | 100% |
| | 2022 | 795 | 100% |
| | 2021 | 771 | 96% |
| Tsuen Wan | 2023 | 629 | 100% |
| | 2022 | 623 | 100% |

| District | As at | On-street Motorcycle Parking Spaces | |
|--|-------------|-------------------------------------|----------------------------|
| | | No. of Parking Spaces | Utilisation Rate (note) |
| | 2021 | 595 | 100% |
| Tuen Mun | 2023 | 886 | 100% |
| | 2022 | 886 | 100% |
| | 2021 | 849 | 87% |
| Yuen Long | 2023 | 626 | 100% |
| | 2022 | 617 | 100% |
| | 2021 | 681 | 91% |
| North | 2023 | 424 | 100% |
| | 2022 | 424 | 99% |
| | 2021 | 426 | 82% |
| Tai Po | 2023 | 270 | 100% |
| | 2022 | 266 | 94% |
| | 2021 | 218 | 84% |
| Sai Kung | 2023 | 481 | 100% |
| | 2022 | 479 | 100% |
| | 2021 | 439 | 100% |
| Sha Tin | 2023 | 514 | 100% |
| | 2022 | 506 | 100% |
| | 2021 | 506 | 100% |
| Kwai Tsing | 2023 | 726 | 100% |
| | 2022 | 721 | 100% |
| | 2021 | 694 | 100% |
| Islands | 2023 | 205 | 50% |
| | 2022 | 152 | 92% |
| | 2021 | 175 | 99% |
| Total/ Average Utilisation Rate | 2023 | 11 967 | 99% |
| | 2022 | 11 622 | 100% |
| | 2021 | 11 311 | 95% |

Note: The utilisation rates were derived from sampling during parking surveys conducted between 10 a.m. and 6 p.m. on one of the days in February 2021, November 2022 and March 2023.

Annex V**Number of Fixed Penalty Notices Issued for Illegal Parking
from 2021 to 2023**

| Police Region | 2021 | 2022 | 2023 |
|-----------------------|------------------|------------------|------------------|
| Hong Kong Island | 688 592 | 624 000 | 523 167 |
| East Kowloon | 570 466 | 555 417 | 443 038 |
| West Kowloon | 862 992 | 1 011 084 | 960 276 |
| New Territories South | 584 706 | 570 895 | 471 527 |
| New Territories North | 595 404 | 602 075 | 615 011 |
| Total | 3 302 160 | 3 363 471 | 3 013 019 |

LEGCO QUESTION NO. 4

(Written Reply)

Asked by: Hon CHAN Yung

Date of meeting: 28 February 2024

Replied by: Secretary for Environment
and Ecology

Reply

President,

The policy of the Government is to promote waste reduction and recycling in the most cost-effective way, thereby alleviating the burden on landfills and promoting the development of circular economy. According to market principles, the recycling trade has been proactively collecting and recycling recyclables with stable market value (such as metals). The priority of Government's measures will be accorded to the treatment of two types of wastes, including (a) wastes of relatively large quantities but with low recycling value and high recycling costs (such as waste plastics and food waste), and (b) wastes containing hazardous substances, posing hazards to the environment and human health (such as waste electrical and electronic equipment). When considering options for specific measures, we will, at the same time, also consider converting waste into energy, instead of remanufacturing, to enhance the cost-effectiveness of recycling.

Among the municipal solid waste (MSW) generated in Hong Kong, food waste, waste plastics and waste paper account for over 70 per cent of the total quantity, while waste textiles account for about 3 per cent. Based on the above policy principle, the Environmental Protection Department (EPD) provides central collection services for waste plastics, waste paper, waste glass containers and food waste. In addition, GREEN@COMMUNITY, the community recycling network under the EPD, collects nine common types of recyclables which are more difficult to reuse, including plastics, waste paper, metals, glass containers, small electrical appliances, regulated electrical equipment, fluorescent lamps / tubes, rechargeable batteries and beverage cartons, and delivers them to downstream recyclers for proper treatment, export or local recycling.

For waste textiles, there are various non-profit making organisations, social enterprises and commercial organisations in the community collecting waste textiles for resale or export. The Home Affairs Department (HAD) has launched

the Community Used Clothes Recycling Bank Scheme (the Scheme) since 2006. The participating non-governmental organisations operate the Community Used Clothes Recycling Banks to collect used clothes donated by the public regularly. At present, the four Scheme Managers of the Scheme are Friends of the Earth (Hong Kong), Christian Action, the Salvation Army and the Conservancy Association. A total of 187 Community Used Clothes Recycling Banks are placed at appropriate locations in all districts across the territory. All of the used clothes collected and the revenue generated from their sale have to be used for charitable purposes.

In consultation with the HAD, the reply to the question raised by the Hon CHAN Yung is as follows:

(1) and (2)

The four Scheme Managers of the Scheme (namely Friends of the Earth (Hong Kong), Christian Action, the Salvation Army and the Conservancy Association) operate and manage the Community Used Clothes Recycling Banks at designated districts respectively. In the past three years, the quantities of used clothes collected in the different districts by the Scheme Managers are tabulated below:

| Scheme Manager | District | Quantity of used clothes collected (in tonnes) | | |
|----------------------------------|--|---|--------|--------|
| | | 2021 | 2022 | 2023 |
| Friends of the Earth (Hong Kong) | Central & Western Eastern Wan Chai Southern Islands | 246.96 | 237.13 | 292.89 |
| Christian Action | Sham Shui Po Kwun Tong Kowloon City Yau Tsim Mong Wong Tai Sin | 283.77 | 234.88 | 267.88 |
| The Salvation Army | Tsuen Wan Kwai Tsing Yuen Long Tuen Mun | 60.84 | 64.25 | 65.05 |

| | | | | |
|-----------------------------|--|---------------|---------------|---------------|
| The Conservancy Association | Sai Kung North Tai Po Sha Tin | 54.08 | 60 | 85.83 |
| | Quantity per year (in tonnes) | 645.65 | 596.26 | 711.66 |

According to the waste statistics compiled by the EPD, the recycling rate of waste textiles collected by different non-profit making organisations, social enterprises, commercial organisations and the Scheme has increased from about 4 per cent in 2018 to nearly 11 per cent in 2022. The total quantity of waste textiles recycled in 2022 was about 17 000 tonnes, among which the used clothes collected by the Scheme accounted for about 3 per cent.

(3), (4) and (5)

Given the wide variety of clothing materials, recycling used clothing involves technical and cost-effectiveness issues at present. Therefore, there are organisations in the community providing different kinds of clothing recycling services, including consignment service in second-hand clothing stores, online auctions and bartering, etc. In recent years, there are also some large-scale fashion stores offering shopping discounts for used clothes recycling, and reprocessing the collected used clothes into fabrics or other products. We do not collect the data from these organisations or enterprises, and do not set any recycling target for used clothes.

The Government has all along been promoting the environmentally friendly culture of “Use Less, Waste Less” and enabling green living to take root in the community. Before disposing of those relatively durable items or items with reusable value, such as clothing, we encourage the public to consider how to better utilise them first, such as reusing these items through “swapping”, resale or donation to charitable organisations, etc. The Recycling Stations of GREEN@COMMUNITY organise different types of environmental education activities from time to time, such as organising workshops to teach the public how to properly use or upcycle waste items, including clothing, and arranging “swapping” events, etc. In addition, the EPD makes use of the GREEN\$ mobile app and the Waste Reduction Website (www.wastereduction.gov.hk) to provide the public with the locations of the used clothes recycling points managed by the Scheme and other organisations.

For the time being, reuse of used clothes, such as allowing non-profit making organisations participating in the Scheme to donate them to people / organisations

in need, or making use of the revenue generated from the sale of used clothes for charitable purposes, is the most cost-effective way of handling. With the development of recycling technologies, there may be other cost-effective ways to recycle used clothes in the future.

(6)

To facilitate and encourage the public to donate used clothes, the HAD disseminates information relating to the Scheme, including the locations of the Community Used Clothes Recycling Banks and details of the Scheme Managers, etc. on its website (https://www.had.gov.hk/en/public_services/community_used_clothes_recycling_bank_scheme/). The HAD will closely monitor the development of relevant technologies, including the application of smart recycling devices, with a view to providing the public with a more convenient service to recycle used clothes.

- End -

LEGCO QUESTION No. 5

(Written Reply)

Asked by: Dr Hon NGAN Man-yu

Date of Meeting: 28 February 2024

Replied by: Secretary for Culture,
Sports and Tourism

Reply:

President,

The reply to the question raised by Dr Hon NGAN Man-yu is as follows:

- (1) The Leisure and Cultural Services Department (LCSD) operates 12 mobile libraries, with a total of 112 service stops, providing services for the public across districts in Hong Kong. In the past three years, the total numbers of loans and returns of library materials processed by the above mobile libraries were 812 664 and 941 530 respectively. The respective numbers of loans and returns of each of the mobile libraries during the period, broken down by District Council districts, are tabulated at **Annex**.

Currently, the LCSD provides one self-service library station (library station) each on Hong Kong Island, in Kowloon and in the New Territories respectively at convenient locations with heavier pedestrian flow but far away from existing libraries, rendering round-the-clock services such as borrowing, returning, payment and pickup of reserved library materials. The numbers of loans, returns and pickups of reserved materials of the three library stations in the past three years are tabulated below:

| Item | Number of Loans | | | Number of Returns | | | Number of Pickups of Reserved Materials | | |
|--|-----------------|--------|-------|-------------------|--------|--------|---|-------|-------|
| Year | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| Library Station on Hong Kong Island ^{Note} (Eastern District) | 13 829 | 16 382 | 8 454 | 40 198 | 39 570 | 38 361 | 5 168 | 5 978 | 3 151 |

| Item | Number of Loans | | | Number of Returns | | | Number of Pickups of Reserved Materials | | |
|---|-----------------|--------|--------|-------------------|--------|--------|---|-------|-------|
| | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| Library Station in Kowloon (Yau Tsim Mong District) | 10 643 | 11 336 | 4 539 | 11 190 | 12 586 | 7 190 | 3 034 | 4 305 | 1 490 |
| Library Station in the New Territories (Sha Tin District) | 15 897 | 18 305 | 10 204 | 66 157 | 68 407 | 78 033 | 5 876 | 7 281 | 6 309 |

Note: Since October 2023, the services provided by the library station on Hong Kong Island have been suspended for refurbishment works and installation of new equipment employing radio frequency identification (RFID) technology. During the service suspension, only returning services are provided.

- (2) All libraries under the Hong Kong Public Libraries (HKPL) are interconnected by an integrated automated library system. The total operating expenditures for providing library services were \$1.25 billion, \$1.328 billion and \$1.336 billion in 2020-21, 2021-22 and 2022-23 respectively, covering staff cost and the costs of library materials, replacement of furniture and equipment, public utilities, system maintenance, store items etc., as well as rental for libraries at leased premises, hiring of contracted services and other operational expenses. Since many functions are co-ordinated centrally, a breakdown on the recurrent operating expenditures incurred by individual libraries (including mobile libraries and library stations) is not available.
- (3) Library stations and mobile libraries enhance the library network by providing complementary services for the public in different modes. Library stations render round-the-clock library services at fixed locations, while mobile libraries provide the public with convenient library services by setting up service stops at different locations across the territory. The LCSD reviews the utilisation of mobile libraries from time to time and collects views from the public on mobile library services through different channels, such as regularly holding Reader Liaison Group gatherings and maintaining close communication with District Councils. Since the commencement of operation of library stations, the LCSD has been collecting usage data for analysing the utilisation of various library

stations and has conducted opinion surveys on services of the library stations. Generally speaking, the services provided by mobile libraries and library stations have been well-received by the public.

To enhance the overall library services, the LCSD is now developing a “Smart Library System” (SLS), which will include a full application of the radio frequency identification (RFID) technology to enable the development of more diversified and user-friendly self-service facilities. The LCSD will carry out refurbishment works in phases for the three library stations by installing new facilities such as book dispensers, book drops and multi-functional kiosks to replace the existing ones, thereby dovetailing with development of the new SLS and enhancing various facilities of the library stations. Such projects are anticipated to be completed within 2024, subsequent to which the LCSD will explore the feasibility of further delivering the services of library stations in due course.

- (4) The LCSD currently operates a total of 71 static libraries and 12 mobile libraries, providing diversified library services for the public. To meet the public’s aspiration for extending library service hours, the Government has allocated additional resources to extend the opening hours of the Hong Kong Central Library (HKCL) as well as major and district libraries. The HKCL now opens seven days a week, with its service hours extended to 9 pm daily and to 7 pm on public holidays. All 38 major and district libraries also open seven days a week, with their opening hours extended to 8 pm on weekdays and Saturdays, and to 5 pm on Sundays and public holidays. Meanwhile, the opening hours of students’ study rooms of libraries now run until 10 pm from Mondays to Fridays, and until 8 pm and 5 pm on Saturdays and Sundays respectively.

Given the substantial resources and manpower required for the current mode of library operation, any further extension of library opening hours would not be possible without a significant increase in operating expenditure and staffing. In view of the above, the LCSD must be prudent in weighing a host of factors, including the additional manpower, long-term financial expenditure required, the public’s library usage needs and patterns, resource allocation and cost-effectiveness etc., when determining or adjusting the opening hours of public libraries. On the whole, the existing opening hour arrangements of the HKPL can cater to the needs of the majority of the public.

The LCSD has been exploring measures to extend library service hours in a more cost-effective and sustainable manner. These include the provision of three library stations in phases from 2017, one each on Hong Kong Island, in Kowloon and in the New Territories at convenient locations with heavier pedestrian flow but far away from existing libraries, for round-the-clock services such as borrowing, returning, payment and pickup of reserved library materials; and the launch of the “Joyful Reading at Your Neighbourhood: Library-on-Wheels” Pilot Project in 2020, where the Library-on-Wheels, specially converted small trucks, visit communities at different timeslots including Saturdays, Sundays and public holidays to provide self-borrowing and returning service, offer readers an e-reading experience, and hold reading promotion activities. Given the public’s changing mode of reading, the HKPL also sustains its efforts to enhance online electronic resources, with a view to enabling readers to read e-books and access e-databases, digital collection and online library services without time and physical constraints.

In addition, as mentioned in the reply to part (3) above, the LCSD is proactively developing the SLS. In addition to providing self-charging terminals and book drops employing the new-generation RFID technology, the new system will enable installation of smart book drops and lockers outside some of the libraries so that patrons can return borrowed materials and pick up their reserved materials in a self-service manner beyond library opening hours.

The numbers of loans and returns of mobile libraries in 2021 (Note 1)

| Mobile Library / District | | Mobile Library 1 | | Mobile Library 2 | | Mobile Library 3 | | Mobile Library 4 | | Mobile Library 5 | | Mobile Library 6 | | Mobile Library 7 | | Mobile Library 8 | | Mobile Library 9 | | Mobile Library 10 | | Mobile Library 11 | | Mobile Library 12 | | Total | |
|---------------------------------|---------------------|--|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|--------------|----------------|
| | | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns |
| | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | |
| Hong Kong Island | Central and Western | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1 449 | 1 517 | -- | -- | -- | -- | -- | -- | 1 449 | 1 517 |
| | Eastern | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 5 116 | 6 499 | -- | -- | -- | -- | 22 528 | 24 817 | -- | -- | -- | -- | -- | -- | 27 644 | 31 316 |
| | Southern | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3 036 | 3 527 | -- | -- | -- | -- | 12 712 | 16 853 | -- | -- | -- | -- | -- | -- | 15 748 | 20 380 |
| | Wan Chai | There are no service stops for mobile libraries (Note 3) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Kowloon | Kowloon City | 18 730 | 19 798 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 8 707 | 8 810 | -- | -- | -- | -- | -- | -- | -- | -- | 27 437 | 28 608 |
| | Kwun Tong | 4 509 | 5 343 | 2 610 | 2 920 | -- | -- | -- | -- | -- | -- | -- | -- | 12 062 | 16 100 | 24 173 | 33 286 | -- | -- | -- | -- | -- | -- | -- | -- | 43 354 | 57 649 |
| | Sham Shui Po | -- | -- | 1 223 | 1 035 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 917 | 966 | -- | -- | 2 649 | 3 148 | -- | -- | 4 842 | 4 802 | 9 631 | 9 951 |
| | Wong Tai Sin | 4 478 | 4 163 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 5 824 | 5 104 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 10 302 | 9 267 |
| | Yau Tsim Mong | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 11 268 | 14 225 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 11 268 | 14 225 |
| New Territories | Islands | -- | -- | -- | -- | -- | -- | 19 534 | 18 253 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 19 534 | 18 253 |
| | Kwai Tsing | 1 570 | 1 195 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3 411 | 3 260 | 7 123 | 7 615 | 2 273 | 2 680 | 14 377 | 14 750 |
| | North | -- | -- | 23 | 16 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 562 | 588 | -- | -- | 3 564 | 3 937 | 4 149 | 4 541 | |
| | Sai Kung | -- | -- | 2 851 | 3 909 | -- | -- | -- | -- | 1 337 | 1 482 | 2 496 | 2 946 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 6 684 | 8 337 |
| | Sha Tin | -- | -- | 4 135 | 3 835 | -- | -- | -- | -- | 6 206 | 6 725 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4 486 | 4 575 | -- | -- | 14 827 | 15 135 |
| | Tai Po | -- | -- | -- | -- | -- | -- | -- | -- | 2 475 | 2 085 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1 765 | 1 687 | 581 | 710 | 4 821 | 4 482 |
| | Tsuen Wan | 19 477 | 21 562 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 6 778 | 7 475 | 26 255 | 29 037 |
| | Tuen Mun | -- | -- | -- | -- | 11 042 | 12 988 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2 697 | 2 917 | 727 | 677 | -- | -- | 14 466 | 16 582 | |
| | Yuen Long | -- | -- | -- | -- | 5 315 | 6745 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4 740 | 5 663 | 2 852 | 3 126 | -- | -- | 12 907 | 15 534 | |
| Total | | 48 764 | 52 061 | 10 842 | 11 715 | 16 357 | 19 733 | 19 534 | 18 253 | 10 018 | 10 292 | 10 648 | 12 972 | 29 154 | 35 429 | 33 797 | 43 062 | 36 689 | 43 187 | 14 059 | 15 576 | 16 953 | 17 680 | 18 038 | 19 604 | 264 853 | 299 564 |

Notes: 1. In line with the Government's surveillance of the COVID-19 epidemic and the implementation of infection control measures, the mobile libraries were temporarily closed during 2021 and 2022 intermittently.

2. The number of pickups of reserved library materials has been included in the number of loans. As the computer system provides no separate breakdown of reserved materials picked up at libraries (static/mobile), such information is not available.

3. A central library, a district library and a small library are provided in the district.

The numbers of loans and returns of mobile libraries in 2022 (Note 1)

| Mobile Library / District | | Mobile Library 1 | | Mobile Library 2 | | Mobile Library 3 | | Mobile Library 4 | | Mobile Library 5 | | Mobile Library 6 | | Mobile Library 7 | | Mobile Library 8 | | Mobile Library 9 | | Mobile Library 10 | | Mobile Library 11 | | Mobile Library 12 | | Total | |
|---------------------------|---------------------|--|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|--------------|----------------|
| | | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns |
| | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | | (Note 2) | |
| Hong Kong Island | Central and Western | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1 967 | 1 793 | -- | -- | -- | -- | -- | -- | 1 967 | 1 793 |
| | Eastern | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 5 129 | 7 063 | -- | -- | -- | -- | 22 758 | 24 126 | -- | -- | -- | -- | -- | -- | 27 887 | 31 189 |
| | Southern | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2 916 | 3 046 | -- | -- | -- | -- | 13 085 | 17 699 | -- | -- | -- | -- | -- | -- | 16 001 | 20 745 |
| | Wan Chai | There are no service stops for mobile libraries (Note 3) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Kowloon | Kowloon City | 13 587 | 16 358 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 10 714 | 11 455 | -- | -- | -- | -- | -- | -- | -- | -- | 24 301 | 27 813 |
| | Kwun Tong | 2 459 | 2 999 | 2 166 | 3 003 | -- | -- | -- | -- | -- | -- | -- | -- | 11 636 | 14 724 | 23 051 | 30 687 | -- | -- | -- | -- | -- | -- | -- | -- | 39 312 | 51 413 |
| | Sham Shui Po | -- | -- | 1 165 | 1 249 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 983 | 996 | -- | -- | 2 219 | 2 996 | -- | -- | 3 448 | 3 152 | 7 815 | 8 393 |
| | Wong Tai Sin | 3 558 | 3 836 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 5 727 | 5 002 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 9 285 | 8 838 |
| | Yau Tsim Mong | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 10 132 | 13 634 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 10 132 | 13 634 |
| New Territories | Islands | -- | -- | -- | -- | -- | -- | 14 617 | 13 521 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 14 617 | 13 521 |
| | Kwai Tsing | 1 293 | 1 514 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3 287 | 3 522 | 4 321 | 4 569 | 1 266 | 1 625 | 10 167 | 11 230 |
| | North | -- | -- | 0 | 5 | -- | -- | -- | -- | 16 | 40 | -- | -- | -- | -- | -- | -- | -- | -- | 387 | 424 | -- | -- | 2 055 | 2 165 | 2 458 | 2 634 |
| | Sai Kung | -- | -- | 3 467 | 5 031 | -- | -- | -- | -- | 2 472 | 2 135 | 2 111 | 2 530 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 8 050 | 9 696 |
| | Sha Tin | -- | -- | 4 729 | 4 627 | -- | -- | -- | -- | 5 772 | 5 107 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3 739 | 4 005 | -- | -- | 14 240 | 13 739 |
| | Tai Po | -- | -- | -- | -- | -- | -- | -- | -- | 3 100 | 2 815 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1 363 | 1 430 | 403 | 338 | 4 866 | 4 583 |
| | Tsuen Wan | 16 422 | 18 805 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4 642 | 5 023 | 21 064 | 23 828 |
| | Tuen Mun | -- | -- | -- | -- | 9 186 | 11 388 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3 419 | 3 803 | 408 | 370 | -- | -- | 13 013 | 15 561 |
| | Yuen Long | -- | -- | -- | -- | 4 253 | 5 602 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4 352 | 4 964 | 1 403 | 1 498 | -- | -- | 10 008 | 12 064 |
| Total | | 37 319 | 43 512 | 11 527 | 13 915 | 13 439 | 16 990 | 14 617 | 13 521 | 11 360 | 10 097 | 10 156 | 12 639 | 27 495 | 33 360 | 34 748 | 43 138 | 37 810 | 43 618 | 13 664 | 15 709 | 11 234 | 11 872 | 11 814 | 12 303 | 235 183 | 270 674 |

Notes: 1. In line with the Government's surveillance of the COVID-19 epidemic and the implementation of infection control measures, the mobile libraries were temporarily closed during 2021 and 2022 intermittently.

2. The number of pickups of reserved library materials has been included in the number of loans. As the computer system provides no separate breakdown of reserved materials picked up at libraries (static/mobile), such information is not available.

3. A central library, a district library and a small library are provided in the district.

The numbers of loans and returns of mobile libraries in 2023

| Mobile Library / District | | Mobile Library 1 | | Mobile Library 2 | | Mobile Library 3 | | Mobile Library 4 | | Mobile Library 5 | | Mobile Library 6 | | Mobile Library 7 | | Mobile Library 8 | | Mobile Library 9 | | Mobile Library 10 | | Mobile Library 11 | | Mobile Library 12 | | Total | | |
|---------------------------------|---------------------|--|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|--------------|----------------|---------|
| | | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | No. of Loans | No. of Returns | |
| | | (Note 1) | | (Note 1) | | (Note 1) | | (Note 1) | | (Note 1) | | (Note 1) | | (Note 1) | | (Note 1) | | (Note 1) | | (Note 1) | | (Note 1) | | (Note 1) | | (Note 1) | | |
| Hong Kong Island | Central and Western | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4 154 | 4 016 | -- | -- | -- | -- | -- | -- | -- | 4 154 | 4 016 |
| | Eastern | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 8 629 | 10 674 | -- | -- | -- | -- | 33 034 | 36 242 | -- | -- | -- | -- | -- | -- | -- | 41 663 | 46 916 |
| | Southern | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4 121 | 4 739 | -- | -- | -- | -- | 18 271 | 24 209 | -- | -- | -- | -- | -- | -- | -- | 22 392 | 28 948 |
| | Wan Chai | There are no service stops for mobile libraries (Note 2) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Kowloon | Kowloon City | 17 280 | 21 765 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 14 510 | 16 098 | -- | -- | -- | -- | -- | -- | -- | -- | -- | 31 790 | 37 863 |
| | Kwun Tong | 3 845 | 5 149 | 1 981 | 2 733 | -- | -- | -- | -- | -- | -- | -- | -- | 16 404 | 21 550 | 33 995 | 45 679 | -- | -- | -- | -- | -- | -- | -- | -- | -- | 56 225 | 75 111 |
| | Sham Shui Po | -- | -- | 1 089 | 1 044 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1 869 | 1 895 | -- | -- | 1 464 | 2 162 | -- | -- | 1 975 | 2 254 | -- | 6 397 | 7 355 |
| | Wong Tai Sin | 3 768 | 4 372 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 8 058 | 7 593 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 11 826 | 11 965 |
| | Yau Tsim Mong | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 11 363 | 16 594 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 11 363 | 16 594 |
| New Territories | Islands | -- | -- | -- | -- | -- | -- | 21 704 | 20 586 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 21 704 | 20 586 |
| | Kwai Tsing | 1 336 | 1 651 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4 632 | 4 981 | 5 578 | 5 913 | 1 270 | 1 268 | -- | 12 816 | 13 813 |
| | North | -- | -- | -- | -- | -- | -- | -- | -- | 20 | 19 | -- | -- | -- | -- | -- | -- | -- | -- | 316 | 466 | -- | -- | 2 460 | 2 312 | -- | 2 796 | 2 797 |
| | Sai Kung | -- | -- | 4 793 | 7 166 | -- | -- | -- | -- | 3 213 | 3 518 | 2 587 | 3 034 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 10 593 | 13 718 |
| | Sha Tin | -- | -- | 4 524 | 4 783 | -- | -- | -- | -- | 7 632 | 8 187 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4 741 | 5 056 | -- | -- | -- | 16 897 | 18 026 |
| | Tai Po | -- | -- | -- | -- | -- | -- | -- | -- | 3 664 | 4 274 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1 555 | 1 675 | 426 | 413 | -- | 5 645 | 6 362 |
| | Tsuen Wan | 21 863 | 25 952 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 5 727 | 5 849 | -- | 27 590 | 31 801 |
| | Tuen Mun | -- | -- | -- | -- | 10 865 | 13 501 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4 849 | 5 592 | 435 | 347 | -- | -- | -- | 16 149 | 19 440 |
| | Yuen Long | -- | -- | -- | -- | 5 249 | 7 468 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 5 858 | 6 841 | 1 521 | 1 672 | -- | -- | -- | 12 628 | 15 981 |
| Total | | 48 092 | 58 889 | 12 387 | 15 726 | 16 114 | 20 969 | 21 704 | 20 586 | 14 529 | 15 998 | 15 337 | 18 447 | 35 825 | 45 737 | 50 374 | 63 672 | 55 459 | 64 467 | 17 119 | 20 042 | 13 830 | 14 663 | 11 858 | 12 096 | -- | 312 628 | 371 292 |

Notes: 1. The number of pickups of reserved library materials has been included in the number of loans. As the computer system provides no separate breakdown of reserved materials picked up at libraries (static/mobile), such information is not available.

2. A central library, a district library and a small library are provided in the district.

LEGCO QUESTION NO. 6

(Written Reply)

Asked by Hon CHAN Chun-ying

Date of meeting : 28 February 2024

Replied by : Secretary for Home and Youth Affairs

Reply

President,

- (1) The Home Affairs Department (HAD) has commissioned non-profit-making organisations to run eight support service centres for ethnic minorities (support service centres) in Wan Chai, Yau Tsim Mong, Sham Shui Po, Kwun Tong, Yuen Long, Tuen Mun, Kwai Tsing and Tung Chung. The support service centres provide language classes, after-school tutorial classes, integration programmes (including interest classes), etc to ethnic minorities to facilitate their integration into the community. Among these centres, the CHEER Centre in Kwun Tong also provides general interpretation and translation services of English and eight ethnic minority languages (i.e. Bahasa Indonesia, Hindi, Nepali, Punjabi, Tagalog, Thai, Urdu and Vietnamese) in non-specialised/non-professional areas.

In the past three project years (2020-21 project year to 2022-23 project year), the eight support service centres provided more than 1 200 language classes and after-school tutorial classes, some 11 000 integration programmes, more than 20 600 times of counselling, guidance and referral services, as well as some 28 000 times of interpretation and translation services, benefitting about 294 400 service recipients. The numbers of programmes and service recipients of the support service centres by service types are set out in Annex.

- (2) The support service centres have all along collected views and feedbacks from service users and other stakeholders through various means, including questionnaires, opinion collection boxes, focus groups, meetings with stakeholders, to ensure that the support service centres can provide services that meet the needs of ethnic minorities.
- (3) According to the 2021 Population Census, the ethnic minority population

in Hong Kong has been increasing over the years. Excluding foreign domestic helpers, there are about 301 000 ethnic minorities, representing an increase of over 50% as compared to the 2011 Population Census. Taking into consideration of the population statistics and views from stakeholders, the two new support service centres will be set up in Kowloon Central (covering Kowloon City and Wong Tai Sin) and New Territories East (covering Sai Kung and Tseung Kwan O). HAD is openly inviting eligible non-profit-making organisations to submit proposals to apply for funding to establish and operate the two new centres. The organisations are required to submit proposals with details including centre area, facilities, services and activity plans based on their experience and understanding of the needs of ethnic minorities for consideration by HAD.

- (4) The service recipients of District Services and Community Care Teams (Care Teams) in 18 districts include ethnic minorities. However, due to language and culture differences with ethnic minorities, HAD will set up one Ethnic Minority Care Team (EM Care Team) mainly constituted by ethnic minorities in each of the support service centres to better serve ethnic minorities. The EM Care Teams are expected to commence their services within this year. The EM Care Teams will collaborate with the District Offices and Care Teams in the 18 districts. When Care Teams encounter difficulties in serving ethnic minorities, they can refer the cases to EM Care Teams for follow-up actions. The EM Care Teams will also provide assistance to affected ethnic minorities in cases of accidents, emergencies or disastrous events.

The support service centres have already established a good network with ethnic minority communities as well as different government departments and organisations, and have ample experience in serving ethnic minorities. Compared with openly inviting applications from other eligible organisations, setting up EM Care Teams in the support service centres can consolidate and make more effective use of existing resources to serve ethnic minorities.

Each EM Care Team shall comply with the guidelines and requirements issued by HAD and are required to submit progress reports to HAD regularly. The annual financial report of the support service centre must be audited by an independent certified public accountant. HAD will closely monitor the operation of the EM Care Teams, including examining the progress reports submitted by the operating organisations, conducting inspection or attending relevant activities/services to evaluate the service effectiveness, and regularly reviewing the work progress and performance with the operating organisations. The relevant arrangements are generally similar to those for the Care Teams.

Annex

Numbers of programmes and service recipients by service types of support service centres for ethnic minorities

(Note: Number of service recipients in brackets)

2020-21 Project Year

| Centre | Reporting period | Language class | After-school tutorial class | Integration programme | Counselling, guidance and referral services | Interpretation and translation services |
|--|--------------------------------------|----------------|-----------------------------|-----------------------|---|---|
| HOPE Centre (Wanchai) | 31 May 2020 to 30 May 2021 | 53 (1 039) | 6 (118) | 356 (5 531) | (120) | N.A. |
| HOME Centre (Yau Tsim Mong) | 11 December 2020 to 10 December 2021 | 28 (403) | 44 (466) | 438 (13 445) | (212) | N.A. |
| HOME Sub-centre (Sham Shui Po) | 11 December 2020 to 10 December 2021 | 16 (184) | 22 (264) | 291 (6 977) | (308) | N.A. |
| CHEER Centre (Kwun Tong) | 5 September 2020 to 4 September 2021 | 42 (420) | 21 (170) | 1 060 (13 920) | (1 367) | (10 090) |
| YLTH Centre (Yuen Long) | 28 June 2020 to 27 June 2021 | 18 (189) | 8 (110) | 815 (11 573) | (441) | N.A. |
| SHINE Centre[#] (Tuen Mun) | 1 August 2020 to 31 July 2021 | 23 (405) | 39 (314) | 845 (10 251) | (7 408) | N.A. |
| LINK Centre (Kwai Tsing) | 30 October 2020 to 29 October 2021 | 18 (254) | 54 (325) | 576 (9 802) | (789) | N.A. |
| TOUCH Sub-centre (Tung Chung) | 21 December 2020 to 20 December 2021 | 9 (102) | 20 (210) | 223 (3 874) | (270) | N.A. |
| Grand Total | | 207 (2 996) | 214 (1 977) | 4 604 (75 373) | (10 915) | (10 090) |

The SHINE Centre ceased operation in August 2021 and was replaced by the ONE Centre.

2021-22 Project Year

| Centre | Reporting period | Language class | After-school tutorial class | Integration programme | Counselling, guidance and referral services | Interpretation and translation services |
|---------------------------------------|--------------------------------------|----------------|-----------------------------|-----------------------|---|---|
| HOPE Centre (Wanchai) | 31 May 2021 to 30 May 2022 | 54 (978) | 6 (116) | 297 (4 940) | (464) | N.A. |
| HOME Centre (Yau Tsim Mong) | 11 December 2021 to 10 December 2022 | 28 (465) | 44 (515) | 355 (11 742) | (351) | N.A. |
| HOME Sub-centre (Sham Shui Po) | 11 December 2021 to 10 December 2022 | 12 (180) | 22 (264) | 281 (5 882) | (455) | N.A. |
| CHEER Centre (Kwun Tong) | 5 September 2021 to 4 September 2022 | 30 (225) | 10 (106) | 375 (11 889) | (541) | (10 030) |
| YLTH Centre (Yuen Long) | 28 June 2021 to 27 June 2022 | 18 (240) | 9 (142) | 638 (15 060) | (741) | N.A. |
| ONE Centre (Tuen Mun) | 1 August 2021 to 31 July 2022 | 30 (436) | 65 (428) | 150 (3 149) | (217) | N.A. |
| LINK Centre (Kwai Tsing) | 30 October 2021 to 29 October 2022 | 19 (266) | 54 (327) | 674 (15 113) | (1 129) | N.A. |
| TOUCH Sub-centre (Tung Chung) | 21 December 2021 to 20 December 2022 | 8 (92) | 20 (215) | 198 (3 452) | (449) | N.A. |
| Grand Total | | 199 (2 882) | 230 (2 113) | 2 968 (71 227) | (4 347) | (10 030) |

2022-23 Project Year

| Centre | Reporting period | Language class | After-school tutorial class | Integration programme | Counselling, guidance and referral services | Interpretation and translation services |
|---------------------------------------|--------------------------------------|----------------|-----------------------------|-----------------------|---|---|
| HOPE Centre (Wanchai) | 31 May 2022 to 30 May 2023 | 40 (602) | 11 (157) | 362 (6 278) | (346) | N.A. |
| HOME Centre (Yau Tsim Mong) | 11 December 2022 to 10 December 2023 | 31 (462) | 43 (589) | 300 (7 949) | (298) | N.A. |
| HOME Sub-centre (Sham Shui Po) | 11 December 2022 to 10 December 2023 | 13 (195) | 25 (302) | 250 (4 898) | (286) | N.A. |
| CHEER Centre (Kwun Tong) | 5 September 2022 to 4 September 2023 | 21 (188) | 17 (148) | 805 (20 422) | (490) | (7 957) |
| YLTH Centre (Yuen Long) | 28 June 2022 to 27 June 2023 | 18 (244) | 14 (206) | 627 (17 603) | (802) | N.A. |
| ONE Centre (Tuen Mun) | 1 August 2022 to 31 July 2023 | 30 (320) | 42 (397) | 290 (11 083) | (265) | N.A. |
| LINK Centre (Kwai Tsing) | 30 October 2022 to 29 October 2023 | 18 (212) | 54 (324) | 603 (12 760) | (1 963) | N.A. |
| TOUCH Sub-centre (Tung Chung) | 21 December 2022 to 20 December 2023 | 8 (95) | 20 (200) | 190 (3 510) | (941) | N.A. |
| Grand Total | | 179 (2 318) | 226 (2 323) | 3 427 (84 503) | (5 391) | (7 957) |

LEGCO QUESTION NO. 7

(Written Reply)

Asked by Hon Tony TSE

Date of meeting : 28 February 2024

Replied by : Secretary for Transport
and Logistics

Reply

President,

Having consulted the Hong Kong Police Force (“HKPF”) and the Transport Department (“TD”) in respect of traffic accidents involving heavy vehicles, my reply to various parts of the question raised by Hon Tony TSE is as follows:

- (1) According to our records, the numbers of fatal and serious traffic accidents¹ involving heavy vehicles (including buses, medium goods vehicles and heavy goods vehicles) from 2014 to 2023, and the associated numbers of people killed and seriously injured, are set out below:

| Year | Numbers of Traffic Accidents | | | Numbers of People Killed and Seriously Injured in Traffic Accidents | | |
|-------|------------------------------|---------|-------|---|-------------------|-------|
| | Fatal | Serious | Total | Killed | Seriously Injured | Total |
| 2014 | 29 | 479 | 508 | 29 | 507 | 536 |
| 2015 | 38 | 500 | 538 | 42 | 600 | 642 |
| 2016 | 31 | 458 | 489 | 32 | 490 | 522 |
| 2017 | 38 | 398 | 436 | 41 | 453 | 494 |
| 2018 | 33 | 361 | 394 | 56 | 434 | 490 |
| 2019 | 39 | 379 | 418 | 45 | 442 | 487 |
| 2020 | 25 | 281 | 306 | 26 | 300 | 326 |
| 2021 | 31 | 253 | 284 | 31 | 265 | 296 |
| 2022 | 24 | 154 | 178 | 25 | 175 | 200 |
| 2023* | 24 | 156 | 180 | 24 | 189 | 213 |

*Provisional figures

¹ Serious traffic accident refers to traffic accident in which one or more persons is injured and detained in hospital for more than twelve hours.

In general, the numbers of fatal and serious accidents involving heavy vehicles, and the associated numbers of people killed and seriously injured have been declining in the past decade. These traffic accidents mainly involved driver contributory factors, including "driving inattentively", "driving too close to vehicle in front", "failing to ensure the safety of passenger", "turning right/left negligently" and "careless lane changing".

The Government attaches great importance to road safety and endeavours to ensure the safety of road users by adopting a multi-pronged strategy. In respect of vehicle construction, we have obtained the support of the Legislative Council Panel on Transport for the legislative proposal on extending the statutory requirements for the mandatory fitting and wearing of seat belts to the rear passenger seats of newly-registered goods vehicles, and all passenger seats of public and private buses; the legislative proposal on requiring the installation of over-height warning system for vehicles with extendable aerial structures, and requiring all newly registered vehicles to be installed with reflecting mirrors up to international standards. The Government is in the process of further consulting the trade on the details of amendments and drafting the law. We expect that the legislative amendment proposal would be submitted to the Legislative Council this year.

In addition, TD will continue working in collaboration with the Road Safety Council and HKPF to raise road users' safety awareness through various publicity and educational campaigns. TD will continue to raise heavy vehicle drivers' awareness of safe driving through distribution of newsletters and leaflets enclosing safe driving tips to the goods vehicle trade, as well as organising safe driving seminars in conjunction with HKPF. TD will also launch the yearly event "Safe Driving and Health Campaign" to encourage commercial vehicle drivers to pay attention to safe driving and personal health through a series of publicity and educational activities and various channels such as radio broadcast, free health check-ups, website and social media.

Road safety is one of HKPF's operational priorities. HKPF adopts a "3E" multi-pronged approach, viz. through road engineering (Engineering), public engagement (Engagement) and proactive enforcement (Enforcement), to enhance road safety.

HKPF, in collaboration with the Highways Department, TD and the Electrical and Mechanical Services Department, provides advice on improving the safety of road projects from time to time. On

enforcement, HKPF takes into account the prevailing annual trend of traffic accidents and draws up the “Selected Traffic Enforcement Priorities”. HKPF will take stringent enforcement actions against offences under the “Selected Traffic Enforcement Priorities” with a view to changing the undesirable behaviour of road users which causes traffic accidents or obstructs traffic.

In addition, HKPF adopts a multi-agency approach to strengthen the publicity on road safety risks, traffic contravention cases in the “Selected Traffic Enforcement Priorities” and the rationale for stringent enforcement actions. HKPF disseminates road safety messages from time to time through different channels, including various HKPF social media platforms.

- (3) Traffic enforcement statistics on speeding involving heavy vehicles (i.e. medium and heavy goods vehicles, buses, etc.) in the past 7 years are as follows:

| Year | Traffic Enforcement Statistics on Speeding involving Heavy Vehicles (i.e. Medium & Heavy Goods Vehicles, Buses, etc.) | | | |
|------|---|---------|--------|--------|
| | Fixed Penalty Notice | Summons | Arrest | Total |
| 2017 | 17 258 | 69 | 1 | 17 328 |
| 2018 | 15 651 | 121 | 2 | 15 774 |
| 2019 | 13 610 | 71 | 0 | 13 681 |
| 2020 | 14 600 | 86 | 1 | 14 687 |
| 2021 | 14 429 | 47 | 1 | 14 477 |
| 2022 | 12 291 | 33 | 2 | 12 326 |
| 2023 | 12 102 | 27 | 0 | 12 129 |

HKPF is committed to combatting speeding offences to ensure the safety of road users. Apart from using fixed speed enforcement cameras for regular traffic enforcement, HKPF also uses mobile devices such as laser guns, mobile radar and in-car video recording systems for ad hoc enforcement operations. This would help keep motorists alert at all times, hence reducing the risk of traffic accidents.

- (4) Under the risk-based principle, the Government prioritised the installation of speed display device on public light buses (“PLBs”) in 2005 to allow passengers to monitor the speed and caution drivers against speeding by minding their driving speed. To further enhance the safety of PLBs, the Government also enacted legislation in 2007 to require every PLB to be fitted with an approved speed display device. The Government had also required the installation of speed limiter

setting at the maximum speed of 80 km/h on newly registered PLBs since 2010. Subsequently, the Government enacted legislation in 2012 to require every PLB to be fitted with an approved speed limiter.

Although there is no international standards on installation of speed limiter for taxis, in order to enhance the safety of taxis, TD has approved taxi models equipped with collision avoidance function at the end of 2022, and is studying the feasibility of equipping taxis with more safety functions.

As for other vehicle classes (including heavy vehicles), TD will continue to pay heed to the development and applicability of international automotive technology, and will conduct study and review of current regulatory requirements in a timely manner.

-End-

LEGCO QUESTION NO. 8

(Written Reply)

Asked by Hon Jeffrey LAM

Date of meeting : 28 February 2024

Replied by : Secretary for Development

Reply

President,

The Government established the central clearing house (CCH) mechanism in 2011 to ensure that vacant school premises (VSPs) would be put into suitable alternative long-term uses. Under this mechanism, if any VSP is confirmed by the Education Bureau (EDB) to be no longer required for school or other educational uses, the Planning Department (PlanD) will conduct reviews to make recommendations on the long-term uses for the concerned sites.

Having consulted EDB and PlanD, my reply is as follows:

- (1) According to the results of the review on VSPs released in 2023, PlanD has reviewed a total of 256 vacant/to-be-vacant school premises. Of these, 47 sites are wholly or mostly on private land, while 209 sites are on government land (or private land to be surrendered to the Government). Of these 209 sites as at December 2023,
 - 55 sites have been/will be put to long-term uses in line with the recommendation under the CCH mechanism, including uses for public housing, community health centres and social welfare facilities, etc.;
 - 103 sites have been put to short-term uses or have their short-term use proposals under processing before implementation of long-term uses recommended under the CCH mechanism. These short-term uses include transitional housing, Light Public Housing (LPH), and various government, institution or community (GIC) uses; and
 - 51 sites are available for applications for short-term community, institutional or non-profit-making uses by the external organisations/groups before implementation of long-term uses.

The districts to which these 209 sites belong and the site areas of the school premises are set out in Annex 1.

- (2) When recommending long-term uses for the VSP sites, PlanD will take into account the planning intention of the Outline Zoning Plans, the land uses and environment in the vicinity of the sites, comments of the relevant policy bureaux and departments, etc.

Among the 256 VSP sites mentioned in the first part of the reply above, 40 will be used for residential use. Of these, 35 sites are readily available for residential development without the need of rezoning. Some sites have even been converted into public housing development and completed already, such as Yue Chun House of Yue Wan Estate in Chai Wan, Fu Fai House of Fu Shan Estate in Wong Tai Sin, Pak Tin Estate Phase 7 in Sham Shui Po, Ching Chun Court in Tsing Yi and Heng King House of Lai King Estate in Kwai Chung. Rezoning of the other five sites will be conducted upon completion of studies. The remaining sites are deemed unsuitable for residential use mainly due to their small size (nearly 80% are less than 3 000 square metres (m²) in area).

- (3) To optimise the use of land resources, individual VSP sites can be put to short-term uses, such as transitional housing, LPH and various GIC uses, before implementation of long-term uses. For example, among the 103 sites as mentioned in the first part of the reply above where the implementation of the long-term uses are pending, six sites in Tsuen Wan, Stanley, Tai Po, Tuen Mun, Yuen Long and North District have been converted into/constructed for transitional housing projects, while the proposed LPH projects for five sites in Wong Tai Sin, Kwun Tong and Sheung Shui are also under processing.

Furthermore, the Government launched a \$1 billion funding scheme in 2019 to subsidise non-government organisations in carrying out restoration works on vacant government sites (including VSPs on government land) for short-term community, institutional or non-profit making uses. As at the end of February this year, 13 of the approved projects funded by the scheme involve VSP projects.

- (4) Information as provided by EDB on public sector and direct subsidy scheme schools confirmed to cease operation in the coming five school years (including schools to cease operation after merger), as well as the landowners and their proposed land uses are set out in Annex 2.

Districts and School Site Areas of 209 VSPs on Government Land
(or Private Land to be Surrendered to the Government)
(As at December 2023)

55 VSP sites which have been/will be put to long-term uses

| District | Former School Name |
|---|--|
| School premises with a site area of about 3 000 m² or below | |
| Central and Western | Hong Kong Academy, Kennedy Town |
| Southern | Po Leung Kuk Wai Yin College |
| Wan Chai | Confucian Society Victoria English Primary School |
| Kowloon City | Pui Shing Catholic Secondary School |
| Kowloon City | Hung Hom Government Primary School |
| Sham Shui Po | Sam Shui Natives Association Tong Yun Kai School |
| Sham Shui Po | Society of Boys' Centre - Hui Chung Sing Memorial School |
| Sham Shui Po | Mental Health Association of Hong Kong - Pak Tin Children's Centre |
| Wong Tai Sin | CCC Kei Wa Primary School |
| Yau Tsim Mong | The Church of Christ in China Mongkok Church Kai Oi School |
| Yau Tsim Mong | Canton Road Government Primary School |
| Kwai Tsing | HKCSC Association Cheung Chi Cheong Memorial Primary School |
| Kwai Tsing | Mu Kuang Lai King Primary School |
| Kwai Tsing | Shek Lei Catholic Primary School |
| Kwai Tsing | Father Cucchiara Memorial School |
| Tsuen Wan | Fong Yuen School |
| North | Siu Ying Public School |
| North | Sha Tau Kok Public School |
| North | Bok Man School |
| North | Tsiu Keng Public School |
| North | Luen Wo Market Public School |
| North | Lung Kai Public School |
| Sai Kung | Po Leung Kuk Luk Hing Too Primary School |
| Sha Tin | Tai Wai Public School |
| Sha Tin | Pai Tau School |
| Sha Tin | Po Leung Kuk Siu Hon Sum Primary School |
| Tai Po | NTWJWA Christian Remembrance of Grace Primary School (Ex-Confucian Sam Lok Chow Mud Wai School, Tai Po) |

| | |
|--|--|
| Tai Po | Ex-Tai Po Government Primary School |
| Tai Po | Shu Yan School |
| Tai Po | Wun Yiu Public School |
| Tuen Mun | Buddhist Lau Tin Sang Primary School |
| Yuen Long | Wing Hing School |
| Yuen Long | Shing Tak Primary School |
| Yuen Long | Lau Fau Shan Public Primary School |
| Yuen Long | Ling Man School |
| Yuen Long | Pok Wai Public School |
| School premises with a site area of about 3 000 m² above | |
| Eastern | Ex-TWGHs & LKWFSL Mrs. Fung Yiu Hing Memorial Primary School |
| Southern | Island Road Government Primary School |
| Wong Tai Sin | SKH Kei Sum Primary School |
| Kwai Tsing | HKSYP&IA Chan Lai So Chun Memorial School |
| North | SSSWH Fertilizers & Rice Dealers Association Public School |
| North | Kin Tak Public School |
| Sai Kung | Sai Kung Central Primary School |
| Sha Tin | FDBWA Mrs. Fung Ping Shan Primary School |
| Tai Po | Tai Po Government Secondary School |
| Tai Po | CCC Kei Ching Primary School |
| Tuen Mun | CCC Kei Leung Primary School |
| Tuen Mun | Hong Kong Christian Service Pui Oi School |
| Yuen Long | Ho Ming Primary School (sponsored by Sik Sik Yuen) |
| Yuen Long | Chung Sing School |
| Yuen Long | Kam Chuen School |
| Yuen Long | Yau Kung School |
| Islands | Peng Chau Chi Yan Public School |
| Islands | NTHYK Southern District Secondary School |
| Islands | Buddhist Wai Yan Memorial College |

103 VSP sites which have been put to short-term uses or have their short-term use proposals under processing

| District | Former School Name |
|---|--|
| School premises with a site area of about 3 000 m² or below | |
| Central and Western | Chung Sing Benevolent Society Free School |
| Eastern | North Point Methodist Primary School |
| Eastern | Hong Kong Japanese School |
| Southern | Stanley Kaifong Welfare Advancement Association Primary School |
| Southern | SKH Stanley Village Primary School |

| | |
|---------------|--|
| Wan Chai | Pun U Association Wah Yan Primary School |
| Kwun Tong | Conservative Baptist Lui Ming Choi Primary School |
| Kwun Tong | Sze Shan Public School |
| Kwun Tong | Cha Kwo Ling Kai Fong Welfare Association Primary School & Kindergarten |
| Kwun Tong | Hoi Bun School |
| Kwun Tong | Maryknoll Secondary School |
| Kwun Tong | St. Joseph's Anglo-Chinese School |
| Kwun Tong | Carmel Leung Sing Tak School |
| Kwun Tong | Mission Covenant Church Holm Glad No. 2 Primary School (Ex-Grantham College of Education Past Students' Association Kwun Tong Primary School) |
| Wong Tai Sin | Po Leung Kuk Mrs. Chan Nam Chong Memorial Primary School and Po Leung Kuk Anita L.L. Chan (Centenary) School (Co-located school premises) |
| Wong Tai Sin | Baptist Rainbow Primary School |
| Yau Tsim Mong | Ex-Portuguese Community School |
| Kwai Tsing | Tsing Yi Public School (Cheung Hong) |
| Kwai Tsing | Yeung Ching School |
| Tsuen Wan | Koon Man School |
| Tsuen Wan | Tsuen Wan Lutheran School |
| North | Sam Wo Public School |
| North | Tan Chuk Hang Public School |
| North | Kat O School |
| North | FMO Ap Chau Primary School |
| North | TWGHs Ma Kam Chan Memorial Primary School (Choi Yuen Campus) |
| North | Man Wo Public School |
| North | Tung Hing School |
| North | Wo Him School |
| North | Kong Ling Public School |
| Sai Kung | Man Ching School |
| Sai Kung | Sai Kung Public School |
| Sai Kung | Yuk Yin School |
| Sai Kung | Man Yi Public School |
| Sai Kung | Tsing Boor School |
| Sai Kung | Kwong Pui School |
| Sai Kung | Wan Kwong School |
| Sha Tin | Man Ching Primary School |
| Sha Tin | Ying Yin School |
| Sha Tin | Ex-Free Methodist Mei Lam Primary School |
| Sha Tin | Fo Tan Public School |
| Tai Po | Tai Mei Tuk Public School |
| Tai Po | Luk Heung San Tsuen Public School |

| | |
|--|--|
| Tai Po | Koon Hang Public School |
| Tai Po | Lam Tsuen Public School |
| Tai Po | Ming Lun School |
| Tai Po | Pun Chung Public Primary School |
| Tai Po | Sung Tak School |
| Tai Po | Yat Sun School |
| Tai Po | Tai Wo Public School |
| Tai Po | Lam Tsuen Public School |
| Tai Po | Tai Po Tung Koon School |
| Tai Po | FMO Tai Po Primary School |
| Tai Po | King Lam School |
| Tai Po | Yuk Yin School |
| Tuen Mun | Tai Lam Chung Public School |
| Tuen Mun | Yuk Sue Primary School |
| Tuen Mun | The Salvation Army Sam Shing Chuen Lau Ng Ying School |
| Yuen Long | Yuen Long Small Traders New Village Public School |
| Yuen Long | Sheung Che Public School |
| Yuen Long | Shung Tak Catholic Primary School |
| Yuen Long | Ng Wo Public Primary School |
| Yuen Long | Yuen Kong Public School |
| Yuen Long | Chi Ching School |
| Yuen Long | Chuk Hing Public School |
| Yuen Long | Chick Kwai Public School |
| Yuen Long | Koon Ying School |
| Yuen Long | Sha Kong Public Luen Yick School |
| Yuen Long | Ha Tsuen Heung Pak Nai Public School |
| Yuen Long | Pui Tak School |
| Islands | Tai O Public School |
| Islands | Cheung Sha Public School |
| Islands | Bui O Public School |
| Islands | Shap Long School |
| Islands | Peng Chau Nim Shue Wan Shu Chun Public School |
| Islands | Tung Chung Public School |
| Islands | Peng Chau Vegetable Farmers Guild (Choi Yuen Hong) Public School |
| School premises with a site area of about 3 000 m² above | |
| Tsuen Wan | Kwai Chung Public School |
| Tsuen Wan | Sam Tsuen Public School |
| North | Hang Tau Public School |
| North | Wah Shan Public School |
| North | King Sau School |
| North | Ping Yeung Public School |
| North | Kwu Tung Public Oi Wah School |
| North | Sing Ping School |

| | |
|-----------|--|
| North | Lung Shan School |
| North | Kwan Tei Public School |
| Sha Tin | Sir Ellis Kadoorie Secondary School (Shatin) |
| Tai Po | Tai Po Normal School Memorial School |
| Tai Po | Kai Chi School |
| Tai Po | Ming Tak School |
| Tai Po | Shuen Wan Eu Tong Sen School |
| Tuen Mun | St. Simon's Primary School |
| Tuen Mun | Tuen Mun School |
| Tuen Mun | Castle Peak Buddhist School |
| Tuen Mun | Lam Tei Gospel School |
| Yuen Long | Luen Kwong Public School |
| Yuen Long | Ying Yin Catholic Primary School |
| Yuen Long | Wai Kwan Primary School |
| Yuen Long | Wing On School |
| Yuen Long | Wa Fung School |
| Yuen Long | Tat Tak School |
| Islands | Tung Wan Mok Law Shui Wah School |

51 VSP sites which are available for applications for short-term community, institutional or non-profit making uses by external organisations/groups

| District | Former School Name |
|---|--|
| School premises with a site area of about 3 000 m² or below | |
| Kwun Tong | Hong Kong Taoist Association Wun Tsuen School |
| Kwai Tsing | Cheung Hang Public School |
| North | Sam Shing School |
| North | Kwan Ah School |
| North | Kok Kwan School |
| North | Lo Wu Public School |
| North | Sai Lau Kong FMO School |
| North | Luk Keng Nam Chung Public School |
| Sai Kung | Tai Mong Tsai Yan Yee Road Village School |
| Sai Kung | Nam Sun Public Primary School (Po Toi O) |
| Sai Kung | Sui Ying School |
| Sai Kung | Hon Ying School |
| Sai Kung | Leung Shuen Bay Public School |
| Sai Kung | Lap Tak School (Tseung Kwan O Upper Village) |
| Sai Kung | Clearwater Bay Central Primary School (Sheung Yeung) |
| Sha Tin | Tak Wah School |
| Sha Tin | Lai Man School |
| Sha Tin | Yuk Man School |

| | |
|--|---|
| Sha Tin | Chap Yin School (Kwun Yam Shan Village) |
| Sha Tin | Tin Sam Public School |
| Tai Po | Lin Hoi School |
| Tai Po | Yau Sin School |
| Tai Po | Ko Lau Wan Fishermen's School |
| Tai Po | Man Ming School |
| Tai Po | Shing Ming School |
| Tai Po | FMO Sam Mun Tsai New Village Primary School |
| Tai Po | Nam Wa School |
| Tuen Mun | Tin Fu Tsuen School |
| Yuen Long | Siu Hum Public School |
| Yuen Long | Man Kei Public School |
| Yuen Long | Tai Shing Public School |
| Yuen Long | Hing Sam School |
| Yuen Long | Kai Tak School |
| Yuen Long | Yau Tam Mei Primary School |
| Yuen Long | Tai On Public School |
| Yuen Long | Shek Wu Public School |
| Yuen Long | Tai Sang Wai Public School |
| Yuen Long | Ha Pak Nei Tsuen Public Primary School |
| Yuen Long | Yan Hing School |
| Yuen Long | Shung Yee School |
| Islands | Sha Lo Wan School |
| Islands | Vacant ex-school at Yi O San Tsuen |
| Islands | Fan Lau Primary School |
| Islands | San Tau School |
| Islands | Po Toi Public School |
| Islands | Lo So Shing School |
| Islands | South Section Primary School |
| Islands | Wong Kung Tin School |
| School premises with a site area of about 3 000 m² above | |
| Sai Kung | Sai Kung FMO Primary School |
| Yuen Long | Shung Ching School |
| Islands | Cheung Chau Public School |

**Information on Public Sector and Direct Subsidy Scheme Schools
Confirmed to Cease Operation in the Coming Five School Years
(Including Schools to Cease Operation after Merger)**

| School Year | District | School | Site Area (m ²) | Landowner | Proposed Land Use |
|-------------|--------------|---|-----------------------------|------------|--|
| 2024/25 | Wan Chai | Rosaryhill Secondary School | About 15 200 (see Note 1) | Private | Another school sponsoring body intends to use the Rosaryhill Secondary School premises for school operation after the school ceases operation. The school premises will not become vacant. |
| | Southern | Island Road Government Primary School | About 8 300 | Government | <u>Southern portion</u> Retained for GIC uses. <u>Northern portion</u> For residential development in the long term. |
| | Kwun Tong | The Mission Covenant Church Holm Glad No. 2 Primary School (see Note 2) | About 700 | | For public housing development in the long term. |
| | Islands | Caritas Charles Vath College | About 7 400 | | Caritas Charles Vath College will merge with Caritas Wu Cheng-Chung Secondary School in Southern District, upon which its school premises will continue to be used for school operation. The school premises will not become vacant. |
| | Kwun Tung | Christian & Missionary Alliance Sun Kei Primary School (Ping Shek) (see Note 2) | About 1 700 | | EDB is conducting a review under the CCH mechanism, which is expected to complete within this year. If considered no longer required for school use, the school premises will be reviewed by PlanD for alternative long-term uses. |
| | Yuen Long | CCC Fong Yun Wah Primary School (see Note 2) | About 3 900 | | |
| | Wong Tai Sin | Lung Cheung Government Secondary School | About 8 200 | | |
| 2025/26 | Sham Shui Po | Chan Shu Kui Memorial School | About 1 400 | | |

| | | | | | |
|---------|---------------|---|-------------|------------|---|
| 2026/27 | Wan Chai | North Point Government Primary School (Cloud View Road) | About 2 500 | | |
| | Eastern | The Salvation Army Centaline Charity Fund School | About 3 900 | | |
| | Wong Tai Sin | Po Yan Oblate Primary School | About 1 500 | | |
| | Eastern | Caritas Chai Wan Marden Foundation Secondary School | About 5 700 | Private | |
| 2027/28 | Tai Po | NTWJWA Christian Remembrance of Grace Primary School (see Note 2) | About 900 | Government | EDB has confirmed under the CCH mechanism that there is no need to retain the school premises for school use. PlanD is reviewing alternative long-term uses of the sites and will release the result in due course. |
| 2028/29 | Currently nil | | | | |

Note 1:

The total area of Rosaryhill Secondary School, Rosaryhill School (Primary Section) and Rosaryhill Kindergarten (the three schools are located on the same land).

Note 2:

A time-limited aided primary school to cope with the transient shortfall of Primary One school places.

LEGCO QUESTION NO. 9
(Written Reply)

Asked by Hon Paul TSE

Date of meeting : 28 February 2024

Replied by : Deputy Financial Secretary

Reply

President,

In recent years, the global political and economic situation has been fraught with uncertainty, and the global economy exposed to multiple risks. As a small and open economy, Hong Kong faces a number of challenges. Nevertheless, thanks to our solid foundation and the strong support of our motherland, Hong Kong remains vibrant and resilient. The Government is actively reinforcing Hong Kong's strengths, pursuing economic diversification and further improving its governance. Under the "One Country, Two Systems", Hong Kong has the distinctive advantages of enjoying strong support of the Motherland and being closely connected to the world. Hong Kong is still an international city abound with opportunities.

The Government welcomes constructive views and proposals from various sectors on how to drive Hong Kong's future growth and prosperity, and will listen to and study them carefully. However, we cannot agree with some over-pessimistic remarks and must rebuke them.

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

(1) and (2) "One Country, Two Systems" is not only the cornerstone of Hong Kong's prosperity and stability, but also a pillar of the ocean

underpinning the further development of our city. Under “One Country, Two Systems”, Hong Kong’s previous systems and way of life remain unchanged. With its robust legal and financial systems, low and simple taxes and global connectivity, Hong Kong offers a dynamic, safe, secure and convenient place for doing business. Over the past decade, Hong Kong has ranked among the top seven most competitive economies in the world. Furthermore, according to the World Investment Report 2023 released by the United Nations Conference on Trade and Development, Hong Kong was ranked as the fourth largest recipient of foreign direct investment in the world in 2022. The above figures fully reflect that Hong Kong has won international recognition.

In order to enable Hong Kong to better utilise its unique advantages, the Government established the Steering Group on Integration into National Development (Steering Group) at the end of 2022. The Steering Group strengthens top-level overall leadership, and promotes and supervises work on integrating into overall national development from a macro perspective. The Steering Group, chaired by the Chief Executive, actively dovetails with national strategies such as the National 14th Five-Year Plan, development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and high quality development of the Belt and Road (B&R) Initiative, and strengthens co-operation with different regions in the Mainland, thereby injecting continuous impetus to the growth of Hong Kong.

Being interdependent in nature, Hong Kong and Mainland provinces and municipalities can achieve greater synergy by supporting and complementing each other. At present, the Government has already established regional co-operation mechanisms with Beijing, Guangdong, Shenzhen, Shanghai, Fujian, Sichuan, Hubei, Chongqing and the Pan-Pearl River Delta region respectively. We will continue to deepen the co-operation with various Mainland provinces and municipalities by launching more initiatives on the existing co-operation platforms and exploring the development of new co-operation platforms for utilizing Hong Kong’s strengths proactively.

The GBA is one of the most open and economically vibrant regions in the country. Being the most international city in the GBA,

Hong Kong will play the important role as a core engine for regional development and proactively take forward the development of the GBA. The Government will continue to maintain close liaison with relevant Central Ministries and Commissions, and work with the governments of Guangdong and Macao under the principles of complementarity to proactively seek policy innovations and breakthroughs, with a view to fostering the efficient flow of essential factors of production, such as flow of people, goods, capital and information within the GBA. This will create greater opportunities for Hong Kong people and enterprises seeking development in the Mainland cities of the GBA, and enhance interconnectivity among cities of the GBA.

Despite the highly uncertain external environment, Hong Kong will continue to benefit from the shift in global economic gravity from West to East. Under the new international landscape, Mainland and overseas enterprises are eager to explore Asian markets and identify locations for setting up regional headquarters. Being the only world-class city that capitalises on both the China advantage and the international advantage, Hong Kong serves as the bridge linking the Mainland and the rest of the world, as well as the springboard for overseas enterprises to access the huge Mainland market and for Mainland enterprises to go global. Hong Kong is the best choice at which Mainland and overseas enterprises choose to establish their presence. With the steady economic growth in the Mainland, Hong Kong is well-placed to play the roles as “super-connector” and “super value-adder”, thereby pursuing new directions and new opportunities for development.

“Eight centres” and “Four pillars”

We will continue our active integration into overall national development, and continue to consolidate and enhance Hong Kong’s development in eight key areas (eight centres) as outlined in the 14th Five-Year Plan. The eight centres are the international financial centre, international innovation and technology centre, East-meets-West centre for international cultural exchange, international trade centre, international shipping centre, international aviation hub, centre for international legal and dispute resolution services in the Asia-Pacific region as well as regional intellectual property trading centre, providing impetus for

sustaining our competitiveness and economic growth.

Financial services, tourism, trading and logistics, and professional services and other producer services are the four pillar industries in Hong Kong. According to the latest figures of the Census and Statistics Department, in 2022 the four key industries in the Hong Kong economy generated value added at \$1,538.8 billion, accounting for 56.3% of the Gross Domestic Product, and employed 1 448 400 persons, accounting for about 40% of total employment.

Financial Services

As an international financial centre, Hong Kong's financial market is characterised by deep liquidity, diverse and comprehensive products and services, strong emphasis on investor protection, and effective and transparent regulations aligned with international standards that can meet various needs of investors and enterprises. Hong Kong is a major global listing platform and one of the world's leading biotech fundraising hubs. Hong Kong is also the second largest global banking hub in Asia and has the second highest insurance density in the world. Seventy three of the world's top 100 banks and 11 of the world's top 20 insurers operate in Hong Kong. In terms of arranging international bonds issued by Asian entities, Hong Kong has ranked first in the world for seven consecutive years, accounting for about one-third of the market in 2022. As for asset and wealth management, the industry in Hong Kong managed close to US\$4 trillion of assets as of end-2022. We are the largest hedge fund centre and the second largest private equity fund centre in Asia. In addition, Hong Kong has the largest offshore Renminbi (RMB) pool, handling about 75% of the global RMB settlements.

The Government will continue to expand the financial market and promote diversified development of related industries, strengthen the competitiveness of the stock market, deepen mutual access with the Mainland financial markets, promote financial cooperation in the Guangdong-Hong Kong-Macao Greater Bay Area, support the asset and wealth management business, and facilitate the development of green finance and Fintech.

Tourism

Cross-boundary travel started to resume in February 2023. With the concerted efforts of the Government and the travel trade, visitor arrivals reached 34 million last year, far exceeding 25.8 million estimated in early 2023. The Government has been promoting the long-term and sustainable development of Hong Kong's tourism industry. The high-level Tourism Strategy Committee was set up earlier to solicit views of the relevant sectors and steer the speedy, high-quality and sustainable development of Hong Kong's tourism industry. To step up promoting the development of mega event economy, the Government will attract more world-class mega events to be staged in Hong Kong, and enhance promotion to raise public awareness of these events. It will also actively promote thematic travel to provide tourists with travel experiences that are richer in content, more in-depth and higher in quality.

The Government attaches great importance to the development of the tourism industry. In accordance with the four long-term development strategies under the Development Blueprint for Hong Kong's Tourism Industry (the Blueprint), namely develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors; nurture and develop tourism products and initiatives with local and international characteristics, including cultural tourism, heritage tourism, green tourism, and creative tourism; and to consolidate and enhance Hong Kong's status as a travel destination for meetings, incentive travels, conventions and exhibitions tourism, regional cruise hub, and Events Capital of Asia; develop smart tourism; as well as upgrade the service quality of the tourism industry, the Government will review and update the relevant initiatives and policies, and will formulate the Blueprint 2.0 to strengthen the positions of Hong Kong as an international tourism hub and develop the city into a world-class premier tourism destination.

Trade and Logistics

Hong Kong enjoys the advantage of being a highly internationalised business centre and plays an important role in international trade. In 2022, Hong Kong's total merchandise trade value

reached HK\$9,459.1 billion, which was the tenth highest in the world. The National 14th Five-Year Plan continues to support Hong Kong to enhance its status as an international trade centre, seamlessly integrate into the overall development of our nation, and foster complementary and synergistic development with the Mainland. The National 14th Five-Year Plan also supports Hong Kong's participation in and contribution to the nation's comprehensive opening up and development of a modern economic system, the establishment of a functional platform for the joint development of the B&R Initiative, and co-operation and exchanges with countries and regions around the world.

The Government will continue to proactively develop a more stable, open, inclusive, and mutually beneficial international economic and trade environment based on multilateral trade standards, strengthen our role under international circulation as a connecting platform between our nation and the rest of the world and as a key link of the B&R, in particular, in connecting the GBA and the Association of Southeast Asian Nations, promoting the economic and trade flows of the Mainland and other economies in the region, and contributing to the further opening up and internationalisation of the nation's trade activities.

With a comprehensive air, land and sea transport network, Hong Kong has become an international aviation hub, an international shipping centre and an international logistics centre. To strengthen its position as an international air cargo hub, the Airport Authority is working with Dongguan to promote the "sea-air intermodal cargo transshipment" mode, and reached an agreement with the United Parcel Service of America in the second half of 2023 to develop a new hub facility at Hong Kong International Airport.

On the maritime and logistics front, the Government promulgated the "Action Plan for Modern Logistics Development" and the "Action Plan on Maritime and Port Development Strategy" last year, with strategies and action measures formulated to support the development of the maritime and logistics industries. In particular, the Government launched the "Professional Training on Smart and Green Logistics Scheme" and the "Logistics Promotion Funding Scheme" in January this year to enhance manpower development and promotion of the logistics industry, and

enhanced the "Pilot Subsidy Scheme for Third-party Logistics Service Providers" in February this year to assist the industry in grasping the business opportunities arising from the smart logistics and e-commerce. We will also dispose of a total of four parcels of logistics land regularly from this year to meet the industry's demand for logistics land. The Government will continue to take forward the implementation of the two Action Plans in an orderly manner, with a view to consolidating Hong Kong's status as an international maritime centre and an international logistics hub.

Professional Services

As for professional services, the Government set up the \$200 million Professional Services Advancement Support Scheme (PASS) in 2016 to provide funding support for Hong Kong's professional services sectors to carry out exchange, promotion and professional standard enhancement projects with their counterparts in external markets (including the Mainland), to promote related publicity activities for Hong Kong's professional services, and to enhance their standards and external competitiveness. So far, over 100 projects with a total PASS grant of \$71 million have been funded.

Furthermore, to encourage Hong Kong's professional services sectors to step up promotion of Hong Kong's competitive edges and professional services to the external markets after the pandemic stabilised, the Government set aside \$50 million under PASS to set up the Professionals Participation Subsidy Programme (PSP) to subsidise the participation of Hong Kong's major professional bodies in relevant activities organised by the Government and the Hong Kong Trade Development Council. So far, a total of nine activities, covering the United Kingdom, the United States, Southeast Asia and various Mainland cities, have been approved under PSP, benefitting over 200 local professionals and around \$2 million has been committed for the above activities.

Promoting the development of innovation and technology

Promoting the development of innovation and technology (I&T) is the direction for Hong Kong's future development. In recent years, the

Government has devoted substantial resources to various areas such as artificial intelligence and big data, biotechnology, medical sciences, advanced manufacturing and new materials as well as financial technology (Fintech). We will continue to adopt an industry-oriented approach to expedite the development of sectors enjoying advantages and build a more vibrant I&T ecosystem in Hong Kong, with a view to charting Hong Kong in moving towards the vision of being an international I&T centre.

The Government is actively planning for and developing new land and facilities to provide room for the development of the I&T industry. The Hong Kong-Shenzhen Innovation and Technology Park (HSITP) in the Loop brings together I&T talent and expertise of the two places. These, together with advanced infrastructure and top-notch research facilities, will create limitless business opportunities for enterprises and hence foster the economic development. The first three buildings in batch one under the first phase of the HSITP will be completed in phases from the end of 2024. The HSITP Limited is actively taking forward business promotion work, with a view to attracting outstanding I&T enterprises to set foot in the park. Construction of the remaining five buildings of batch one will commence as soon as possible.

Together with the HSITP in the Loop, San Tin Technopole will provide about 300 hectares I&T land capable of generating 7 million square metres of gross floor area, which in terms of size, is equivalent to 17 Science Parks. It will become a hub for clustered I&T development, contributing to the development of the South-North dual engine (finance - I&T) for Hong Kong. The outlook of I&T development is promising.

Trawling for enterprises and talent

The promotion of industry development requires enterprises and talent. The Government, while consolidating Hong Kong's strengths, has been actively employing strategies to compete for enterprises and talent, with a view to attracting strategic enterprises as well as talent and capital from across the globe. The Office for Attracting Strategic Enterprises has, since its establishment in 2022, engaged more than 200 strategic enterprises, and around 30 strategic companies from the Mainland and overseas have landed or expanded in Hong Kong, or are about to do so. It

is anticipated that they will invest over \$30 billion and create more than 10 000 jobs, thereby bringing real economic and social benefits to Hong Kong.

On the other hand, Invest Hong Kong assisted 382 Mainland and overseas companies in setting up or expanding their business in Hong Kong in 2023, an increase of 27% over the year before (300 companies). Most of the companies are from the Mainland, United Kingdom, US and Singapore and in such industries as finance, Fintech, I&T and professional services. This demonstrates Hong Kong's attractiveness to enterprises as an international business centre.

On talents, the Government has introduced a series of measures to proactively attract global talents since end-2022, including launching the Top Talent Pass Scheme to trawl for talents with high income and graduates from top universities. These measures have received positive responses since implementation. As at end-January 2024, more than 240 000 applications were received under various talent admission schemes, and the total number of applications received last year is a nearly fourfold increase as compared to 2022. These figures are testament to Hong Kong's attractiveness to talents across the globe. The Government will continue to make proactive efforts to attract talents from around the world, with a view to contributing to the long term development of Hong Kong.

(3) Under Article 22(4) of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, "for entry into the Hong Kong Special Administrative Region, people from other parts of China must apply for approval". Mainland residents who wish to visit Hong Kong for whatever reasons are required to obtain a permit with an endorsement from the relevant Public Security Bureau Office. The Government has been maintaining communication with the Central Government with regard to various entry policies.

On tourism, the Individual Visit Scheme (IVS) has been implemented since July 2003 in accordance with the main document of the Mainland and Hong Kong Closer Economic Partnership Arrangement. Residents from a total of 49 designated Mainland cities can apply for IVS endorsements to visit Hong Kong in their individual capacity.

Mainland residents who wish to make business trips to Hong Kong are required to obtain an endorsement for business visit from the relevant Public Security Bureau Office. Endorsement for business visit is good for either a single journey or multiple journeys to Hong Kong within its validity from three months up to one year.

The Government has been closely monitoring the implementation of various measures, conducting timely reviews of their effectiveness and making necessary adjustments as appropriate. For instance, the Government has been paying attention to and assessing Hong Kong's capacity to receive visitors, including areas such as the handling capacity of boundary control points, capacity of tourism facilities, receiving capacity of hotels, carrying capacity of the public transport network, impact on the livelihood of the community and economic impact.

Hong Kong's capacity to receive tourists has been enhanced following the completion and optimisation of various large-scale cross-boundary infrastructure, tourist facilities, hotels and public transportation networks in the past few years. The Government is confident in providing more tourists from different source markets with quality travel experiences. Besides, since the Travel Industry Authority, the regulatory body of the travel industry, came into operation in September 2022, through its licensing and regulation mechanism and constant monitoring of the operation and management of tour groups, the impact of tourists' activities on residents' daily life has been mitigated.

The Government will continue to maintain communication with relevant Mainland authorities to enhance the IVS in an orderly manner, with a view to providing Mainland visitors with more convenient and flexible means to visit Hong Kong and enriching their travel experience, thereby facilitating the vibrant development of tourism-related industries. On 23 February 2024, the Government announced the Central Government's positive response to the proposal of further expanding the eligible cities of the IVS to Xi'an in Shaanxi Province and Qingdao in Shandong Province starting from 6 March 2024.

LEGCO QUESTION NO. 10

(Written Reply)

Asked by Dr Hon TIK Chi-yuen

Date of meeting : 28 February 2024

Replied by : Secretary for Education

Reply

President,

Our reply to the question raised by Dr Hon TIK Chi-yuen is as follows:

(1)

In the past five school years, three school sponsoring bodies (SSBs) decided and announced to cease operation of an aided school each under their sponsorship. Besides, there is another SSB which decided to hand over four aided schools under its sponsorship to another SSB for continued operation.

(2), (3) and (4)

For any SSB wishing to cease operation of its sponsored school, it should submit a detailed proposal to the Education Bureau (EDB) setting out clearly the timeline, operation mode during the transitional period and other relevant details. EDB will urge SSBs to accord top priority to the interests of students and ensure the impact of the school's cessation arrangements on students is minimal. During the process of cessation, EDB will closely monitor the situation and maintain communication with the SSBs and schools, so that timely assistance can be offered if the schools encounter difficulties in making related arrangements.

SSBs may make different cessation arrangements according to schools' circumstances. Generally speaking, schools will first stop admitting Secondary One (S1) or Primary One students, and arrange for current students at upper secondary or upper primary levels to study in their original school until graduation. Some SSBs will also take into consideration the situation where the overall number of students is too small and there is a wastage of teaching/non-teaching staff in one or two years prior to the cessation. Since the corresponding adjustment of resources will make it difficult to provide a broad and balanced learning environment and is not conducive to the social development of students, the SSBs will try their best to arrange for their students to transfer to other schools as soon as possible. For example, some primary schools will arrange for their students to transfer to other schools to continue their studies at upper primary

levels, and some secondary schools will arrange for their students to participate in the Central Allocation upon their completion of Secondary Three and proceed to study Secondary Four in other public sector schools.

As regards the case of Rosaryhill Secondary School (RSS), in September 2023, its SSB informed EDB and relevant stakeholders of its decision to cease operation of three schools (namely RSS, Rosaryhill School and Rosaryhill Kindergarten) under its sponsorship due to various factors such as the structural decline in the student population in Hong Kong and the financial situation of the SSB. Noting the decision of the SSB, EDB has been repeatedly reminding the SSB and the related schools to maintain close liaison and good communication with the stakeholders (including parents, alumni and teaching/non-teaching staff), consider feasible options to support students and teaching/non-teaching staff in a pragmatic manner, as well as pay attention to the emotions of students so that appropriate counselling and support can be provided as necessary.

We understand that the SSB has established a Transition Committee (the Committee) to deliberate on appropriate support to the students and teaching/non-teaching staff of the RSS and explore different feasible plans. Members of the Committee include the SSB's representatives, the principal, and teacher, parent and alumni representatives of the school. In the course of deliberation, the SSB and school have approached another SSB, conducted briefing sessions and opinion surveys for parents, and maintained communication with teaching/non-teaching staff, students and parents.

We note that after considering relevant factors (including the survey results), the Committee has endorsed the option of supporting all S1 to Secondary 5 students to transfer to another secondary school in the 2024/25 school year. The SSB and school met with teachers and parents separately in late January this year to introduce the transitional arrangements.

EDB has all along been monitoring the development of the incident while maintaining communication with the SSB and schools. We have liaised and met with the stakeholders for many times, which include discussing the transitional arrangements with representatives of RSS, the other secondary school and their SSBs, as well as making coordination for students, teaching/non-teaching staff and parents to work out plans for appropriate assistance and support. We note that the two schools are actively deepening and progressively implementing the relevant arrangements to effect a smooth transition for teachers and students with a view to helping them familiarise with and adapt to the new environment. EDB will continue to render support on the transitional arrangements. We will also provide advice and assistance to parents and students in need. If necessary, they

may approach Regional Education Offices of EDB for enquiries on vacant school places in the district.

End

LEGCO QUESTION NO. 11

(Written Reply)

Asked by: Hon Doreen KONG

Date of meeting: 28 February 2024

Replied by: Secretary for Labour
and Welfare

Reply

President,

The Government is highly concerned about the suspected abuse of premature termination of employment contracts by foreign domestic helpers (FDHs) to change employers (commonly known as “job-hopping”). Apart from the Labour Department (LD)’s rigorous efforts in combating unscrupulous business practices of employment agencies (EAs), the Immigration Department (ImmD) has also been strictly scrutinising the employment visa applications from FDHs who change employers frequently. In 2023, a total of 502 employment visa applications from FDHs were rejected by ImmD due to suspected “job-hopping”, representing a substantial reduction of about 80% when compared with the figure of 2 833 during the pandemic in 2021. The situation of “job-hopping” by FDHs has improved significantly.

In consultation with the Security Bureau and ImmD, my reply to the Member’s question is set out below:

(1) After concluding the consultation exercise on the preliminary proposals for revising the Code of Practice for Employment Agencies (CoP) in the first half of 2023, LD has analysed and examined the feedback received. Currently, LD is finalising the revised content of the CoP taking into account the suggestions and concerns raised by different stakeholders, as well as formulating the mechanism for enforcing the revised CoP. LD will promulgate the revised CoP in the second quarter of this year.

(2) The CoP requires EAs to brief employers and FDHs on their obligations and rights under the Standard Employment Contract (SEC) and relevant legislation, such as the Employment Ordinance. EAs should request employers and FDHs to acknowledge in writing that they have been briefed on these matters, and should retain the written acknowledgement for inspection by LD. The revised CoP will require EAs to further explain to FDHs the requirements for changing employers, and retain the written acknowledgement signed by FDHs.

(3) To enhance the protection of employers' interests as consumers, the revised CoP will require EAs to specify, in the written service agreements drawn up with employers, whether they will provide a refund or an alternative arrangement for replacement of FDHs in the event of premature termination of employment contracts initiated by FDHs. A new section will also be included in the sample service agreement appended to the CoP, requiring EAs to specify such arrangements.

Regarding the arrangements for FDHs to leave Hong Kong, according to the Government's prevailing policy, FDHs shall leave Hong Kong within two weeks from the date of employment contract termination or upon completion of employment contract, whichever is earlier. The SEC stipulates that employers have to provide their FDH with free return passage to his/her place of origin upon termination or expiry of the contract, so as to ensure the FDH's smooth return to his/her place of origin upon the completion or early termination of the contract, and to avoid the FDH being stranded in Hong Kong due to a lack of travel expenses.

(4) The revised CoP will further require that EAs should not adopt business practices such as providing monetary incentives to FDHs in employment to induce them to terminate their employment contracts prematurely. If an EA contravenes this requirement, LD may impose sanctions. As mentioned above and based on LD's enforcement experience, the implementation of relevant measures against EAs and FDHs can effectively combat the malpractice of "job-hopping" by FDHs.

(5) The Government has established a standing inter-departmental liaison mechanism with the consulates of major FDH source countries in Hong Kong to discuss FDH issues of mutual concern and exchange information on unscrupulous EAs, ensuring that the rights and benefits of both employers and FDHs are well

protected. If any organisation located outside Hong Kong is found to have committed improper acts of arranging FDHs' employment in Hong Kong, LD will relay them to the governments concerned through the liaison mechanism and request appropriate follow-up actions.

(6) To expand the sources of FDHs and increase the FDH supply to Hong Kong, LD has been keeping in view the labour market conditions in different FDH source countries and maintaining communication with relevant stakeholders. As part of these efforts, LD has engaged with the consulates of different source countries in Hong Kong, introducing our FDH importation policy and encouraging more of their nationals to come to Hong Kong to work as domestic helpers. The current entry arrangement for admission of FDHs does not apply to Chinese residents of the Mainland, the Macao Special Administrative Region and Taiwan, as well as nationals of Afghanistan, Cuba, Laos, the Democratic People's Republic of Korea, Nepal and Vietnam. Save from the above, the Government has not imposed any restriction on the employment of FDHs of any particular nationalities. Employers may, having regard to individual needs, decide to hire FDHs from any countries and regions other than those specified above.

The Chief Executive's 2023 Policy Address announced the relaxation of the policy in respect of employment for Vietnamese talents and the policy for Laotian and Nepalese talents for employment, training and study in Hong Kong. The relaxations primarily serve to complement the Government's overall strategy for attracting talents, and do not cover the immigration arrangement for FDH importation. The Government will conduct assessments from time to time to ensure our FDH importation policy meets the actual needs and circumstances of Hong Kong, having regard to, among others, maintaining effective immigration control and security considerations.

LEGCO QUESTION NO. 12

(Written Reply)

Asked by: Hon Edward LEUNG

Date of meeting: 28 February 2024

Replied by: Secretary for Environment
and Ecology

Reply

President,

The Environmental Protection Department (EPD) has rolled out a number of waste reduction and recycling schemes to improve the community recycling network progressively, thereby helping the public practise waste reduction at source. For example, the Programme on Source Separation of Waste provides waste separation bins for free to over 2 700 housing estates / residential buildings and 1 200 commercial and industrial buildings, as well as providing about 1 100 sets of roadside recycling bins to rural areas to assist the public in recycling plastics, waste paper and metals. Besides, the EPD is continuously expanding GREEN@COMMUNITY, which is a community recycling network covering over 180 public collection points comprising 11 Recycling Stations, 40 Recycling Stores and over 130 Recycling Spots, to specifically support residents living in the clusters of residential buildings (including single-block buildings and “three-nil” buildings) that are lacking the space for setting up recycling facilities on their own to participate in separation at source and clean recycling. The EPD is also setting up 50 small-scale Recycling Stores in public rental housing (PRH) estates progressively and a total of 76 sets of smart recycling bins have been installed at various application points for trial use by the public under the Pilot Programme on Smart Recycling Systems. The recycling network comprising the above schemes has already covered over 80 per cent of the population in various districts of Hong Kong. The reply to the question raised by the Hon Edward Leung is as follows:

(1)

Currently, all public collection points of GREEN@COMMUNITY collect nine common types of recyclables (including plastics, glass containers, small electrical appliances, regulated electrical equipment, fluorescent lamps / tubes, rechargeable batteries, beverage cartons, waste paper and metals), and, at the same time, explain to the public through publicity and education on how to practise clean recycling. At present, most of the

recyclables handed in by the public to GREEN@COMMUNITY are suitable for recycling, and only a small amount is not recyclable and needs to be disposed of.

The EPD anticipates that the incentives for the public to practise recycling will continue to increase. The operators of GREEN@COMMUNITY have already enhanced the promotion of municipal solid waste (MSW) charging in the community, as well as making use of their dedicated social media pages to issue posts and organising educational activities from time to time to educate the public on how to differentiate between recyclables that can or cannot be received. Moreover, based on the community needs, the Green Outreach of the EPD has also been organising different types of waste reduction and recycling promotional activities, thereby educating and encouraging the public to practise waste separation at source properly and integrate clean recycling into their daily lives.

As the waste sorted out from the recyclables is not generated by the operators of GREEN@COMMUNITY, the EPD will not require the operators to pay the relevant MSW charges and is discussing with the operators on how to handle such waste.

(2)

The operators of Recycling Stores are required to provide the specified services during the contract period and meet the pre-determined performance targets, including the contractual monthly recycling quantity. The recycling targets specified in the operating contracts of respective Recycling Stores are set with reference to the community conditions of the districts in which they are located (e.g. population, the number of buildings participating in the Programme on Source Separation of Waste and the number of “three-nil” buildings, etc.). The operators are subject to deduction of operational fees if they fail to meet the targets as required by the contracts. On the other hand, if the quantity of recyclables collected by the operators exceeds the recycling target to a specified level for a particular month, the EPD would grant performance payment to the operators so that they can make use of these additional resources to further promote recycling work in the community. According to EPD’s preliminary figures for the third quarter of 2023, all operators of Recycling Stores could meet the contractual monthly recycling targets and over 90 per cent of operators received performance payment. As at mid-February this year, the EPD has granted about 200 times of performance payment totalling \$22 million to the operators concerned on a monthly basis in 2023-24, accounting for about 16% of the total operating expenditure of the contracts. As the amount of performance payment received by individual operator involves sensitive information on contractual terms, we are unable to provide the relevant details. Based on EPD’s preliminary figures for the third quarter of 2023, the recycling performance of each Recycling Store is tabulated below:

| Recycling Store | Plastics | Designated Recyclables other than Plastics |
|----------------------|--|---|
| | Rate of Reaching the Recycling Targets | |
| GREEN@QUARRY BAY | 119% | 231% |
| GREEN@ABERDEEN | 147% | 146% |
| GREEN@TIN HAU | 180% | 247% |
| GREEN@SAI YING PUN | 181% | 175% |
| GREEN@SHEUNG WAN | 156% | 124% |
| GREEN@TO KWA WAN | 165% | 268% |
| GREEN@HUNG HOM | 274% | 248% |
| GREEN@WALLED CITY | 196% | 320% |
| GREEN@YUE MAN SQUARE | 174% | 233% |
| GREEN@CHEUNG SHA WAN | 108% | 150% |
| GREEN@TAI KOK TSUI | 119% | 226% |
| GREEN@SAN PO KONG | 143% | 227% |
| GREEN@MUI WO | 127% | 163% |
| GREEN@FANLING | 218% | 245% |
| GREEN@SHEK WU HUI | 194% | 237% |
| GREEN@PO LAM | 232% | 249% |
| GREEN@TAI WAI | 235% | 223% |
| GREEN@TAI PO MARKET | 122% | 145% |
| GREEN@LO TAK COURT | 186% | 247% |
| GREEN@SAN HUI | 123% | 159% |
| GREEN@YUEN LONG HUI | 101% | 164% |
| GREEN@LONG PING | 277% | 501% |
| GREEN@SAI KUNG TOWN | 168% | 484% |
| GREEN@KIN SANG | 271% | 378% |
| GREEN@YI PEI SQUARE | 405% | 651% |
| GREEN@JORDAN | 161% | 557% |
| GREEN@KENNEDY TOWN | 355% | 1040% |
| GREEN@HAPPY VALLEY | 162% | 556% |
| GREEN@LUEN WO HUI | 348% | 617% |
| GREEN@AP LEI CHAU | 378% | 739% |
| GREEN@TAI WO | 335% | 557% |

All the operating contracts of Recycling Stores will expire in 2025 successively. The EPD will, based on the overall recycling situation during the current contractual period, comprehensively review the contractual clauses on operational arrangement and performance payment, etc. when preparing the tender documents of the follow-on operating contracts.

(3)

Currently, the public can hand over styrofoam to GREEN@COMMUNITY for passing on to downstream recyclers approved by the EPD for proper treatment. Each GREEN@COMMUNITY facility has a workshop for temporary storage of recyclables. If the public needs to hand over styrofoam that is relatively bulky in size to GREEN@COMMUNITY, they are advised to contact the relevant facility to make prior arrangements.

The EPD has been encouraging the public and the business sector to avoid using single-use styrofoam products as far as possible and to promote the use of more environmentally friendly substitutes (such as durable containers that are reusable). Upon the implementation of the first-phase regulation of disposable plastic tableware and other plastic products on 22 April this year, the sale of expanded polystyrene (EPS) tableware will be totally banned and the provision of EPS tableware to dine-in and takeaway customers at catering premises will be prohibited, thereby reducing the use of styrofoam at source and reducing the quantity of styrofoam requiring handling.

(4) and (5)

Currently, all Recycling Stores are basically open from 9:00 am to 7:00 pm or from 10:00 am to 8:00 pm all year round, including Sundays and public holidays (except for the Christmas holidays, the Lunar New Year (LNY) holidays and on their eves, as well as the New Year's Eve, the Mid-Autumn Festival and the Winter Solstice, which are subject to separate arrangements). In response to the service demand of the public, the EPD has also adjusted the operating hours of most of the Recycling Stores in PRH estates to until 8:00 pm. The opening hours of Recycling Stations are from 8:00 am to 8:00 pm.

The EPD will keep reviewing the operation of all GREEN@COMMUNITY facilities and the specific needs of individual districts for recycling facilities, and will proactively explore various measures with the operators such as increasing the number of Recycling Spots and extending their service hours, etc. before the implementation of the MSW charging, so as to cope with possible increase in the amount of recyclables and to improve the services of the community recycling network.

When drawing up the existing services contracts in 2021 and 2022, the EPD had already taken into account the increase in incentives for the public to participate in recycling during the initial stage of implementation of MSW charging. We will closely monitor the operation of GREEN@COMMUNITY and maintain close communication with the operators. The EPD will consider allocating additional resources to the operators if necessary.

(6)

To complement the implementation of MSW charging and continue attracting the public to participate in recycling actively, the EPD will introduce several types of designated bags for MSW charging as rewards for the GREEN\$ Electronic Participation Incentive Scheme. In addition, the EPD is considering to allow the public to redeem the designated bags with fewer GREEN\$ points at the initial stage of implementation of MSW charging in order to encourage the public to practise recycling. The details will be announced on the Hong Kong Waste Reduction Website, the GREEN\$ mobile app, and the dedicated pages of the various GREEN@COMMUNITY facilities on social media in due course.

(7)

The interface of the GREEN\$ mobile app adopts a design of infographic paired with simple text to provide users an intuitive, easy-to-understand, and user-friendly experience. The staff of GREEN@COMMUNITY will also provide immediate on-site assistance to the public (including ethnic minorities) when they are using the GREEN\$ mobile app or whenever necessary. Currently, the users of the GREEN\$ mobile app comprise many ethnic minorities. They are generally able to complete the recycling process smoothly. We will keep evaluating the users' feedback to continuously optimise the GREEN\$ mobile app.

- End -

LEGCO QUESTION No.13

(Written Reply)

Asked by Hon Nixie LAM

Date of meeting: 28 February 2024

Replied by: Secretary for Transport
and Logistics

Reply:

President,

Low-altitude economy refers to an integrated form of economy manifesting into the development of related fields, which centres around low-altitude flying activities by manned and unmanned civil aircraft within low-altitude airspace below 1 000 metres in vertical altitude generally, extending to not more than 3 000 metres depending on practical needs. In recent years, the Mainland has been promoting the development of low-altitude economy and has developed an edge in some areas. In particular, the extensive application of unmanned aircraft in different aspects has opened up development potentials and economic opportunities for Mainland cities.

In consultation with bureaux and departments including the Commerce and Economic Development Bureau, Culture, Sports and Tourism Bureau, Development Bureau (“DEVB”), Environment and Ecology Bureau, Innovation, Technology and Industry Bureau, Security Bureau and Civil Aviation Department (“CAD”), etc., the consolidated reply to the question raised by Hon LAM is as follows:

(1) and (4) At present, low-altitude activities are widely practised in many fields in Hong Kong and are developing in an integrated manner with various socio-economic activities. Relevant bureaux and departments of the Government of the Hong Kong Special Administrative Region (“HKSAR”) will explore suitable low-altitude activities and promote the development of low-altitude economy under their respective policy portfolios, with a view to developing industries in specific areas.

Government departments and private organisations have been using small unmanned aircraft (“SUA”) in an increasingly wide range of areas, including the development of three-dimensional digital maps, search and rescue, aerial filming, drone shows, land/ building surveys and utility/ power line inspections, etc. At the same time, various government departments also make use of SUA to enhance work efficiency, for example, using SUA to assist in the search and rescue work of the Fire Services Department and the Civil Aid Service, inspection and enforcement work of other government disciplined services departments (including the Correctional Services Department, the Customs and Excise Department, the Hong Kong Police Force and the Immigration Department), the monitoring of landfill operation by the Environmental Protection Department, the surveying and inspection work of the Drainage Services Department, ecological conservation and country park planning and management work of the Agriculture, Fisheries and Conservation Department, inspection work of the Electrical and Mechanical Services Department in relation to site safety, progress monitoring, and building maintenance and repair in the plants and works sites of District Cooling Systems, collection of geospatial information for mapping and enforcement by the Lands Department, as well as slope inspection and maintenance by the Civil Engineering and Development Department, etc. In addition, the Hong Kong Observatory plans to carry out a pilot study on the use of small unmanned aircraft in meteorological and radiation measurements later this year.

With reference to the experience of Mainland cities, we expect that the development of low-altitude economy will help promote the development of various industries. For example, in terms of logistics, the development and experience of other places regarding the application of unmanned aircraft in local delivery vary. As pointed out in the “Action Plan on Modern Logistics Development”, the Government encourages the logistics industry to utilise technology and make wider use of smart logistics solutions to enhance competitiveness. We will maintain communication with the logistics industry and keep a close watch on the applications of SUA locally. As for tourism, the Government will closely monitor the development of low-altitude

economy and support projects which can enrich visitors' experience. Furthermore, on the innovation and technology front, the Smart Government Innovation Lab ("Smart Lab"), set up by the Office of the Government Chief Information Officer in 2019, assists government departments in introducing innovative technology solutions to enhance public services and city management. Government departments can utilise resources of the Smart Lab to arrange proof-of-concept and testing of potential technology proposals, such as the applications of unmanned aircraft in fields including smart city, transport and logistics, etc. This will enable government departments to formulate innovative measures more effectively to improve public services.

The promotion of low-altitude activities requires corresponding hardware and software infrastructure and supporting facilities, such as a mobile communications network system. At present, the mobile communications network in Hong Kong (including the 5G network which is commonly used by drones for aerial filming or performances) already covers more than 90% of Hong Kong's population and 99% of the core commercial districts, which can sufficiently support the operation and technological development of unmanned aircraft.

(2) The SUA Order (Cap. 448G) came into effect on 1 December 2022. With a risk-based approach in regulating SUA operations, the SUA Order also provides the necessary flexibility for future applications of SUA, allowing ample room for the development and applications of SUA in tandem with the evolving technology and innovation. As at February 2024, CAD has issued permission to nearly 100 companies or organisations for SUA operations, most of which involve surveying and aerial photography.

In addition to SUA, some Mainland cities have also started to explore the use of larger unmanned aircraft (i.e. unmanned aircraft weighing over 25 kg) for various purposes, such as the transport of heavier goods and/or passengers, emergency rescue, aerial filming, environmental and ecological protection work, etc. The Government will continue to closely monitor the latest development of various types of unmanned aircraft and review the existing regulatory regime at a suitable juncture.

On the other hand, the HKSAR Government notes that the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (“Greater Bay Area”) specifies the deepening of the reform in the management of low-altitude airspace management, the expedition of the development of general aviation and the steady development of cross-boundary helicopter services. Subject to compliance with the relevant immigration and customs clearance and quarantine arrangements, the HKSAR Government will continue to explore with the Mainland proactively on further facilitation of the development of cross-boundary commercial helicopter services, with a view to promoting air traffic connectivity within the Greater Bay Area.

(3) Based on the Mainland’s experience, the development of low-altitude economy industries requires the coordination on various fronts, ranging from policies and legislation, technology research and development, infrastructure development, to flight paths planning, airspace management, etc. It also requires land and spatial planning. If relevant policy bureaux and departments put forward land and spatial requirements for promoting low-altitude economy, DEVB will incorporate the requirements in its planning of new development areas.

Relevant government bureaux and departments will continue to closely monitor and make reference to the development of low-altitude economy in the Mainland and other regions, and enhance mutual communication, such that the relevant policies on promoting low-altitude activities and even low-altitude economy in different areas can be fully coordinated.

Ends

LEGCO QUESTION NO. 14

(Written Reply)

Asked by: Hon Edmund WONG Date of meeting : 28 February 2024

Replied by : Secretary for Financial
Services and the Treasury

Reply

President,

In consultation with the Security Bureau, the Hong Kong Police Force and the Accounting and Financial Reporting Council (“AFRC”), my consolidated reply to the three parts of the question is as follows:

The AFRC is a full-fledged independent regulator of the accounting profession. Since the implementation of the new regulatory regime of the accounting profession on 1 October 2022, the AFRC’s statutory powers have included the regulation of certified public accountants (“CPA”) and practice units (which are certified public accountants (practising) (“CPA (practising)”), CPA firms and corporate practices) through registration, issuance of practising certificates, inspection, investigation and discipline.

According to the Accounting and Financial Reporting Council Ordinance (Cap. 588) (“the Ordinance”), only practice units registered under the Ordinance are qualified to provide audit services. Sections 20AAZZL to 20AAZZO of the Ordinance stipulate that any unqualified person who pretends to be a practice unit, uses certain misleading descriptions or provides audit services commits a criminal offence.

The AFRC has signed memoranda of understanding with local enforcement authorities and financial regulators to establish case referral and information sharing mechanisms with a view to combating audit-related offences and misconduct. If the AFRC receives a suspected case of an unqualified person pretending to be a practice unit, using certain misleading descriptions or providing audit services and the relevant person allegedly commits the relevant criminal offence under the Ordinance, the case will be referred to the Hong Kong Police Force for follow up. As regards an unqualified person who makes

intermediary arrangements for practice units' undertaking of subcontracted audit engagements (commonly known as "agents"), such arrangements may at the same time constitute criminal offences involving an unqualified person pretending to be a practice unit or using certain misleading descriptions, etc. In the case where the person involved is a CPA, the case may at the same time constitute CPA misconduct under the Ordinance in relation to which the AFRC is empowered to impose disciplinary sanctions (such as revocation of registration and pecuniary penalty) on that CPA.

The AFRC maintains a register of practice units on its website for public inspection for the purpose of ascertaining whether a person is a practice unit registered pursuant to the Ordinance and is qualified to provide audit services. In accordance with section 20AAZZN of the Ordinance, only a person/unit issued with a practising certificate or registered may use certain descriptions. Those descriptions/characters include "certified public accountant (practising)", "public accountant", the abbreviation "CPA (practising)", the initials "PA", "執業會計師", "註冊核數師", "核數師" and "審計師". The designation of the above descriptions has already taken into account the need to strike a balance in prohibiting the use of misleading descriptions and avoidance of throttling the room for survival of general businesses such as book-keeping and tax services.

The AFRC accords importance to the assurance of audit quality for protection of public interest. It is empowered under the Ordinance to inspect practice units to monitor if the audit services provided by practice units comply with professional standards. If it is suspected that the audit services provided by a practice unit which undertakes subcontracted audit engagements through "agents" or any other means fail to comply with professional standards, the AFRC, when formulating its annual inspection programme, will adopt the proportionality principle and risk-based approach to prioritise its inspection work on that practice unit having regard to the public interest at stake. In the case where the AFRC discovers in a regular inspection that a practice unit fails to comply with professional standards and related regulatory requirements, it will initiate investigation and impose disciplinary sanctions in respect of the relevant misconduct.

During the period between 1 October 2022 and 31 January 2024, the AFRC received six complaints against practice units which allegedly undertook audit engagements via intermediaries and provided services failing to comply with professional standards, six complaints concerning the alleged provision of audit services by unqualified persons, and one complaint concerning a person pretending to be a CPA (practising). The AFRC will handle the aforementioned complaints in accordance with established procedures. If the complaints concern accounting professionals, the AFRC will assess whether there is sufficient evidence pertaining to the complaints for initiation of investigation or disciplinary

sanctions pursuant to the Ordinance. If there is suspected commission of relevant criminal offences under the Ordinance, the cases will be referred to the Police for follow up as appropriate.

The Government and the AFRC have been closely monitoring the operations of the accounting profession, and will continue to explore with professional bodies ways to enhance protection of the public against misleading descriptions. We will encourage the public and audit services users to utilise the AFRC's practice unit register for verification of the registration status of CPA (practising) and accounting firms, and will promote public awareness toward audit regulation as well as professional standards of the sector through education and training.

-End-

LEGCO QUESTION NO. 15

(Written Reply)

Asked by: Hon Kenneth LEUNG

Date of meeting : 28 February 2024

Replied by: Secretary for Culture,
Sports and Tourism

Reply

President,

My reply to the questions raised by the Hon Kenneth LEUNG is as follows:

- (1) The number of persons registered as users and the attendance of LCSD fitness rooms over the past three years are set out as below:

| Year | No. of registered users of fitness rooms | Attendance of fitness rooms |
|-------------------|--|-----------------------------|
| 2021* | 14 018 | 2 772 465 |
| 2022* | 15 495 | 2 462 772 |
| 2023 [#] | 33 892 | 4 851 565 |

*In light of the development of COVID-19, most of the sports premises under the LCSD, including fitness rooms, were closed during some periods in 2021 and 2022. When the premises were open, social distancing and anti-epidemic measures of varying scales were adopted.

#Although the LCSD fitness rooms resumed services in 2023, members of the public generally heightened their epidemic preparedness given the prevalence of COVID-19 and influenza in the community, thereby rendering them more cautious in the use of fitness equipment which are shared in turns with other users, resulting in the relatively low utilisation of the fitness room at the beginning of 2023. As the society resumed normalcy in full since March 2023, the monthly usage numbers have gradually increased. To optimise the use of fitness room resources, the LCSD has offered members of the public convenient access to learning resources on fitness room equipment by organising free “briefings on proper use of fitness room equipment”, with a view to helping more members of the public acquire the qualifications required for using fitness rooms.

- (2) The LCSD will introduce, on a trial basis, smart fitness equipment to Victoria Park in Wan Chai District, Hoi Fai Road Promenade in Yau Tsim Mong District, Kowloon Tsai Park in Kowloon City District and Hoi Chu Road Playground in Tuen Mun District in 2024-25. The equipment will allow users to store and retrieve data of their physical activities and access information on sports and health. This will facilitate their management of personal health and monitoring of their own physical fitness and add fun to exercising, thereby encouraging members of the public to exercise regularly.
- (3) In response to the recommendations of the Report of Territory-wide Physical Fitness Survey for the Community (the Survey), the LCSD has launched a pilot scheme where self-test fitness corners were set up in fitness rooms of eight sports centres in January 2024. These enabled members of the public to conduct, with aid of Bioelectrical Impedance Analysers, simple physical fitness tests in a self-service manner at any time so as to obtain information such as body fat

percentage, muscle mass and body water content, and instantly download test reports via smartphones. Such an arrangement will be extended to the remaining 10 districts by the end of 2024, with anticipated usage by about 100 000 people per year.

- (4) To promote “Sport for All” and encourage members of the public to develop the habit of regular exercise, the LCSD organises diversified recreation and sports programmes for participation by people of different ages and abilities. These programmes include sports training courses, competitions and recreation activities.

Following the recommendations of the Survey report, the LCSD has published the Survey results and the preliminary recommendations via various media channels, including press releases, social media and relevant websites, enabling the public to understand their current level of physical fitness and the importance of regular participation in sports and physical activities. The LCSD has, in collaboration with government departments, stepped up publicity to convey to members of the public the importance of regular participation in physical activities, and offered opportunities for their more active participation in recreation and sports activities, in a bid to improve physical fitness of the general public. The specific follow-up work of the government departments concerned is as follows:

The LCSD has drawn up specific follow-up work plans with a view to encouraging children and young people to engage in adequate physical activities of appropriate intensity. These include providing members of the public with more varied recreation and sports facilities and combination of programmes, thereby optimising their chance of participation in favourite sports, while encouraging parents’ engagement in more family-based physical activities to add incentives

for children to participate in physical activities. Meanwhile, the LCSD will promote children and young people's understanding of the "Physical Activity Baseline Indicator" by means of publicity such as setting up dedicated webpages, producing videos and holding roving exhibitions, in order to relay the importance of regular exercise and its health benefits in a light-hearted manner.

To further promote those recreation and sports programmes which are popular among young people, the LCSD has set up a new dedicated page "For Youth" on the "LCSD Edutainment Channel" with information on various recreation and sports programmes such as the Hong Kong Games, School Sports Programme, Learning Sports 101, Urban Sports, Sport For All Day as well as Community Recreation and Sports Programmes. It serves as a one-stop shop where young people can access and enrol to the programmes catering to them. As regards sports competitions, the 9th Hong Kong Games also introduces new age groups, namely "15 or below" and "16 to 17", for sports such as athletics, swimming, badminton, table tennis and tennis, in a bid to attract greater participation from youths.

The LCSD has introduced the Pilot Scheme on Subvention for New Sports since 2021, where subvention is provided to local sports organisations to support and promote development of new sports, thereby offering more choices and chances for members of the public to experience new sports and encouraging greater participation in sports.

The Education Bureau (EDB) has included the World Health Organisation (WHO)'s recommendation that children and adolescents aged 5-17 should accumulate at least an average of 60 minutes daily of moderate- to vigorous-intensity physical activities (MVPA60)

across the week as one of the directions of the Physical Education (PE) curriculum. The “Active Students, Active People” Campaign (“ASAP” Campaign) has also been launched in the 2021-22 school year to rally the concerted efforts of schools and parents as well as other stakeholders to promote an optimised sports atmosphere in schools and in society. The Campaign offers a series of PE activities, as well as learning and teaching resources to support schools in mobilising students’ participation in physical activities to further engage students in developing an active and healthy lifestyle. Since the launch of the Campaign, more than 140 000 student participants have been achieved. The EDB will inject new elements into the Campaign in a timely manner so as to meet the needs of schools.

Besides, the Department of Health (DH) encourages members of the public to do more physical activities and promotes healthy lifestyle through different promotion campaigns. For example, the ‘10,000 Steps a Day’ Campaign launched in 2022 includes a series of publicity drives on walking in the community and the walking challenge organised for two consecutive years to encourage members of the public to walk more. In addition, the ‘StartSmart@school.hk Campaign’, ‘Whole School Health Programme’ and ‘Adolescent Health Programme’ encourage schoolchildren to do more physical activities, whereas the ‘I’m So Smart’ Community Health Promotion Programme promotes healthy lifestyle including regular physical activity in the community. In the future, the DH will continue to encourage members of the public to build an active lifestyle to prevent non-communicable diseases through various channels.

- (5) To spread the message of “Sport for All” to members of the public, the LCSD has organised the Sport For All Day every August since 2009, with the slogan being “Stay Active, Healthy and Happy”, where a

series of free sports and recreation programmes are offered at designated LCSD venues across the 18 districts, while most of the LCSD leisure and sports facilities are open for free use by members of the public. To further promote “Sport for All” and encourage members of the public to do more exercise, the LCSD will increase the number of days when its sports facilities are open for free use and hold thematic sports days for public participation, thereby offering members of the public more free access to the LCSD leisure facilities to experience the benefits and fun of doing exercise and develop a good habit of regular exercise.

LEGCO QUESTION NO. 16

(Written Reply)

Asked by Prof Hon LAU Chi-pang

Date of meeting : 28 February 2024

Replied by : Secretary for Transport and Logistics

Reply

President,

Having consulted the Transport Department (TD) in respect of traffic signal control system, my reply to various parts of the question raised by Prof Hon Lau Chi-pang is as follows:

- (1) The TD completed the real-time adaptive traffic signal system (RTATSS) pilot project at five selected independent signalised junctions in 2021. Taking into account the experience gained, the Government has consulted the Legislative Council (LegCo) Panel on Transport in July 2023 and plans to seek funding approval from the LegCo Finance Committee this year for installing sensors and ancillary equipment for implementing RTATSS at about 50 suitable independent signalised junctions, with a view to promoting smart traffic management.

Furthermore, the TD began the installation and further trial of the RTATSS at eight linked signalised junctions at Tung Chung Town Centre in 2022, which is expected to complete in mid-2024. The TD will consider further extending RTATSS to other suitable linked signalised junctions in due course. When developing new development areas, the TD will also liaise with relevant Government departments to implement the RTATSS at suitable signalised junctions.

- (2) The TD has installed a new type of pedestrian traffic light countdown device at the signalised junction of Tat Tung Road/ Mei Tung Street in Tung Chung, with the countdown starting to display when the “Green man” light is on, such that pedestrians can gauge the total green time remained and cross

the junction. The new type of pedestrian traffic light countdown device has started operating and testing since mid-December 2023. The TD has engaged a local university to conduct survey and study on the impact of the device on pedestrian crossing behavior. The trial is targeted for completion in mid-2024.

As for the "vehicular traffic light countdown device" for motorists, there is still no general consensus worldwide on its benefits. We note that motorists' responses to the remaining green time displayed on the device could be very different. Some drivers might decide to slow down and stop when noticing the green time is coming to an end whilst some might choose to rush through the junction, thus increasing the risk of head-rear collision. In view of road safety, the "vehicular traffic light countdown device" is not implemented in Hong Kong. The TD will continue to closely monitor the development and effectiveness of the relevant device.

- (3) The TD currently installs a device commonly called "yellow box" at pedestrian crossings. The device is a component of the electronic pedestrian crossing device. There are two types of these vibrating units: the first type has a "palm" symbol and a "Please wait" display with a pedestrian crossing button function. When a pedestrian touches the pedestrian crossing button, a visual and audible acknowledgement signals will be displayed and emitted by the device respectively, and turn the pedestrian crossing signal to green as soon as possible. The second type, which has words and figure of "Aids for Visually Impaired Persons" printed on it, consists of a vibrating unit at the bottom. It helps the visually impaired persons cross the road by means of different vibrating patterns indicating pedestrian signals. This type of vibrating unit does not have a pedestrian crossing button but denotes the status of pedestrian traffic signals.

On publicity, the TD pastes a label (as shown in the photo at Annex) on the traffic signal poles installed with a pedestrian crossing button, reminding pedestrians to press the button to cross the road.

- (4) Signal time plans are devised to co-ordinate vehicles and pedestrians from different directions to pass through the junctions safely and orderly. Signal time plans should balance the needs of vehicles and pedestrians from various directions, reducing unnecessary delays. Generally, signal time plans are devised with regard to characteristics of individual junctions as well as historical traffic and pedestrian flows during different periods (e.g. morning/evening peak and non-peak hours) and different days (e.g. weekdays and weekends). Moreover, through the area traffic control system, the TD monitors the traffic conditions and operation of traffic signals in various regions in real-time, and makes adjustments as and when necessary in response to emergency situations.

The TD takes into account feedback from road users and stakeholders (including District Councils) for reviewing and adjusting the traffic signal time as appropriate. The TD will continue to keep close contact with the District Councils in this regard. Meanwhile, the TD will further enhance the efficiency of traffic signal control systems with new technologies, including the implementation of the RTATSS.

-End-

Annex

Traffic light with pedestrian crossing button and the label



LEGCO QUESTION NO. 17

(Written Reply)

Asked by: Hon Dennis LEUNG

Date of meeting: 28 February 2024

Replied by: Secretary for Environment
and Ecology

Reply

President,

Currently, the Environmental Protection Department (EPD) has rolled out a number of waste reduction and recycling schemes to improve the recycling network progressively, thereby helping the public practise waste reduction at source. For example, the Programme on Source Separation of Waste provides waste separation bins for free to over 2 700 housing estates / residential buildings and 1 200 commercial and industrial buildings, as well as providing about 1 100 sets of roadside recycling bins to rural areas to assist the public in recycling plastics, waste paper and metals. Besides, the EPD is continuously expanding GREEN@COMMUNITY, which is a community recycling network covering over 180 public collection points to specifically support residents living in the clusters of residential buildings (including single-block residential buildings and “three-nil” buildings) that are lacking the space for setting up recycling facilities on their own to participate in separation at source and clean recycling. The EPD is also setting up 50 small-scale Recycling Stores in public rental housing (PRH) estates progressively and a total of 76 sets of smart recycling bins have been installed at various application points for trial use by the public under the Pilot Programme on Smart Recycling Systems. The recycling network comprising the above schemes has already covered over 80 per cent of the population in various districts of Hong Kong. The reply to the question raised by the Hon Dennis Leung is as follows:

(1)

Currently, all Recycling Stores are basically open from 9:00 am to 7:00 pm or from 10:00 am to 8:00 pm all year round, including Sundays and public holidays (except for the Christmas holidays, the Lunar New Year (LNY) holidays and on their eves, as well as the New Year’s Eve, the Mid-Autumn Festival and the Winter Solstice, which are subject to separate arrangements). In response to the service demand of the public, the EPD has also adjusted the operating hours of most of the Recycling Stores in PRH estates to until 8:00 pm. The opening hours of Recycling Stations are from 8:00 am to 8:00 pm. The EPD will make special service arrangements for GREEN@COMMUNITY from time to

time as necessary. For example, during the weekend preceding the last LYN holidays, the operators of individual Recycling Stations and Recycling Stores set up a total of about 20 add-on Recycling Spots. All Recycling Stores also extended their service hours by three hours (i.e. operating from 9:00 am to 10:00 pm) on the 28th day of the last lunar month (7 February) and opened for six hours (from 11:00 am to 5:00 pm) from the second to forth days of the LNY holidays (from 11 to 13 February). These arrangements facilitated the public to recycle the recyclables generated from the clean-up activities before the LNY.

(2)

As at mid-February 2024, a total of 11 Recycling Stations, 40 Recycling Stores and over 130 Recycling Spots have been set up throughout the 18 districts in Hong Kong under GREEN@COMMUNITY for the collection of nine common types of recyclables including plastics, glass containers, small electrical appliances, regulated electrical equipment, fluorescent lamps / tubes, rechargeable batteries, beverage cartons, waste paper and metals. The first Recycling Store in an MTR station, GREEN@TSING YI, has just been put into service in February 2024, and the twelfth Recycling Station, GREEN@WONG TAI SIN, is also expected to commence services in the fourth quarter of 2024 gradually. The EPD is setting up small-scale Recycling Stores in 50 PRH estates progressively in order to facilitate residents living in the PRH estates and nearby to participate in clean recycling. Eight of the small-scale Recycling Stores have already commenced operation, and the remaining Recycling Stores will commence operation gradually around 1 April this year. We will also enhance recycling services by increasing the number of Recycling Spots in the vicinity of “three-nil buildings” and in public markets.

The EPD will keep reviewing the operation of all community recycling facilities and the specific needs of individual districts for recycling facilities, and will proactively explore various measures such as increasing the number of Recycling Spots and extending their service hours, etc. We anticipate the number of public collection points in Hong Kong will increase to about 500 in August this year to cope with the possible increase in the amount of recyclables and to improve the services of the community recycling network.

(3)

At present, GREEN@COMMUNITY provides collection-at-door service to a total of about 200 PRH estates and over 1 800 private housing estates / single-block buildings / villages, etc. for collection of nine common types of recyclables, including plastic bottles and other plastics. The contractors of EPD have provided about 2 300 designated recycling bins for “other plastics” for 99 PRH estates and about 350 private housing estates / residential buildings. Some housing estates / residential buildings have also set

up their own recycling bins for “other plastics”. We do not have statistical data on the numbers of these recycling bins.

In addition, the EPD is implementing the Pilot Programme on Smart Recycling Systems to enhance the operational efficiency of GREEN@COMMUNITY and provide the public with new recycling experience. At the present stage, a total of about 50 sets of smart recycling bins which can collect “other plastics” have been distributed to different application points (including PRH estates, private housing estates, villages, shopping malls, universities and government venues, etc.) and have already been put into service.

(4)

As at mid-February 2024, the EPD has set up about 1 100 sets of roadside recycling bins in public places in the rural areas, among which about 600 sets are placed outside the refuse collection points managed by the Food and Environmental Hygiene Department to facilitate residents in rural areas to recycle the most common types of recyclables, including paper, plastic bottles and metals. In case “other plastics” are received by the roadside recycling bins for plastic bottles, the service contractors of EPD will collect and deliver them to the workshops altogether for sorting before delivering to the approved recyclers for proper treatment. We will review the usage of roadside recycling bins in rural areas and change the labels of “plastic bottles” to “plastics” progressively in order to clearly indicate that the recycling bins concerned can receive any type of waste plastics.

- End -

LEGCO QUESTION No. 18

(Written Reply)

Asked by: Hon CHU Kwok-keung

Date of Meeting: 28 February 2024

Replied by: Secretary for Education

Reply:

President,

The Hong Kong Housing Authority (HA) announced on 21 December 2023 that a redevelopment study for Choi Hung Estate would be initiated to further explore the potential of making good use of its build-back potential, and an implementation plan would be worked out for the purpose. HA will maintain communication with the bureaux/departments concerned, including the Education Bureau (EDB), on various arrangements. Upon completion of the study, HA will announce the relevant arrangements accordingly. The entire redevelopment project is expected to take at least 15 years to complete.

At present, there are one public sector primary school and two public sector secondary schools within the Choi Hung Estate. Regarding the primary school, the Government announced in 2020 that The Church of Christ in China Kei Wa Primary School (Kei Wa) located in the estate would be reprovisioned to a reserved school site therein. The proposal was supported by the Legislative Council Panel on Education (the Panel) in 2022. As recommended by the Panel, EDB also maintained communication with the relevant departments to confirm whether there would be any redevelopment plans for the estate before implementing the project. In the light of the HA's study, and taking into account the principle of vicinity generally adopted in primary school admission, EDB is reviewing the reprovisioning plan for Kei Wa.

As for the secondary schools, EDB is closely monitoring the supply of and demand for secondary school places in the district and Hong Kong as a whole, and maintaining communication with school sponsoring bodies (SSBs) and schools to explore the most appropriate arrangements. The Government generally does not, owing to the redevelopment of public housing estates (PHEs), reprovision schools through direct allocation of school premises. Should there be School Allocation Exercises (SAEs) in future, interested schools (including those seeking reprovisioning due to redevelopment of PHEs) are required to apply through an open and fair SAE and compete with all eligible SSBs in Hong Kong. When assessing the applications, the Government would pay heed to the views of the School Allocation Committee with a view to selecting the best and most

suitable SSB, with quality of education as its prime consideration. Other factors to be taken into account include the school proposals submitted by the SSBs, the operation record of the SSBs and the physical condition of the existing school premises, etc..

With changing population structure in Hong Kong, we encourage and support SSBs to make long-term planning and actively respond to community needs for different services in the interest of the society at large and with regard to the circumstances of the district and the schools. EDB would continue to meet with relevant SSBs to explore feasible options having regard to the actual circumstances.

(End)

LEGCO QUESTION NO. 19

(Written Reply)

Asked by Dr Hon CHOW Man-kong

Date of meeting : 28 February 2024

Replied by : Secretary for Education

Reply

President,

It has all along been the Government's policy to support the parallel development of the publicly-funded and self-financing post-secondary education sectors. The self-financing sector helps diversify our higher education system and provides more education opportunities for our secondary school graduates. In pursuance of this policy, the Education Bureau (EDB) exercises oversight of the self-financing institutions, focusing on ensuring their transparency of operation, quality assurance, and good governance, while implementing a host of support measures for institutions as well as providing subsidies for students to promote the healthy and sustainable development of the self-financing sector.

Our reply to the questions raised by Dr the Hon Chow Man-kong is as follows –

- (1) The numbers of academic staff members of the self-financing post-secondary institutions by institution from the 2022/23 to 2023/24 academic years (AYs) are at **Annex 1**.

The Competitive Research Funding Schemes for the Local Self-financing Degree Sector was launched in 2013 to support the academic and research development of the local self-financing degree-awarding sector on a competitive basis through the funding of the Research Endowment Fund. The amounts of funding allocated to participating institutions under the Schemes by institution from 2022-23 to 2023-24 are at **Annex 2**.

The numbers of students enrolled in full-time locally-accredited self-financing sub-degree (SD) and undergraduate (Ug) programmes by institution from the 2021/22 to 2023/24 AYs are at **Annex 3**.

The numbers of students enrolled in locally-accredited self-financing research postgraduate (RPg) and taught postgraduate (TPg) programmes by institution from the 2020/21 to 2022/23 AYs are at **Annex 4**. The relevant statistics for the 2023/24 AY are being consolidated and are not available at the moment.

- (2) In the 2021/22 and 2022/23 rounds of applications of the Enhancement and Start-up Grant Scheme for Self-financing Post-secondary Education (ESGS), 19 and eight applications were received respectively, among which four and two projects were approved with a total grant of about \$117 million and \$57 million respectively. The approved projects cover a range of sectors, including allied health, art technology, game design, engineering, construction management, and supply chain management, which are conducive to catering for the keen manpower demands of the relevant industries. Details of the approved projects are at **Annex 5**.

Under ESGS, the Committee on Self-financing Post-secondary Education (CSPE) will advise the Secretary for Education on the merits of the applications, having regard to the following –

- (a) whether a programme under application is able to nurture talent for a specific industry that has been identified with a strong human resources need / gap that has not been filled;
- (b) whether a programme under application is in line with the relevant institution's strategic positioning in the sector and its academic development plan; and
- (c) the programme design, costs, financial sustainability, student admission plan, and any other relevant factor.

The Secretary for Education will consider the recommendations of CSPE and all relevant factors when making funding approval under ESGS.

- (3) With the approval of a commitment of \$3 billion by the Finance Committee of the Legislative Council in June 2019, the University Grants Committee (UGC) implemented the Research Matching Grant Scheme (RMGS) in August 2019. To date, participating universities

/ institutions have submitted applications with donations amounting to \$5.13 billion for matching grants approved under RMGS. The total amount of matching grants disbursed is \$2.87 billion and the remaining \$130 million is expected to be disbursed within this year.

From the reports submitted by the universities / institutions to UGC, it is noted that RMGS has contributed to a wide range of outcomes relating to funded research projects, including journal publications, scholarly books, patents, international academic / research awards, and international accreditation. Some scientific research outcomes have been successfully commercialised, contributing to society in innovation and technology areas such as artificial intelligence, big data, and biomedical engineering. The Government currently has no plan to launch a new round of RMGS.

- (4) and (5) The eight UGC-funded universities may admit non-local students to UGC-funded taught programmes by way of over-enrollment. The non-local student enrolment ceiling will be doubled from the currently a level equivalent to 20% of the local student places to 40% with effect from the 2024/25 AY. It is worth noting that all non-local students pursuing UGC-funded taught programmes do not receive public funding, and that the number of such non-local students is accounted for separately from local student places so as to ensure that study opportunities for local students will not be affected.

In the 2022/23 and 2023/24 (provisional figures) AYs, the proportion of non-local students studying UGC-funded Ug programmes were 19.2% and 19.9% , and the proportion for TPg programmes were 6.2% and 6.5% respectively. There were only very few non-local students enrolled in SD programmes. Statistics of non-local students studying SD, Ug, TPg, and RPg programmes at individual UGC-funded universities are set out at **Annex 6**. There is no quota restriction for the admission of non-local students to UGC-funded RPg programmes.

As regards the self-financing post-secondary sector, save for students from the Mainland, Macao and Taiwan (MMT), there is no restriction on the admission of non-local students to full-time locally-accredited self-financing local SD, Ug, TPg, and RPg programmes. For MMT students, six local self-financing post-secondary institutions, namely, Hong Kong Metropolitan University (HKMU), Hong Kong Shue Yan University (HKSJU), The Hang Seng University of Hong Kong (HSUHK), Hong Kong Chu Hai College, Tung Wah College, and Technological and Higher Education Institute of Hong Kong under the

Vocational Training Council, have been approved by the Ministry of Education (MoE) to admit Mainland students to their full-time locally-accredited self-financing local degree programmes. Under the mechanism agreed by MoE, there is a quota restriction on the number of MMT students enrolled in full-time locally-accredited self-financing local SD and Ug (including top-up degree) programmes by these six specified self-financing institutions in each AY, which should normally not exceed 10% of the total student enrolment in such programmes in the preceding AY. There is no quota restriction for postgraduate programmes. In accordance with the abovementioned mechanism, taking into account relevant institutions' satisfactory track record, performance in admission of local and Mainland students, and the utilisation of the prevailing quota, EDB has increased the relevant quota applicable to HKMU, HKSYU, and HSUHK to 20% with effect from the 2023/24 AY. As regards SD programmes, all self-financing institutions may admit non-local students (including MMT students) to their full-time locally-accredited self-financing local SD programmes, and the above-mentioned 10% or 20% quota is also applicable.

The numbers of MMT students of full-time locally-accredited self-financing local SD and Ug programmes of self-financing post-secondary institutions as well as the respective percentages of the total student enrolments in such programmes in the preceding AY from the 2022/23 to 2023/24 AYs, by institution and level of study, are at **Annex 7**.

The Chief Executive's 2023 Policy Address outlined the direction to develop Hong Kong into an international education hub and a cradle of future talent. The Government is further harnessing the advantages of Hong Kong's post-secondary education in terms of internationalisation and diversification, with a view to proactively developing Hong Kong into an international post-secondary education hub. While attracting and nurturing diverse talent, and creating strong impetus for the development of Hong Kong, we aim to facilitate people-to-people bond, serve Hong Kong, and contribute to the country. In this connection, the Government is launching a number of initiatives, including doubling the non-local student quota of publicly-funded post-secondary institutions to 40% of the local student places with effect from the 2024/25 AY. The institutions may, having regard to their own conditions, progressively attract more non-local students. As regards the self-financing post-secondary education sector, the Government will continue to explore with MoE feasible

enhancements to the arrangements for Mainland students to study in Hong Kong, with a view to achieving the abovementioned policy objectives.

- (6) In view of their self-financing mode of operation, self-financing institutions enjoy greater flexibility in programme development to respond to the ever-evolving manpower needs of different sectors of society, complementing publicly-funded institutions in providing diversified articulation pathways for young people and nurturing talent needed by the market.

While upholding the spirit of institutional autonomy, EDB has been working closely with self-financing institutions and the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) to ensure that the quality of the programmes offered by relevant institutions meet the corresponding standards on the one hand, and to facilitate the strategic co-ordination of the self-financing sector on the other hand, supporting institutions to develop their distinct niche areas and responding to society's manpower needs in a timely manner.

In general, except for institutions with self-accrediting status, self-financing institutions are required to go through the relevant accreditation by HKCAAVQ before launching post-secondary programmes (i.e. degree and sub-degree programmes), so as to ensure that the governance structure, academic standards and quality, teacher quality, quality assurance mechanisms, and financial conditions, etc. meet the required standards.

For degree programmes, self-financing institutions registered under the Post Secondary Colleges Ordinance (Cap. 320) are required to go through HKCAAVQ's independent external academic accreditation and obtain the prior approval of the Chief Executive-in-Council (CE-in-C) before awarding new degrees. Before conducting academic accreditation, institutions are required to consult EDB on their proposed programmes to facilitate the strategic co-ordination of the self-financing sector, with a view to ensuring that self-financing programmes could cater to actual market needs and nurture talent with the required skills of the industries.

As regards sub-degree programmes (i.e. Higher Diploma and Associate Degree programmes), institutions are required to develop relevant programmes in accordance with EDB's Revised Common

Descriptors for Associate Degree and Higher Diploma Programmes and go through HKCAAVQ's independent external academic accreditation, so as to ensure that the design and teaching and learning of the relevant programmes could meet society's needs and expectations. Relevant programmes are not required to obtain the prior approval of CE-in-C.

In fact, HKCAAVQ's quality assurance mechanism and standards are widely recognised internationally. It underwent external benchmarking exercises in 2021 and 2023 respectively and has become the first quality assurance agency in the Asia-Pacific Region to have attained recognition from both the European Association for Quality Assurance in Higher Education and the International Network for Quality Assurance Agencies in Higher Education. EDB will continue to work closely with HKCAAVQ to continuously enhance the quality assurance mechanism for the self-financing sector and provide facilitation, with a view to supporting self-financing institutions to develop quality programmes that meet manpower needs, while promoting the development of vocational and professional education and training.

Annex 1

Numbers of Academic Staff Members of Self-financing Post-secondary Institutions by Institution, 2022/23 to 2023/24 AYs

| Institution | Number of Academic Staff Members | |
|---|----------------------------------|---------------------------|
| | 2022/23 AY | 2023/24 AY ^[1] |
| (i) Approved Post Secondary Colleges Registered under the Post Secondary Colleges Ordinance (Cap. 320) | | |
| Centennial College ^[2] | - | - |
| Hong Kong Chu Hai College ^[3] | 137 | 139 |
| Gratia Christian College | 34 | 44 |
| HKCT Institute of Higher Education | 35 | 37 |
| Hong Kong Nang Yan College of Higher Education | 27 | 53 |
| Hong Kong Shue Yan University | 298 | 282 |
| Saint Francis University ^[4] | 252 | 242 |
| The Hang Seng University of Hong Kong | 332 | 319 |
| Tung Wah College | 164 | 193 |
| UOW College Hong Kong | 108 | 102 |
| Yew Chung College of Early Childhood Education | 31 | 30 |
| (ii) Post-secondary Institutions Registered under the Education Ordinance (Cap. 279) | | |
| Caritas Bianchi College of Careers | 148 | 173 |
| Caritas Institute of Community Education | 9 | 9 |
| HKU SPACE Po Leung Kuk Stanley Ho Community College | 150 | 200 |
| Hong Kong Adventist College ^[5] | 11 | 26 |
| Hong Kong College of Technology | 94 | 78 |
| Hong Kong Institute of Technology | 47 | 47 |
| YMCA College of Careers | 12 | 14 |
| (iii) Self-financing Arms of UGC-funded Universities | | |
| City University of Hong Kong – School of Continuing and Professional Education | 24 | 19 |
| Hong Kong Baptist University – School of Continuing Education, College of International Education and Academy of Film | 432 | 414 |
| Lingnan University – Lingnan Institute of Further Education | 40 | 30 |
| The Chinese University of Hong Kong – School of Continuing and Professional Studies | 85 | 83 |
| The Hong Kong Polytechnic University – School of Professional Education and Executive Development and Hong Kong Community College | 620 | 649 |
| The University of Hong Kong – HKU SPACE Community College | 366 | 412 |
| (iv) Others | | |
| Hong Kong Metropolitan University and its Li Ka Shing School of Professional and Continuing Education | 648 | 742 |
| Vocational Training Council ^[5] | 977 | 976 |
| Hong Kong Art School | 46 | 45 |

Notes:

- [1] Provisional figures as at end December 2023. The final number of academic staff members may vary.
- [2] Centennial College has ceased to enroll students from the 2019/20 AY.
- [3] Approval was given for the retitling of the Chu Hai College of Higher Education to Hong Kong Chu Hai College on 20 December 2022.
- [4] Approval was given for the retitling of the Caritas Institute of Higher Education to Saint Francis University on 9 January 2024.
- [5] Relevant figures of the Vocational Training Council include that of its members institutions, namely School for Higher and Professional Education, Technological and Higher Education Institute of Hong Kong, and Hong Kong Institute of Vocational Education / Hong Kong Design Institute.

Annex 2

Amounts of Funding Allocated under the Competitive Research Funding Schemes for the Local Self-financing Degree Sector by Institution, 2022-23 to 2023-24

| Institution | Amount of Funding (\$ million) | |
|--|-----------------------------------|---------|
| | 2022-23 | 2023-24 |
| (i) Approved Post Secondary Colleges Registered under the Post Secondary Colleges Ordinance | | |
| Centennial College ^[1] | - | - |
| Gratia Christian College | - | - |
| HKCT Institute of Higher Education | 1.0 | - |
| Hong Kong Chu Hai College ^[2] | 2.2 | 1.8 |
| Hong Kong Nang Yan College of Higher Education | - | - |
| Hong Kong Shue Yan University | 15.1 | 6.0 |
| Saint Francis University ^[3] | 7.5 | 8.3 |
| The Hang Seng University of Hong Kong | 12.4 | 19.1 |
| Tung Wah College | 4.8 | 6.5 |
| UOW College Hong Kong | - | 1.4 |
| Yew Chung College of Early Childhood Education | 0.8 | - |
| (ii) Self-financing Arms of UGC-funded Universities | | |
| Hong Kong Baptist University – School of Continuing Education | - | - |
| The Hong Kong Polytechnic University – School of Professional Education and Executive Development | 14.2 | 8.3 |
| (iii) Others | | |
| Hong Kong Metropolitan University | 13.3 | 29.2 |
| Technological and Higher Education Institute of Hong Kong under the Vocational Training Council | 5.9 | 1.6 |

Notes:

- [1] Centennial College has ceased to enroll students from the 2019/20 AY.
- [2] Approval was given for the retitling of the Chu Hai College of Higher Education to Hong Kong Chu Hai College on 20 December 2022.
- [3] Approval was given for the retitling of the Caritas Institute of Higher Education to Saint Francis University on 9 January 2024.

**Enrolments of Full-time Locally-accredited Self-financing
SD and Ug Programmes
by Institution, 2021/22 to 2023/24 AYs**

| Institution | 2021/22 AY | | | 2022/23 AY | | | 2023/24 AY | | |
|---|------------|-------------------|--------|------------|-------------------|--------|--------------------------|-------------------|--------|
| | Enrolment | | | Enrolment | | | Enrolment ^[1] | | |
| | SD | Ug ^[2] | Total | SD | Ug ^[2] | Total | SD | Ug ^[2] | Total |
| (i) Approved Post Secondary Colleges Registered under the Post Secondary Colleges Ordinance | | | | | | | | | |
| Centennial College ^[3] | - | 12 | 12 | - | - | - | - | - | - |
| Gratia Christian College | 42 | 147 | 189 | 88 | 177 | 265 | 152 | 205 | 357 |
| HKCT Institute of Higher Education | 87 | 121 | 208 | 86 | 182 | 268 | 102 | 206 | 308 |
| Hong Kong Chu Hai College ^[4] | - | 356 | 356 | - | 255 | 255 | 5 | 245 | 250 |
| Hong Kong Nang Yan College of Higher Education | 5 | 144 | 149 | 5 | 139 | 144 | 4 | 150 | 154 |
| Hong Kong Shue Yan University | - | 3 765 | 3 765 | - | 3 595 | 3 595 | - | 3 697 | 3 697 |
| Saint Francis University ^[5] | 357 | 2 146 | 2 503 | 382 | 2 472 | 2 854 | 442 | 2 995 | 3 437 |
| The Hang Seng University of Hong Kong | - | 6 029 | 6 029 | - | 5 771 | 5 771 | - | 5 654 | 5 654 |
| Tung Wah College | 391 | 2 718 | 3 109 | 401 | 2 855 | 3 256 | 518 | 3 214 | 3 732 |
| UOW College Hong Kong | 1 603 | 282 | 1 885 | 924 | 272 | 1 196 | 955 | 199 | 1 154 |
| Yew Chung College of Early Childhood Education | 201 | 143 | 344 | 176 | 110 | 286 | 147 | 106 | 253 |
| (ii) Post-secondary Institutions Registered under the Education Ordinance | | | | | | | | | |
| Caritas Bianchi College of Careers | 580 | - | 580 | 647 | - | 647 | 704 | - | 704 |
| Caritas Institute of Community Education | 9 | - | 9 | 21 | - | 21 | 11 | - | 11 |
| HKU SPACE Po Leung Kuk Stanley Ho Community College | 2 239 | - | 2 239 | 2 438 | - | 2 438 | 2 659 | - | 2 659 |
| Hong Kong Adventist College | 7 | - | 7 | 61 | - | 61 | 114 | - | 114 |
| Hong Kong College of Technology | 327 | - | 327 | 306 | - | 306 | 362 | - | 362 |
| Hong Kong Institute of Technology | 257 | 381 | 638 | 251 | 407 | 658 | 263 | 394 | 657 |
| YMCA College of Careers | 11 | - | 11 | 13 | - | 13 | 34 | - | 34 |
| (iii) UGC-funded Universities and their Self-financing Arms | | | | | | | | | |
| City University of Hong Kong | - | 26 | 26 | - | 26 | 26 | - | 14 | 14 |
| City University of Hong Kong – School of Continuing and Professional Education | - | 484 | 484 | - | 264 | 264 | - | 168 | 168 |
| Hong Kong Baptist University | - | 78 | 78 | - | 2 | 2 | - | - | 0 |
| Hong Kong Baptist University – School of Continuing Education, College of International Education and Academy of Film | 3 478 | 1 962 | 5 440 | 3 538 | 1 790 | 5 328 | 3 666 | 1 640 | 5 306 |
| Lingnan University | - | 183 | 183 | - | 406 | 406 | - | 588 | 588 |
| Lingnan University – Lingnan Institute of Further Education | 703 | - | 703 | 490 | - | 490 | 443 | - | 443 |
| The Chinese University of Hong Kong – School of Continuing and Professional Studies | 1 433 | - | 1 433 | 1 417 | - | 1 417 | 1 447 | - | 1 447 |
| The Education University of Hong Kong | - | 381 | 381 | - | 194 | 194 | - | 137 | 137 |
| The Hong Kong Polytechnic University – School of Professional Education and Executive Development and Hong Kong Community College | 9 024 | 1 830 | 10 854 | 8 928 | 1 595 | 10 523 | 8 992 | 1 527 | 10 519 |
| The Hong Kong University of Science and Technology | - | 159 | 159 | - | 146 | 146 | - | 155 | 155 |
| The University of Hong Kong – HKU School of Professional and Continuing Education and HKU SPACE Community College | 6 694 | 348 | 7 042 | 7 224 | 298 | 7 522 | 8 409 | 240 | 8 649 |

| Institution | 2021/22 AY | | | 2022/23 AY | | | 2023/24 AY | | |
|---|------------|-------------------|--------|------------|-------------------|--------|--------------------------|-------------------|--------|
| | Enrolment | | | Enrolment | | | Enrolment ^[1] | | |
| | SD | Ug ^[2] | Total | SD | Ug ^[2] | Total | SD | Ug ^[2] | Total |
| (iv) Others | | | | | | | | | |
| Hong Kong Metropolitan University and its Li Ka Shing School of Professional and Continuing Education | 2 066 | 9 770 | 11 836 | 2 030 | 9 546 | 11 576 | 2 402 | 10 159 | 12 561 |
| Vocational Training Council ^[6] | 562 | 3 907 | 4 469 | 264 | 3 040 | 3 304 | 196 | 3 037 | 3 233 |
| Hong Kong Art School | 81 | 112 | 193 | 78 | 114 | 192 | 71 | 99 | 170 |

Notes:

[1] Provisional figures as at early October 2023. The final enrolments may vary.

[2] Figures include students of first-year-first-degree and top-up degree programmes.

[3] Centennial College has ceased to enroll students from the 2019/20 AY.

[4] Approval was given for the retitling of the Chu Hai College of Higher Education to Hong Kong Chu Hai College on 20 December 2022.

[5] Approval was given for the retitling of the Caritas Institute of Higher Education to Saint Francis University on 9 January 2024.

[6] Relevant figures of the Vocational Training Council include that of its member institutions, namely School for Higher and Professional Education, Technological and Higher Education Institute of Hong Kong, and Hong Kong Institute of Vocational Education / Hong Kong Design Institute.

“-” Denotes that the relevant programmes were not offered by the institutions in that AY.

**Enrolments of Locally-accredited Self-financing
RPg and TPg Programmes
by Institution, 2020/21 to 2022/23 AYs**

| Institution | 2020/21 AY | | | 2021/22 AY | | | 2022/23 AY | | |
|--|--------------------|--------------------|--------|--------------------|--------------------|--------|--------------------|--------------------|--------|
| | Enrolment | | | Enrolment | | | Enrolment | | |
| | RPg ^[1] | TPg ^[2] | Total | RPg ^[1] | TPg ^[2] | Total | RPg ^[1] | TPg ^[2] | Total |
| (i) Approved Post Secondary Colleges Registered under the Post Secondary Colleges Ordinance | | | | | | | | | |
| Hong Kong Chu Hai College ^[3] | - | 187 | 187 | - | 295 | 295 | - | 696 | 696 |
| Hong Kong Shue Yan University | 19 | 101 | 120 | 20 | 99 | 119 | 27 | 134 | 161 |
| Saint Francis University ^[4] | - | - | - | - | 20 | 20 | - | 40 | 40 |
| The Hang Seng University of Hong Kong | - | 121 | 121 | - | 217 | 217 | - | 443 | 443 |
| (ii) UGC-funded Universities and their Self-financing Arms | | | | | | | | | |
| City University of Hong Kong | 1 431 | 4 896 | 6 327 | 1 813 | 4 924 | 6 737 | 2 006 | 6 002 | 8 008 |
| Hong Kong Baptist University | 234 | 3 236 | 3 470 | 259 | 3 604 | 3 863 | 303 | 3 744 | 4 047 |
| Hong Kong Baptist University – School of Continuing Education | - | 163 | 163 | - | 109 | 109 | - | 69 | 69 |
| Lingnan University | 15 | 836 | 851 | 23 | 1 477 | 1 500 | 36 | 2 021 | 2 057 |
| The Chinese University of Hong Kong | 814 | 8 497 | 9 311 | 877 | 9 231 | 10 108 | 963 | 9 811 | 10 774 |
| The Education University of Hong Kong | 25 | 1 558 | 1 583 | 18 | 1 886 | 1 904 | 21 | 2 205 | 2 226 |
| The Hong Kong Polytechnic University | 972 | 8 160 | 9 132 | 1 177 | 8 598 | 9 775 | 1 433 | 8 738 | 10 171 |
| The Hong Kong University of Science and Technology | 1 221 | 3 163 | 4 384 | 1 442 | 3 937 | 5 379 | 1 434 | 4 271 | 5 705 |
| The University of Hong Kong | 710 | 9 373 | 10 083 | 831 | 10 823 | 11 654 | 931 | 12 674 | 13 605 |
| The University of Hong Kong – HKU School of Professional and Continuing Education | - | 1 252 | 1 252 | - | 1 196 | 1 196 | - | 984 | 984 |
| (iii) Others | | | | | | | | | |
| Hong Kong Metropolitan University ^[5] | 19 | 995 | 1 014 | 32 | 1 256 | 1 288 | 38 | 1 645 | 1 683 |
| The Hong Kong Academy for Performing Art | - | 134 | 134 | - | 148 | 148 | - | 161 | 161 |

Notes:

- [1] Self-financing RPg programmes cover both full-time and part-time Master of Philosophy and Doctor of Philosophy programmes. Figures for self-financing RPg programmes include fully self-financing students; and if RPg students are financed by the UGC-funded universities using both UGC and external funds, they will be counted towards different sources on a pro-rata basis. Figures may not add up to the corresponding totals due to rounding.
- [2] Self-financing TPg programmes cover both full-time and part-time Postgraduate Certificate with a minimum duration of one year, Postgraduate Diploma, Master's, and Doctoral degree programmes.
- [3] Approval was given for the retitling of the Chu Hai College of Higher Education to Hong Kong Chu Hai College on 20 December 2022.
- [4] Approval was given for the retitling of the Caritas Institute of Higher Education to Saint Francis University on 9 January 2024.
- [5] The Open University of Hong Kong has been retitled to Hong Kong Metropolitan University with effect from 1 September 2021.
- “-”Denotes that the relevant programmes were not offered by the institutions in that AY.

**Details of Approved Projects under the
2021/22 and 2022/23 Rounds of Applications of ESGS**

2021/22 Round

| Institution | Project | Related Sector | Programmes Covered^[1] | Approved Grant (\$ million) | Key Areas of Funding^[2] | Number of Student Benefitted^[3] |
|---------------------------------------|--|-------------------------|---|------------------------------------|---|---|
| Hong Kong Metropolitan University | The Upgrade of Teaching and Learning Facilities and Resources to Support Creative Arts Programmes in Interactive Music and Virtual Production Technology | Art Technology | Bachelor of Arts with Honours in New Music and Interactive Entertainment | 33.3 | Recruitment / professional development of faculty members and teaching staff Procurement / upgrade of market-standard equipment / facilities to meet academic and professional requirements | 480 |
| Hong Kong Metropolitan University | Establishment of Bachelor of Science (Honours) in Construction Management and Surveying | Construction Management | Bachelor of Science (Honours) in Construction Management and Surveying | 40.6 | Recruitment / professional development of faculty members and teaching staff | 240 |
| The Hang Seng University of Hong Kong | Teaching Smart Decision Analytics for Supply Chain and Information Management Programme Enhancement | Supply Chain Management | Bachelor of Business Administration (Honours) in Supply Chain Management Bachelor of Management Science and Information Management (Honours) | 17.1 | Procurement / upgrade of market-standard equipment / facilities to meet academic and professional requirements provision of new / improvement to existing discipline-specific campus facilities / infrastructure | 850 |

| Institution | Project | Related Sector | Programmes Covered^[1] | Approved Grant (\$ million) | Key Areas of Funding^[2] | Number of Student Benefitted^[3] |
|--------------------|---|-----------------------|--|------------------------------------|---|---|
| Tung Wah College | Establishment of a Bachelor of Science (Honours) in Medical Imaging Programme | Allied Health | Bachelor of Science (Honours) in Medical Imaging | 26.5 | Procurement / upgrade of market-standard equipment / facilities to meet academic and professional requirements provision of new / improvement to existing discipline-specific campus facilities / infrastructure | 240 |

2022/23 Round

| Institution | Project | Related Sector | Programmes Covered^[1] | Approved Grant (\$ million) | Key Areas of Funding^[2] | Number of Student Benefitted^[3] |
|-----------------------------------|---|-----------------------|---|------------------------------------|--|---|
| Hong Kong Metropolitan University | Establishment of an Industrial Centre for New Industrialisation – Development of a New Programme and Enhancement of Existing Programmes | Engineering | Bachelor of Engineering with Honours in Building Engineering Bachelor of Engineering with Honours in Building Services Engineering and Sustainable Development Bachelor of Engineering with Honours in Civil Engineering Bachelor of Engineering with Honours in Electronic and Computer Engineering Bachelor of Science with | 37.2 | Procurement / upgrade of market-standard equipment / facilities to meet academic and professional requirements | 1 440 |

| Institution | Project | Related Sector | Programmes Covered^[1] | Approved Grant (\$ million) | Key Areas of Funding^[2] | Number of Student Benefitted^[3] |
|-------------------------------|--|-----------------------|--|------------------------------------|--|---|
| | | | Honours in Cyber and Computer Security Bachelor of Science with Honours in Data Science and Artificial Intelligence | | | |
| Hong Kong Shue Yan University | Development of Bachelor of Science (Hons) in Digital Solutions for Entertainment and Game Applications | Game Design | Bachelor of Science (Hons) in Digital Solutions for Entertainment and Game Applications | 19.5 | Recruitment / professional development of faculty members and teaching staff | 320 |

Note:

- [1] The eligibility criteria of ESGS cover independent non-profit-making education institutions offering full-time locally-accredited local self-financing sub-degree or undergraduate (including top-up degree) programmes. Therefore, all funded programmes are full-time programmes.
- [2] The approved projects generally cover various expenditure items for enhancing teaching and learning in designated academic areas. The expenditure items listed in the table above only cover those comprising relatively larger proportions of the approved grant.
- [3] The number of student benefitted are estimated by multiplying the maximum intakes per cohort provided by institutions and the committed minimum number of cohorts of student admission. In addition to the programmes covered by the projects, other students in the relevant institutions / faculties may also benefit from the equipment, facilities, teaching staff, etc. funded by the ESGS.
- [4] Institutions did not provide information on the cost savings and percentages of the approved projects.

Annex 6

Number of Non-local Students of UGC-funded Programmes and Proportion out of the Number of Local Student Places by University and Level of Study from the 2022/23 to 2023/24 AYs

| University | Level of Study | Actual number of non-local students and its proportion out of the number of local student places | | | |
|------------|----------------|--|------------|--------------------------|------------|
| | | 2022/23 AY | | 2023/24 AY (provisional) | |
| | | Student number | Percentage | Student number | Percentage |
| CityU | SD | - | - | No SD programme | |
| | Ug | 1 950 | 18.3% | 1 901 | 18.7% |
| | TPg | - | - | 10 | 18.9% |
| | RPg | 857 | - | 920 | - |
| HKBU | SD | No SD programme | | | |
| | Ug | 873 | 14.3% | 943 | 15.1% |
| | TPg | - | - | - | - |
| | RPg | 264 | - | 259 | - |
| LU | SD | No SD programme | | | |
| | Ug | 405 | 16.9% | 431 | 17.6% |
| | TPg | No TPg programme | | | |
| | RPg | 63 | - | 63 | - |
| CUHK | SD | No SD programme | | | |
| | Ug | 2 316 | 15.7% | 2 344 | 15.8% |
| | TPg | - | - | - | - |
| | RPg | 1 838 | - | 1 964 | - |
| EdUHK | SD | 0 | 0.0% | 1 | 0.1% |
| | Ug | 420 | 9.3% | 442 | 9.3% |
| | TPg | 22 | 6.9% | 23 | 6.3% |
| | RPg | 93 | - | 106 | - |
| PolyU | SD | - | - | No SD programme | |
| | Ug | 2 634 | 20.0% | 2 945 | 22.3% |
| | TPg | No TPg programme | | | |
| | RPg | 907 | - | 1 171 | - |
| HKUST | SD | No SD programme | | | |
| | Ug | 1 913 | 22.6% | 2 022 | 23.7% |
| | TPg | No TPg programme | | | |
| | RPg | 1 130 | - | 1 225 | - |
| HKU | SD | No SD programme | | | |
| | Ug | 3 636 | 26.3% | 3 728 | 26.8% |
| | TPg | 93 | 11.9% | 97 | 11.9% |
| | RPg | 2 243 | - | 2 457 | - |
| Total | SD | 0 | 0.0% | 1 | 0.1% |
| | Ug | 14 147 | 19.2% | 14 756 | 19.9% |
| | TPg | 115 | 6.2% | 129 | 6.5% |
| | RPg | 7 393 | - | 8 164 | - |

| | | | |
|--------|-------------------------------------|--------|--|
| CityU: | City University of Hong Kong | EdUHK: | The Education University of Hong Kong |
| HKBU: | Hong Kong Baptist University | PolyU: | The Hong Kong Polytechnic University |
| LU: | Lingnan University | HKUST: | The Hong Kong University of Science and Technology |
| CUHK: | The Chinese University of Hong Kong | HKU: | The University of Hong Kong |

Notes :

1. “-” denotes ‘nil’.

2. “0” denotes value lower than 0.5; “0.0%” denotes value lower than 0.05%.
3. The student numbers are full-time equivalent numbers.
4. Under the premise that the overall sector-wide percentage of total non-local students to the local student places in that particular study level remains within the 20% ceiling, the current practice allows individual universities’ over-enrolment of non-local students at a proportion which is slightly beyond 20%, so as to increase admission flexibility.
5. The number of students of UGC-funded RPg programmes refer to students financed by UGC funds within the normal study period. If the RPg students are financed by institutions using both UGC and external funds, they will be counted towards different sources on a pro-rata basis. Hence, figures may not add up to the corresponding totals due to rounding.
6. There is no quota restriction for the admission of non-local students to UGC-funded RPg programmes.

**Numbers of MMT Students of
Full-time Locally-accredited Self-financing Local SD and Ug Programmes
of Self-financing Post-secondary Institutions,
and the Respective Percentages of the
Total Student Enrolments of the Preceding AY
by Institution and Level of Study, 2022/23 to 2023/24 AYs**

| Institution | 2022/23 AY | | | 2023/24 AY | | |
|---|------------------------|----------------|--------------------------------------|---------------------------------------|----------------|--------------------------------------|
| | Number of MMT Students | | | Number of MMT Students ^[1] | | |
| | SD | Ug | % of total enrolment of preceding AY | SD | Ug | % of total enrolment of preceding AY |
| (i) Six Specified Self-financing Institutions | | | | | | |
| Hong Kong Metropolitan University and its Li Ka Shing School of Professional and Continuing Education | 96 | 1 449 | 13.1% | 250 | 1 594 | 15.9% |
| Hong Kong Shue Yan University | - | 427 | 11.3% | - | 642 | 17.9% |
| The Hang Seng University of Hong Kong | - | 399 | 6.6% | - | 505 | 8.8% |
| Hong Kong Chu Hai College ^[2] | - | 77 | 21.6% | 0 | 108 | 42.4% |
| Tung Wah College | 0 | 20 | 0.6% | 2 | 62 | 2.0% |
| Vocational Training Council ^[3] | 1 | 49 | 1.8% | 0 | 339 | 17.0% |
| (ii) Others | | | | | | |
| Centennial College ^[4] | - | Not Applicable | - | - | Not Applicable | - |
| Gratia Christian College | 19 | | 10.1% | 28 | | 10.6% |
| HKCT Institute of Higher Education | 0 | | 0.0% | 3 | | 1.1% |
| Hong Kong Nang Yan College of Higher Education | 0 | | 0.0% | 0 | | 0.0% |
| Saint Francis University ^[5] | 0 | | 0.0% | 1 | | # |
| UOW College Hong Kong | 165 | | 9.0% | 118 | | 10.3% |
| Yew Chung College of Early Childhood Education | 7 | | 2.0% | 21 | | 7.3% |
| Caritas Bianchi College of Careers | 0 | | 0.0% | 2 | | 0.3% |
| Caritas Institute of Community Education | 0 | | 0.0% | 0 | | 0.0% |
| HKU SPACE Po Leung Kuk Stanley Ho Community College | 186 | | 8.3% | 247 | | 10.1% |
| Hong Kong Adventist College | 0 | | 0.0% | 0 | | 0.0% |
| Hong Kong College of Technology | 16 | | 4.9% | 33 | | 10.8% |
| Hong Kong Institute of Technology | 7 | | 2.7% | 4 | | 1.6% |
| YMCA College of Careers | 0 | | 0.0% | 0 | | 0.0% |
| Hong Kong Art School | 3 | | 3.7% | 1 | | 1.3% |

Notes:

- [1] Provisional figures as at early October 2023. The final numbers of students may vary.
- [2] Approval was given for the retitling of the Chu Hai College of Higher Education to Hong Kong Chu Hai College on 20 December 2022.
- [3] Relevant figures of the Vocational Training Council include that of its member institutions, namely Technological and Higher Education Institute of Hong Kong and Hong Kong Institute of Vocational Education / Hong Kong Design Institute.
- [4] Centennial College has ceased to enroll students from the 2019/20 AY.
- [5] Approval was given for the retitling of the Caritas Institute of Higher Education to Saint Francis University on 9 January 2024.
- [6] EDB notes that the number of MMT students in some self-financing institutions have exceeded the relevant quota restriction, mainly due to a drop in overall student enrolments of relevant institutions and the fact that

students already admitted have to continue their studies, as well as the uncertainty in student admission arising from the pandemic. EDB has liaised with relevant institutions to understand the situation of their admission of MMT students, and requested the institutions to provide explanations and to strictly follow the prevailing requirements on admitting MMT students.

“-” Denotes that the relevant programmes were not offered by the institutions in that AY.

“#” Denotes less than 0.05%.

LEGCO QUESTION NO. 20

(Written Reply)

Asked by Prof Hon William WONG

Date of meeting : 28 February 2024

Replied by : Secretary for Education

Reply

President,

It has all along been the Government's policy to support the parallel development of the publicly-funded and self-financing post-secondary education sectors. The self-financing sector helps diversify our higher education system and provides more education opportunities for our secondary school graduates. In pursuance of this policy, the Education Bureau (EDB) exercises oversight of the self-financing institutions, focusing on ensuring their transparency of operation, quality assurance, and good governance, while implementing a host of support measures for institutions as well as providing subsidies for students to promote the healthy and sustainable development of the self-financing sector.

Our reply to the questions raised by Prof the Hon William Wong Kam-fai is as follows –

- (1), (4) and (6) The Chief Executive's 2023 Policy Address (Policy Address) outlined the direction to develop Hong Kong into an international education hub and a cradle of future talent. The Government is further harnessing the advantages of Hong Kong's post-secondary education in terms of internationalisation and diversification, with a view to proactively promoting the parallel development of the publicly-funded and self-financing post-secondary education sectors, enhancing their quality, and expanding their capacity. The Government also encourages self-financing institutions to identify and develop more distinct niche areas. While attracting and nurturing diverse talent, and creating strong impetus for the development of Hong Kong, we aim to facilitate people-to-people bond, serve Hong Kong, and contribute to the country.

In this connection, the Government is launching a number of initiatives, including doubling the non-local student quota of publicly-funded post-secondary institutions to 40% of the local student places with effect from the 2024/25 academic year. The institutions may, having regard to their own conditions, progressively attract more non-local students.

As regards the self-financing post-secondary education sector, save for students from the Mainland, Macao and Taiwan (MMT), there is no restriction on the admission of non-local students to full-time locally-accredited self-financing local sub-degree, undergraduate, taught postgraduate, and research postgraduate programmes. For MMT students, six local self-financing post-secondary institutions, namely, Hong Kong Metropolitan University (HKMU), Hong Kong Shue Yan University (HKSJU), The Hong Kong Baptist University (HKBU), Hong Kong Baptist University of Applied Sciences (BAPU), Hong Kong Baptist University of Social Work (BAPU), and Technological and Higher Education Institute of Hong Kong under the Vocational Training Council, have been approved by the Ministry of Education (MoE) to admit Mainland students to their full-time locally-accredited self-financing local degree programmes. Under the mechanism agreed by MoE, there is a quota restriction on the number of MMT students enrolled in full-time locally-accredited self-financing local sub-degree and undergraduate (including top-up degree) programmes by these six specified self-financing institutions in each academic year, which should normally not exceed 10% of the total student enrolment in such programmes in the preceding academic year. There is no quota restriction for postgraduate programmes. In accordance with the abovementioned mechanism, taking into account relevant institutions' satisfactory track record, performance in admission of local and Mainland students, and the utilisation of the prevailing quota, the Education Bureau (EDB) has increased the relevant quota applicable to HKMU, HKSJU, and HSUHK to 20% with effect from the 2023/24 academic year. As regards sub-degree programmes, all self-financing institutions may admit non-local students (including MMT students) to their full-time locally-accredited self-financing local sub-degree programmes, and the above-mentioned 10% or 20% quota is also applicable.

In view of their self-financing mode of operation, self-financing institutions enjoy greater flexibility in programme development to respond to the ever-evolving manpower needs of different sectors

of society, complementing publicly-funded institutions in providing diversified articulation pathways for young people and nurturing talent needed by the market. In recent years, as the self-financing sector gradually matures, institutions have been proactively driving internationalisation and the number of non-local students pursuing self-financing post-secondary programmes have been consistently increasing. In this connection, the self-financing sector has potential to play an important role as Hong Kong develops into an international post-secondary education hub. The Government will continue to explore with MoE feasible enhancements to the arrangements for Mainland students to study in Hong Kong, with a view to achieving the abovementioned policy objectives.

On the other hand, EDB will continue to implement a package of support measures to promote the sustainable development of the self-financing sector, providing quality, diversified, and flexible articulation opportunities for students (including non-local students). In particular, the Policy Address announced that the Government would launch a new round of the Land Grant Scheme and Start-up Loan Scheme this year to provide land sites at nominal premium and interest-free loans respectively, with a view to supporting self-financing institutions to develop and improve campuses in support of more teaching and learning activities. We will announce the details in due course.

- (2) and (3) In pursuance of the recommendations of the Task Force on Review of Self-financing Post-secondary Education, EDB is proactively taking forward the amendments to the Post Secondary Colleges Ordinance (Cap. 320), with a view to enhancing the regulatory framework and governance of self-financing post-secondary institutions. The proposed legislative amendments aim to strengthen the regulatory regime on the registration of post secondary colleges, and provide for a unified regulatory framework for all institutions operating self-financing postsecondary education programmes at both the degree and sub-degree levels, with a view to ensuring an appropriate level of transparency and accountability in their operations in tandem with the academic and institutional governance expected of a modern higher education institution. The revamped regulatory regime will also provide for an effective and efficient mechanism to uphold the quality of self-financing post-secondary education by rationalising the arrangements for registration / cancellation of registration of

institutions and awarding of degrees, as well as repealing obsolete and overly prescriptive provisions.

EDB has all along been maintaining close liaison with relevant stakeholders on the legislative amendment proposals. In view of the views raised by some stakeholders, EDB has been further refining the legislative amendment proposals. It is expected that the amendment bill will be introduced into the Legislative Council in the second half of this year. The relevant amendment bill has also been included in the 2024 Legislative Programme.

As regards the eligibility of the Non-means-tested Subsidy Scheme for Self-financing Undergraduate Studies in Hong Kong (NMTSS), in pursuance of the policy of promoting the parallel development of the self-financing and publicly-funded sectors, the Government has provided more targeted support for independent self-financing institutions and their students. Under the prevailing policy and arrangement, the self-financing undergraduate programmes operated by University Grants Committee-funded universities and their self-financing arms are not eligible for NMTSS. Subject to the progress of the legislative amendments to Cap. 320, we will discuss the relevant transitional arrangements with the self-financing arms with the intention to migrate to the unified regulatory framework under the revamped Cap. 320 regime in a timely manner, including their eligibility for NMTSS.

- (5) In accordance with the strategy of fostering industry institution collaboration and diversified development, the Policy Address announced that the Government would press ahead with the establishment of universities of applied sciences (UAS) to raise the status of vocational and professional education and training (VPET) at degree level and provide an alternative pathway to success for young people who aspire to pursue a career in professional skills sectors.

EDB promulgated the criteria for qualifying as a UAS on 2 February 2024, inviting eligible self-financing post-secondary institutions to submit applications. We will provide financial and related support to self-financing post-secondary institutions with the capabilities and experience to plan ahead and develop along the relevant direction, in order to further enhance the status of VPET in society and among parents and students. Relevant measures include –

- (a) according priority to eligible programmes of UAS for inclusion under the Study Subsidy Scheme for Designated Professions / Sectors (SSSDP), which subsidises about 4 000 places of self-financing first-year-first-degree and top-up degree programmes per annum that belong to disciplines with manpower needs. We will accord priority to eligible programmes of UAS when reviewing the disciplines covered, list of programmes, and allocation of subsidised places under the established mechanism, with a view to strengthening support for UAS and encouraging enrolment of students.
- (b) according priority to eligible applications from UAS when considering the applications for other relevant support measures for self-financing post-secondary institutions, in order to further support the multi-faceted development of UAS; and
- (c) setting aside a start-up fund to support post-secondary institutions with potential to form an alliance of UAS within 2024 for joint promotion.

On the other hand, based on the successful experience of the two rounds of the Pilot Project on the Development of Applied Degree Programmes, we will also provide additional support for applied degree programmes through SSSDP, with a view to encouraging self-financing post-secondary institutions to offer more applied degree programmes in relation to disciplines relevant to professional skills sectors and enhancing the enrolment incentives of students and parents.

LEGCO QUESTION No. 21

(Written Reply)

Asked by: Hon TANG Fei

Date of Meeting: 28 February 2024

Replied by: Secretary for Financial
Services and the Treasury

Reply

President,

Regarding the various parts of the question, having consulted the Hong Kong Monetary Authority (HKMA), my reply is as follows:

- (1) The HKMA requires banks to prudently manage their lending business and develop specific credit underwriting standards. Banks must comply with the HKMA's countercyclical macroprudential measures when approving property mortgage loans. In light of changes in the property market, the HKMA twice increased, in August 2020 and July 2023 respectively, the maximum loan-to-value (LTV) ratio for non-residential properties to the current 60%.

For credit facilities secured by (residential or non-residential) properties for the purpose of financing corporates' business operations, such as overdrafts and trade lines, banks will develop a set of prudent credit underwriting standards based on their risk appetites. These include taking suitable measures to understand a corporate's background and the purpose of the credit, and to conduct a detailed assessment of the corporate's financial position and repayment ability.

(2) and (3)

The HKMA at present mainly collects mortgage data relating to residential properties on a regular basis, and will actively consider collecting mortgage data on non-residential properties.

The HKMA has not prescribed a financing cap for credit facilities secured by properties for the purpose of financing corporates' business operations. Banks when assessing each loan application will conduct a comprehensive evaluation of a corporate's condition and make their credit decision based on their risk appetites and credit underwriting standards. In other words, depending on the credit risk level, some corporates may obtain from banks partially secured loans, or even unsecured loans, with a financing ratio that exceeds 100% of the property value.

Based on the HKMA's understanding from banks, while the overall credit landscape is affected by the uncertain global and domestic economic outlooks and high interest rate environment, the banking industry continues to support corporates' financing needs without tightening the credit underwriting standards. According to the data provided by banks to the HKMA, the aggregate credit facility limits granted by banks to small and medium-sized enterprises (SMEs) declined slightly in the fourth quarter of 2023 due to weakened credit demand. Meanwhile, the proportion of SMEs with increased or unchanged credit facility limits remained stable at over 95% consistently.

-End-

LEGCO QUESTION NO. 22

(Written Reply)

Asked by : Dr Hon Wendy HONG

Date of meeting : 28 February 2024

Replied by : Secretary for Housing

Reply

President,

Regarding the question from Dr Hon Wendy HONG, our reply is as follows –

- (1) HA's Rental Housing Operating Account for the past ten years (i.e. 2013-2014 to 2022-2023) are in Annex 1. It is established practice for HA to formulate its Budget for the next financial year and financial forecasts for the subsequent three years at the beginning of each year. As such, HA endorsed at its meeting on 16 January 2024 the paper which set out the five-year budgets and forecasts for the period from 2023-2024 to 2027-2028. At this stage, we are not able to project the expenditure and income more accurately for 2027-2028 beyond. We will review the income and expenditure projections for the next few years in the next round of financial forecasts update.
- (2) In the past ten years, the actual annual expenditure on government rent and rates under the Rental Housing Operating Account ranges from \$176 million to \$1,120 million, including the rates concessions provided by the Government in various years (see Annex 2). In accordance with the established mechanism, HA assumes no rates concession in preparing the financial forecasts for Rental Housing operation from 2024-2025 to 2027-2028.

- (3) A breakdown for “Other recurrent expenses” of \$5,754 million under the Rental Housing Operating Account in 2022-2023 is as below:

| | (in \$ million) |
|---|-----------------|
| Cleaning and security services | 2,587 |
| Management fee for estate common area | 780 |
| Estate property management | 748 |
| Electricity | 639 |
| Management fee under Tenants Purchase Scheme estate | 293 |
| Administrative fees and other expenses | 707 |
| Total | 5,754 |

- (4) The latest estimated construction expenditure for HA’s public housing development programme from 2023-2024 to 2027-2028 is set out below:

| | 2023-24 (in \$ million) | 2024-25 (in \$ million) | 2025-26 (in \$ million) | 2026-27 (in \$ million) | 2027-28 (in \$ million) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Public rental housing | 11,593 | 17,285 | 21,372 | 22,768 | 21,544 |
| Subsidised sale flats | 6,710 | 9,010 | 10,743 | 10,978 | 12,632 |
| Others | 3,601 | 5,330 | 5,832 | 6,142 | 6,650 |
| Estimated total construction expenditure | 21,904 | 31,625 | 37,947 | 39,888 | 40,826 |

Under the latest budgets and financial forecasts, HA will be able to meet the construction expenditure up to 2027-2028, covering the financial commitments of building around 110 000 public housing flats. It should however be pointed out that the current 10-year public housing supply plan is back loaded, with two-third of the production target to be completed in the second five-year period. It is expected that construction expenditure in 2028-2029 and the subsequent years will continue to increase.

Since most of the sites for the public housing development projects in 2028-2029 and beyond are still in the early study / land production stage, it is difficult to give more reliable expenditure forecasts at this stage.

- (5) HA is a financially autonomous public body and the public housing programmes are sustained through internally generated funds. Under the latest budgets and financial forecasts, it is projected that HA can meet its expenditure up to 2027-2028 including construction expenditure.

HA's major income comes from public rental housing, commercial premises rents and sales of Home Ownership Scheme and Green Form Subsidised Housing flats, whereas construction expenditure is HA's largest expenditure item. Construction expenditure will continue to rise due to both increase in housing production and rising prices of construction works for some time in future.

HA will exercise careful and serious budgetary control to ensure prudent and cost-effective use of resources, and explore various cost control/saving and revenue-boosting measures. HA will review and update its income and expenditure projections in the next round of financial forecasts updating.

- END -

Annex 1

HA's Rental Housing Operating Account for the past 10 years (2013/14 to 2022/23)

| | Actual figures for the past 10 years (\$M) | | | | | | | | | |
|---|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| INCOME | | | | | | | | | | |
| Rental | 11,862 | 13,688 | 14,307 | 14,411 | 15,336 | 16,349 | 17,340 | 16,973 | 18,073 | 19,933 |
| Other income | 37 | 73 | 58 | 33 | 43 | 65 | 95 | 116 | 82 | 109 |
| TOTAL INCOME | 11,899 | 13,761 | 14,365 | 14,444 | 15,379 | 16,414 | 17,435 | 17,089 | 18,155 | 20,042 |
| EXPENDITURE | | | | | | | | | | |
| Personal emoluments | 2,664 | 2,730 | 2,790 | 3,028 | 3,056 | 3,200 | 3,374 | 3,356 | 3,291 | 3,346 |
| Government rent and rates | 140 | 1,120 | 1,192 | 277 | 282 | 176 | 203 | 189 | 253 | 253 |
| Maintenance and improvements | 2,616 | 2,940 | 2,958 | 3,132 | 3,224 | 3,514 | 3,775 | 3,980 | 4,128 | 4,383 |
| Other recurrent expenditure | 3,601 | 3,787 | 4,008 | 4,128 | 4,353 | 4,506 | 4,805 | 5,171 | 5,481 | 5,754 |
| Depreciation and amortisation | 2,876 | 3,016 | 3,227 | 3,348 | 3,871 | 4,038 | 4,334 | 4,432 | 4,610 | 4,953 |
| Share of corporate supervision and support service expenses | 181 | 196 | 201 | 205 | 210 | 217 | 226 | 220 | 191 | 189 |
| TOTAL EXPENDITURE | 12,078 | 13,789 | 14,376 | 14,118 | 14,996 | 15,651 | 16,717 | 17,348 | 17,954 | 18,878 |
| OPERATING SURPLUS / (DEFICIT) | (179) | (28) | (11) | 326 | 383 | 763 | 718 | (259) | 201 | 1,164 |

Annex 2

HA's Expenditure on Government Rent and Rates for the past 10 years (2013/14 to 2022/23)

| Financial Year | Figures for the past 10 years (\$M) | | | | | | | | | | (\$M) |
|--|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| Actual government rent and rates | 140 | 1,120 | 1,192 | 277 | 282 | 176 | 203 | 189 | 253 | 253 | 1,546 |
| Estimated rates concession from Government | 1,818 | 972 | 1,037 | 2,283 | 2,264 | 2,447 | 2,595 | 2,599 | 2,376 | 2,379 | 1,176 |
| Total | 1,958 | 2,092 | 2,229 | 2,560 | 2,546 | 2,623 | 2,798 | 2,788 | 2,629 | 2,632 | 2,722 |

SUPPLEMENT

Please visit our website at <http://www.budget.gov.hk/2024/eng/speech.html> for all documents, appendices and statistics relating to the 2024-25 Budget. The Chinese version can be found at <http://www.budget.gov.hk/2024/chi/speech.html>.

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EFFECT OF THE PROPOSED RATES CONCESSION⁽¹⁾ ON MAIN PROPERTY CLASSES

2024-25 ^(2&8)

| <i>Property Type</i> | <i>No Concession</i> | | <i>With Rates Concession</i> | |
|--|--|---|--|---|
| | <i>Average Rates Payable (\$ for the year)</i> | <i>Average Rates Payable (\$ per month)</i> | <i>Average Rates Payable (\$ for the year)</i> | <i>Average Rates Payable (\$ per month)</i> |
| Private Domestic Premises ⁽³⁾ | | | | |
| Small | 6,648 | 554 | 5,688 | 474 |
| Medium | 13,332 | 1,111 | 12,348 | 1,029 |
| Large | 29,688 | 2,474 | 28,704 | 2,392 |
| Public Domestic Premises ⁽⁴⁾ | 3,168 | 264 | 2,436 | 203 |
| All Domestic Premises⁽⁵⁾ | 6,504 | 542 | 5,652 | 471 |
| Shops and Commercial Premises | 37,716 | 3,143 | 36,804 | 3,067 |
| Offices | 45,996 | 3,833 | 45,012 | 3,751 |
| Industrial Premises ⁽⁶⁾ | 18,684 | 1,557 | 17,736 | 1,478 |
| All Non-domestic Premises⁽⁷⁾ | 36,144 | 3,012 | 35,292 | 2,941 |
| All Properties | 10,152 | 846 | 9,300 | 775 |

- (1) The proposed rates concession measure is capped at \$1,000 per tenement for the first quarter of 2024-25. No rates will be charged on 37% of domestic ratepayers, and 28% of non-domestic ratepayers for the first quarter of 2024-25. Overall speaking, about 36% of ratepayers will not need to pay any rates for the first quarter of 2024-25.
- (2) The rates payable have reflected the changes in rateable values for 2024-25 after the General Revaluation.
- (3) Domestic units are classified by saleable areas, as follows –
- | | | |
|--------|--|---|
| Small | up to 69.9m ² | (up to 752 ft ²) |
| Medium | 70m ² to 99.9m ² | (753 ft ² to 1 075 ft ²) |
| Large | 100m ² and over | (1 076 ft ² and over) |
- (4) Including Housing Authority and Housing Society rental units.
- (5) Including car parking spaces in domestic premises.
- (6) Including factories and storage premises.
- (7) Including miscellaneous premises such as hotels, cinemas, petrol filling stations, schools and car parking spaces in non-domestic premises.
- (8) The effects of implementation of the proposed progressive rating system for domestic tenements in the 4th quarter of 2024-25 have been taken into account.

SALARIES TAX

Proposed Changes to Standard Rate

| Present | | Proposed | |
|-------------------|------------------------------|-------------------|------------------------------|
| Net income | Standard Rate (%) | Net income | Standard Rate (%) |
| Any amount | 15 | First \$5,000,000 | 15 |
| | | Remainder | 16 |

Note: Salaries tax payable is calculated at progressive rates on a taxpayer's net chargeable income or at standard rate on his/her net income (before deduction of the allowances), whichever is lower.

EFFECT OF THE PROPOSED ONE-OFF REDUCTION OF SALARIES TAX, TAX UNDER PERSONAL ASSESSMENT AND PROFITS TAX

Year of Assessment 2023/24

Salaries tax and tax under personal assessment –
100% tax reduction subject to a cap at \$3,000 per case

| Assessable Income | No. of taxpayers | Average amount of tax reduction | Average % of tax reduced |
|------------------------|------------------|---------------------------------|--------------------------|
| \$200,000 and below | 187 000 | \$770 | 100% |
| \$200,001 to \$300,000 | 391 000 | \$2,230 | 57% |
| \$300,001 to \$400,000 | 373 000 | \$2,560 | 27% |
| \$400,001 to \$600,000 | 474 000 | \$2,720 | 13% |
| \$600,001 to \$900,000 | 335 000 | \$2,850 | 6% |
| Above \$900,000 | 303 000 | \$2,910 | 1% |
| Total | 2 063 000 | — | — |

Note: In the fourth quarter of 2023, the number of employed persons in Hong Kong was 3.71 million.

Profits tax –
100% tax reduction subject to a cap at \$3,000 per case

| Assessable Profits | No. of businesses# | Average amount of tax reduction | Average % of tax reduced |
|------------------------|--------------------|---------------------------------|--------------------------|
| \$100,000 and below | 49 700 | \$2,000 | 46% |
| \$100,001 to \$200,000 | 20 500 | \$3,000 | 18% |
| \$200,001 to \$300,000 | 11 800 | \$3,000 | 11% |
| \$300,001 to \$400,000 | 8 200 | \$3,000 | 8% |
| \$400,001 to \$600,000 | 11 400 | \$3,000 | 6% |
| \$600,001 to \$900,000 | 10 900 | \$3,000 | 4% |
| Above \$900,000 | 47 700 | \$3,000 | 0.1% |
| Total | 160 200 | — | — |

Note: As at 31 December 2023, there were about 1.3 million corporations and 287 000 unincorporated businesses in Hong Kong.

Including 121 800 corporations and 38 400 unincorporated businesses.

ECONOMIC PERFORMANCE IN 2023

1. Rates of change in the Gross Domestic Product and its expenditure components and in the main price indicators in 2023:

| | |
|---|-----------------------------|
| | (%) |
| (a) Growth rates in real terms of: | |
| Private consumption expenditure | 7.3 |
| Government consumption expenditure | -4.3 |
| Gross domestic fixed capital formation | 10.8 |
| <i>of which :</i> | |
| Building and construction | 7.1 |
| Machinery, equipment and intellectual property products | 20.7 |
| Total exports of goods | -10.3 |
| Imports of goods | -8.6 |
| Exports of services | 21.2 |
| Imports of services | 26.2 |
| Gross Domestic Product (GDP) | 3.2 |
| <i>Growth rate of per capita GDP in real terms</i> | 0.6 |
| <i>Per capita GDP at current market prices</i> | HK\$396,900 (US\$50,700) |
| (b) Rates of change in: | |
| Underlying Composite Consumer Price Index | 1.7 |
| GDP Deflator | 3.2 |
| Government Consumption Expenditure Deflator | 2.6 |
| (c) Growth rate of nominal GDP | 6.5 |

2. Annual rates of change in total exports based on external merchandise trade index numbers:

| | <i>Total exports</i> | |
|------|------------------------------|-----------------------------|
| | <i>In value terms</i> (%) | <i>In real terms</i> (%) |
| 2021 | 26 | 20 |
| 2022 | -9 | -15 |
| 2023 | -8 | -12 |

3. Annual rates of change in real terms of total exports by major market based on external merchandise trade quantum index numbers:

| | <i>Total exports</i> | | | | | |
|------|----------------------|----------------------------|------------------|------------------|---------------------|----------------------|
| | <i>Total</i> (%) | <i>The Mainland</i> (%) | <i>EU</i> (%) | <i>US</i> (%) | <i>India</i> (%) | <i>Taiwan</i> (%) |
| 2021 | 20 | 18 | 20 | 20 | 33 | 35 |
| 2022 | -15 | -21 | -11 | -11 | 26 | 0 |
| 2023 | -12 | -14 | -15 | -10 | -9 | -12 |

4. Annual rates of change in real terms of imports and retained imports based on external merchandise trade quantum index numbers:

| | <i>Imports</i> (%) | <i>Retained imports</i> (%) |
|------|-----------------------|--------------------------------|
| 2021 | 18 | 13 |
| 2022 | -14 | -10 |
| 2023 | -9 | 1 |

5. Annual rates of change in real terms of exports of services by type:

| | <i>Exports of services</i> | | | | |
|------|----------------------------|--------------------------------------|-----------------------------------|--------------------------------------|----------------------------------|
| | <i>Total</i> (%) | <i>Transport services</i> (%) | <i>Travel services</i> (%) | <i>Financial services</i> (%) | <i>Other services</i> (%) |
| 2021 | 3 | 6 | -38 | 2 | 9 |
| 2022 | 0 | -3 | 62 | -2 | -1 |
| 2023 | 21 | 5 | 523 | -4 | 2 |

6. Hong Kong's goods and services trade balance in 2023 reckoned on GDP basis:

| | (HK\$ billion) |
|---|----------------|
| Total exports of goods | 4,497.1 |
| Imports of goods | 4,625.3 |
| <i>Goods trade balance</i> | -128.3 |
| Exports of services | 774.1 |
| Imports of services | 620.7 |
| <i>Services trade balance</i> | 153.4 |
| <i>Combined goods and services trade balance</i> | 25.1 |

7. Annual averages of the unemployment and underemployment rates and growth in labour force and total employment:

| | <i>Unemployment rate (%)</i> | <i>Underemployment rate (%)</i> | <i>Growth in labour force (%)</i> | <i>Growth in total employment (%)</i> |
|------|--------------------------------------|---|---|---|
| 2021 | 5.2 | 2.6 | -1.2 | -0.6 |
| 2022 | 4.3 | 2.3 | -2.4 | -1.6 |
| 2023 | 2.9 | 1.1 | 0.8 | 2.2 |

8. Annual rates of change in the Consumer Price Indices:

| | <i>Composite CPI</i> | | <i>CPI(A)</i> | <i>CPI(B)</i> | <i>CPI(C)</i> |
|------|---------------------------|-------------------------|---------------|---------------|---------------|
| | <i>Underlying (%)</i> | <i>Headline (%)</i> | <i>(%)</i> | <i>(%)</i> | <i>(%)</i> |
| 2021 | 0.6 | 1.6 | 2.9 | 1.0 | 0.9 |
| 2022 | 1.7 | 1.9 | 2.2 | 1.7 | 1.8 |
| 2023 | 1.7 | 2.1 | 2.3 | 2.0 | 2.0 |

ECONOMIC PROSPECTS FOR 2024

Forecast rates of change in the Gross Domestic Product and main price indicators in 2024:

| | |
|--|--|
| | (%) |
| Gross Domestic Product (GDP) | |
| <i>Real GDP</i> | 2.5 to 3.5 |
| <i>Nominal GDP</i> | 5.2 to 6.2 |
| <i>Growth rate of per capita GDP in real terms</i> | 2.1 to 3.1 |
| <i>Per capita GDP at current market prices</i> | HK\$416,000-419,900 (US\$53,300-53,800) |
| Composite Consumer Price Index | |
| <i>Underlying Composite Consumer Price Index</i> | 1.7 |
| <i>Headline Composite Consumer Price Index</i> | 2.4 |
| GDP Deflator | 2.7 |

APPENDICES

APPENDICES

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Note: Expenditure figures for 2023-24 and before have been adjusted to align with the definitions and policy area group classifications adopted in the 2024-25 estimate.

APPENDIX A

MEDIUM RANGE FORECAST

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SECTION I FORECASTING ASSUMPTIONS AND BUDGETARY CRITERIA

1 The Medium Range Forecast (MRF) is a fiscal planning tool. It sets out the high-level forecast of government expenditure and revenue as well as the financial position covering the five-year period including the budget year, i.e. from 2024-25 to 2028-29.

2 A wide range of assumptions underlying the factors affecting Government's revenue and expenditure are used to derive the MRF. Some assumptions are economic in nature (the general economic assumptions) while others deal with specific areas of Government's activities (other assumptions).

General Economic Assumptions

Real Gross Domestic Product (real GDP)

3 GDP growth is forecast to range from 2.5% to 3.5% in real terms in 2024. We have used the mid-point of this range forecast in deriving the MRF. For planning purposes, in the four-year period 2025 to 2028, the trend growth rate of the economy in real terms is assumed to be 3.2% per annum.

Price change

4 The GDP deflator, measuring overall price change in the economy, is forecast to increase by 2.7% in 2024. For the four-year period 2025 to 2028, the GDP deflator is assumed to increase at a trend rate of 2.3% per annum.

5 The Composite Consumer Price Index (CCPI), measuring inflation in the consumer domain, is forecast to increase by 2.4% in 2024. Netting out the effects of various one-off relief measures, the underlying CCPI is forecast to increase by 1.7% in 2024. For the ensuing period 2025 to 2028, the trend rate of increase for the underlying CCPI is assumed to be 2.5% per annum.

Nominal Gross Domestic Product (nominal GDP)

6 Given the assumptions on the rates of change in the real GDP and the GDP deflator, the GDP in nominal terms is forecast to increase by 5.2% to 6.2% in 2024, and the trend growth rate in nominal terms for the period 2025 to 2028 is assumed to be 5.5% per annum.

Other Assumptions

7 Other assumptions on expenditure and revenue patterns over the forecast period are as follows –

- The operating expenditure for 2025-26 and beyond represents the forecast expenditure requirements for Government.
- The capital expenditure for 2024-25 and beyond reflects the estimated cash flow requirements for capital projects including approved capital works projects and those at an advanced stage of planning.
- The revenue projections for 2025-26 and beyond basically reflect the relevant trend yields.

Budgetary Criteria

8 Article 107 of the Basic Law stipulates that “*The Hong Kong Special Administrative Region shall follow the principle of keeping expenditure within the limits of revenues in drawing up its budget, and strive to achieve a fiscal balance, avoid deficits and keep the budget commensurate with the growth rate of its gross domestic product.*”

9 Article 108 of the Basic Law stipulates that “*... The Hong Kong Special Administrative Region shall, taking the low tax policy previously pursued in Hong Kong as reference, enact laws on its own concerning types of taxes, tax rates, tax reductions, allowances and exemptions, and other matters of taxation.*”

10 For the purpose of preparing the MRF, the following criteria are also relevant –

Budget surplus/deficit

The Government aims to achieve, over time, a balance in the consolidated account.

Expenditure policy

The general principle is that, over time, the growth rate of expenditure should be commensurate with the growth rate of the economy.

Revenue policy

The Government aims to maintain, over time, the real yield from revenue.

Fiscal reserves

The Government aims to maintain adequate reserves in the long run.

SECTION II MEDIUM RANGE FORECAST

11 The financial position of the Government for the current MRF period (*Note (a)*) is summarised below –

Table 1

| (\$ million) | 2023-24 Revised Estimate | 2024-25 Estimate | 2025-26 Forecast | 2026-27 Forecast | 2027-28 Forecast | 2028-29 Forecast |
|--|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Operating Account | | | | | | |
| Operating revenue (<i>Note (b)</i>) | 513,920 | 580,729 | 620,551 | 666,626 | 695,468 | 732,345 |
| Less: Operating expenditure (<i>Note (c)</i>) | 606,272 | 613,785 | 622,585 | 639,234 | 654,194 | 676,695 |
| Operating surplus / (deficit) | (92,352) | (33,056) | (2,034) | 27,392 | 41,274 | 55,650 |
| Capital Account | | | | | | |
| Capital revenue (<i>Note (d)</i>) | 40,651 | 52,298 | 82,906 | 103,570 | 127,613 | 153,823 |
| Less: Capital expenditure (<i>Note (e)</i>) | 121,610 | 163,083 | 164,719 | 178,205 | 154,801 | 131,382 |
| Capital surplus / (deficit) | (80,959) | (110,785) | (81,813) | (74,635) | (27,188) | 22,441 |
| Consolidated Account | | | | | | |
| Government revenue | 554,571 | 633,027 | 703,457 | 770,196 | 823,081 | 886,168 |
| Less: Government expenditure | 727,882 | 776,868 | 787,304 | 817,439 | 808,995 | 808,077 |
| Consolidated surplus / (deficit) before issuance and repayment of bonds | (173,311) | (143,841) | (83,847) | (47,243) | 14,086 | 78,091 |
| Add: Proceeds from issuance of government bonds (<i>Note (ff)</i>) | 72,490 | 120,000 | 135,000 | 135,000 | 135,000 | 95,000 |
| Less: Repayment of government bonds (<i>Note (ff)</i>) | 800 | 24,217 | 44,819 | 54,933 | 106,345 | 107,899 |
| Consolidated surplus / (deficit) after issuance and repayment of bonds | (101,621) | (48,058) | 6,334 | 32,824 | 42,741 | 65,192 |
| Fiscal reserves at 31 March | 733,169 | 685,111 | 691,445 | 724,269 | 767,010 | 832,202 |
| In terms of number of months of government expenditure | 12 | 11 | 11 | 11 | 11 | 12 |
| In terms of percentage of GDP | 24.5% | 21.7% | 20.7% | 20.6% | 20.7% | 21.2% |

Fiscal Reserves

12 Part of the fiscal reserves has, since 1 January 2016, been held in a notional savings account called the Future Fund, which is placed with the Exchange Fund with a view to securing higher investment returns over a ten-year investment period. The initial endowment of the Future Fund was \$219,730 million, being the balance of the Land Fund on 1 January 2016. \$4.8 billion of the consolidated surplus from the Operating and Capital Reserves was transferred to the Future Fund as top-up in 2016-17. The arrangement thereafter is subject to an annual review by the Financial Secretary.

Table 2

| Distribution of fiscal reserves at 31 March | | | | | |
|---|--------------------------------|-----------------------|----------------|-----------------------------------|----------------|
| | 2023-24 Revised Estimate | 2024-25 Estimate | | | |
| (\$ million) | | | Future Fund | Operating and Capital Reserves | Total |
| General Revenue Account | 140,451 | 129,647 | 4,800* | 124,847 | 129,647 |
| Funds with designated use | 225,778 | 213,298 | | 213,298 | 213,298 |
| Capital Works Reserve Fund | 96,477 | 99,410 | | 99,410 | 99,410 |
| Capital Investment Fund | 16,363 | 12,368 | | 12,368 | 12,368 |
| Civil Service Pension Reserve Fund | 55,857 | 57,924 | | 57,924 | 57,924 |
| Disaster Relief Fund | 9 | 200 | | 200 | 200 |
| Innovation and Technology Fund | 28,149 | 17,987 | | 17,987 | 17,987 |
| Loan Fund | 5,828 | 4,480 | | 4,480 | 4,480 |
| Lotteries Fund | 23,095 | 20,929 | | 20,929 | 20,929 |
| Land Fund | 366,940 | 342,166 | 342,166 | - | 342,166 |
| | <u>733,169</u> | <u>685,111</u> | <u>346,966</u> | <u>338,145</u> | <u>685,111</u> |
| In terms of number of months of government expenditure | 12 | 11 | 6 | 5 | 11 |

* Being one-third of 2015-16 consolidated surplus.

13 The fiscal reserves would be drawn on to fund contingent and other liabilities. As detailed in Section IV, these include over \$632 billion for capital works projects underway and about \$559 billion as statutory pension obligations in the coming ten years.

Notes –

(a) *Accounting policies*

- (i) The MRF is prepared on a cash basis and reflects forecast receipts and payments, whether they relate to operating or capital transactions.
- (ii) The MRF includes the General Revenue Account and eight Funds (Capital Investment Fund, Capital Works Reserve Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund). It does not include the Bond Fund which is managed separately and the balance of which does not form part of the fiscal reserves.

(b) *Operating revenue*

- (i) The operating revenue takes into account the revenue measures proposed in the 2024-25 Budget, and is made up of –

| (\$ million) | 2023-24 Revised Estimate | 2024-25 Estimate | 2025-26 Forecast | 2026-27 Forecast | 2027-28 Forecast | 2028-29 Forecast |
|--|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Operating revenue before investment income | 448,563 | 499,798 | 571,308 | 633,391 | 662,545 | 703,847 |
| Investment income | 65,357 | 80,931 | 49,243 | 33,235 | 32,923 | 28,498 |
| Total | 513,920 | 580,729 | 620,551 | 666,626 | 695,468 | 732,345 |

- (ii) Investment income under the Operating Account includes investment income of the General Revenue Account (which is credited to revenue head Properties and Investments) and investment income of the Land Fund. The rate of investment return is 3.7% for 2024 (vs 3.7% for 2023) and is assumed to be in the range of 2.9% to 4.1% a year for 2025 to 2028.
- (iii) Investment income of the Future Fund includes investment income of the relevant portion of the General Revenue Account and investment income of the Land Fund, compounded on an annual basis. As directed by the Financial Secretary, the investment income is reflected in the Government's accounts on a progressive basis starting from 2021-22.

(c) *Operating expenditure*

This represents expenditure charged to the Operating Account of the General Revenue Account and Land Fund. The figures for 2025-26 and beyond set out the forecast operating expenditure requirements for Government.

(d) Capital revenue

(i) The breakdown of capital revenue is –

| (\$ million) | 2023-24 Revised Estimate | 2024-25 Estimate | 2025-26 Forecast | 2026-27 Forecast | 2027-28 Forecast | 2028-29 Forecast |
|--|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Revenue Account | 7,182 | 7,249 | 1,520 | 5,979 | 5,030 | 5,030 |
| Capital Investment Fund | 480 | 898 | 1,973 | 1,414 | 1,416 | 1,417 |
| Capital Works Reserve Fund | 19,539 | 33,008 | 66,700 | 85,000 | 110,000 | 135,000 |
| Innovation and Technology Fund | 70 | - | - | - | - | - |
| Loan Fund | 659 | 1,127 | 3,095 | 3,568 | 4,178 | 4,234 |
| Lotteries Fund | 1,153 | 1,149 | 1,138 | 1,145 | 1,148 | 1,150 |
| Capital revenue before investment income | 29,083 | 43,431 | 74,426 | 97,106 | 121,772 | 146,831 |
| Investment income | 11,568 | 8,867 | 8,480 | 6,464 | 5,841 | 6,992 |
| Total | 40,651 | 52,298 | 82,906 | 103,570 | 127,613 | 153,823 |

(ii) Land premium included under the Capital Works Reserve Fund for 2024-25 is estimated to be \$33 billion. For 2025-26 onwards, it is assumed to be 3.4% of GDP, being the 20-year historical average, with possible adjustment with reference to the land sale programme.

(iii) Investment income under the Capital Account includes investment income of the Capital Investment Fund, Capital Works Reserve Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Loan Fund and Lotteries Fund. The rate of investment return is 3.7 % for 2024 (vs 3.7% for 2023) and is assumed to be in the range of 2.9% to 4.1% a year for 2025 to 2028.

(e) Capital expenditure

The breakdown of capital expenditure is –

| (\$ million) | 2023-24 Revised Estimate | 2024-25 Estimate | 2025-26 Forecast | 2026-27 Forecast | 2027-28 Forecast | 2028-29 Forecast |
|--------------------------------|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Revenue Account | 7,595 | 9,586 | 9,296 | 9,901 | 10,371 | 9,420 |
| Capital Investment Fund | 2,826 | 5,451 | 6,631 | 6,510 | 5,364 | 3,386 |
| Capital Works Reserve Fund | 100,976 | 130,154 | 126,388 | 141,934 | 119,869 | 99,996 |
| Disaster Relief Fund | 164 | - | - | - | - | - |
| Innovation and Technology Fund | 5,645 | 11,081 | 13,423 | 11,721 | 11,464 | 11,537 |
| Loan Fund | 2,348 | 2,675 | 2,773 | 2,736 | 2,769 | 2,803 |
| Lotteries Fund | 2,056 | 4,136 | 6,208 | 5,403 | 4,964 | 4,240 |
| Total | 121,610 | 163,083 | 164,719 | 178,205 | 154,801 | 131,382 |

(f) Government bonds

The Government issued green bonds under the Government Green Bond Programme (GGBP) from 2019-20 to 2023-24, and plans to expand its scope to cover sustainable finance projects and continue to issue relevant bonds from 2024-25 to 2028-29. In addition, the Government plans to issue infrastructure bonds under the Infrastructure Bond Programme (IBP) to be established from 2024-25 to 2028-29. The actual size and timing of issuance will be determined having regard to market conditions. The proceeds of the aforementioned Programmes are credited to the Capital Works Reserve Fund to finance eligible projects.

SECTION III RELATIONSHIP BETWEEN GOVERNMENT EXPENDITURE/PUBLIC EXPENDITURE AND GDP IN THE MEDIUM RANGE FORECAST

14 For monitoring purposes, expenditure of the Trading Funds and the Housing Authority (collectively referred to as “other public bodies” in this Appendix) is added to government expenditure in order to compare public expenditure with GDP.

Government Expenditure and Public Expenditure in the Context of the Economy

Table 3

| (\$ million) | 2023-24 Revised Estimate | 2024-25 Estimate | 2025-26 Forecast | 2026-27 Forecast | 2027-28 Forecast | 2028-29 Forecast |
|---|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Operating expenditure | 606,272 | 613,785 | 622,585 | 639,234 | 654,194 | 676,695 |
| Capital expenditure | 121,610 | 163,083 | 164,719 | 178,205 | 154,801 | 131,382 |
| Government expenditure | 727,882 | 776,868 | 787,304 | 817,439 | 808,995 | 808,077 |
| Expenditure by other public bodies | 42,544 | 53,126 | 60,322 | 64,238 | 66,264 | 68,698 |
| Public expenditure (Note (a)) | 770,426 | 829,994 | 847,626 | 881,677 | 875,259 | 876,775 |
| Gross Domestic Product (calendar year) | 2,991,328 | 3,161,800 | 3,335,700 | 3,519,200 | 3,712,800 | 3,917,000 |
| Nominal growth in GDP (Note (b)) | 6.5% | 5.7% | 5.5% | 5.5% | 5.5% | 5.5% |
| Growth in recurrent government expenditure (Note (c)) | 0.4% | 7.0% | 3.0% | 4.3% | 3.1% | 3.8% |
| Growth in government expenditure (Note (c)) | -10.2% | 6.7% | 1.3% | 3.8% | -1.0% | -0.1% |
| Growth in public expenditure (Note (c)) | -9.1% | 7.7% | 2.1% | 4.0% | -0.7% | 0.2% |
| Public expenditure in terms of percentage of GDP | 25.8% | 26.3% | 25.4% | 25.1% | 23.6% | 22.4% |

Notes –

- (a) Public expenditure comprises government expenditure and expenditure by other public bodies. It does not include expenditure by those organisations, including statutory organisations in which the Government has only an equity position, such as the Airport Authority and the MTR Corporation Limited.
- (b) For 2024-25, the nominal GDP growth of 5.7% represents the mid-point of the range forecast of 5.2% to 6.2% for the calendar year 2024.
- (c) The growth rates for 2023-24 to 2028-29 refer to year-on-year change. For example, the rates for 2023-24 refer to the change between the revised estimate for 2023-24 and the actual expenditure in 2022-23. The rates for 2024-25 refer to the change between the 2024-25 estimate and the 2023-24 revised estimate, and so forth.

15 Table 4 shows the relationship amongst the sum to be appropriated in the 2024-25 Budget, government expenditure and public expenditure.

**Relationship between Government Expenditure
and Public Expenditure in 2024-25**

Table 4

| (\$ million) | Appropriation | Government expenditure and revenue | | | Public expenditure |
|------------------------------------|---------------|------------------------------------|-----------|-----------|--------------------|
| | | Operating | Capital | Total | |
| Expenditure | | | | | |
| General Revenue Account | | | | | |
| Operating | | | | | |
| Recurrent | 580,213 | 580,213 | - | 580,213 | 580,213 |
| Non-recurrent | 33,571 | 33,571 | - | 33,571 | 33,571 |
| Capital | | | | | |
| Plant, equipment and works | 5,912 | - | 5,912 | 5,912 | 5,912 |
| Subventions | 3,674 | - | 3,674 | 3,674 | 3,674 |
| | 623,370 | 613,784 | 9,586 | 623,370 | 623,370 |
| Transfer to Funds | 185 | - | - | - | - |
| Capital Investment Fund | - | - | 5,451 | 5,451 | 5,451 |
| Capital Works Reserve Fund | - | - | 130,154 | 130,154 | 130,154 |
| Innovation and Technology Fund | - | - | 11,081 | 11,081 | 11,081 |
| Land Fund | - | 1 | - | 1 | 1 |
| Loan Fund | - | - | 2,675 | 2,675 | 2,675 |
| Lotteries Fund | - | - | 4,136 | 4,136 | 4,136 |
| Trading Funds | - | - | - | - | 5,012 |
| Housing Authority | - | - | - | - | 48,114 |
| | 623,555 | 613,785 | 163,083 | 776,868 | 829,994 |
| Revenue | | | | | |
| General Revenue Account | | | | | |
| Taxation | | 449,211 | 8 | 449,219 | |
| Other revenue | | 56,291 | 7,241 | 63,532 | |
| | | 505,502 | 7,249 | 512,751 | |
| Capital Investment Fund | | - | 1,456 | 1,456 | |
| Capital Works Reserve Fund | | - | 37,304 | 37,304 | |
| Civil Service Pension Reserve Fund | | - | 2,067 | 2,067 | |
| Disaster Relief Fund | | - | 6 | 6 | |
| Innovation and Technology Fund | | - | 919 | 919 | |
| Land Fund | | 75,227 | - | 75,227 | |
| Loan Fund | | - | 1,327 | 1,327 | |
| Lotteries Fund | | - | 1,970 | 1,970 | |
| | | 580,729 | 52,298 | 633,027 | |
| Deficit | | (33,056) | (110,785) | (143,841) | |

SECTION IV CONTINGENT AND MAJOR UNFUNDED LIABILITIES

16 The Government's contingent liabilities as at 31 March 2023, 31 March 2024 and 31 March 2025, are provided below as supplementary information to the MRF –

Table 5

| (\$ million) | 2023 | At 31 March 2024 | 2025 |
|---|---------|---------------------|---------|
| Guarantee to the Hong Kong Export Credit Insurance Corporation for liabilities under contracts of insurance | 44,078 | 48,966 | 52,174 |
| Guarantees provided under the SME Financing Guarantee Scheme | 141,411 | 146,070 | 114,787 |
| Legal claims, disputes and proceedings | 16,007 | 18,235 | 15,349 |
| Subscription to callable shares in the Asian Development Bank | 5,801 | 5,753 | 5,753 |
| Subscription to callable shares in the Asian Infrastructure Investment Bank | 4,800 | 4,779 | 4,779 |
| Guarantees provided under the SME Loan Guarantee Scheme | 1,602 | 1,010 | 622 |
| Guarantees provided under a commercial loan of the Hong Kong Science and Technology Parks Corporation | 893 | 866 | - |
| Guarantees provided under the Special Loan Guarantee Scheme | 185 | 72 | 69 |
| Total | 214,777 | 225,751 | 193,533 |

17 The Government's major unfunded liabilities as at 31 March 2023 were as follows –

(\$ million)

| | |
|--|-----------|
| Present value of statutory pension obligations (<i>Note (a)</i>) | 1,015,397 |
| Untaken leave (<i>Note (b)</i>) | 28,171 |
| Green bonds | 122,498 |

Notes –

- (a) The statutory pension obligations for the coming ten years are estimated to be about \$559 billion in money of the day.
- (b) The estimate for “untaken leave” gives an indication of the overall value of leave earned but not yet taken by serving public officers.

18 The estimated outstanding commitments of capital works projects as at 31 March 2023 and 31 March 2024 are \$613,946 million and \$632,368 million respectively. Some of these are contractual commitments.

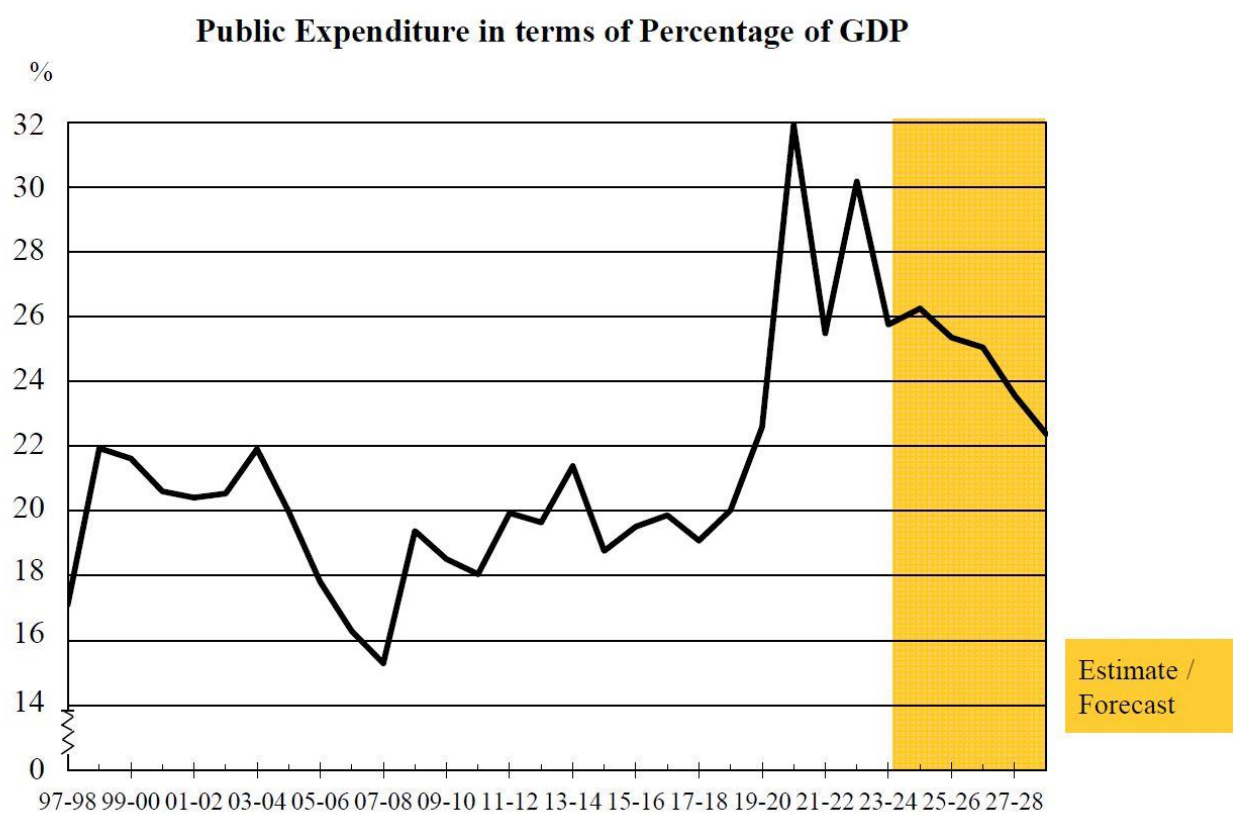
APPENDIX B

ANALYSIS OF EXPENDITURE AND REVENUE

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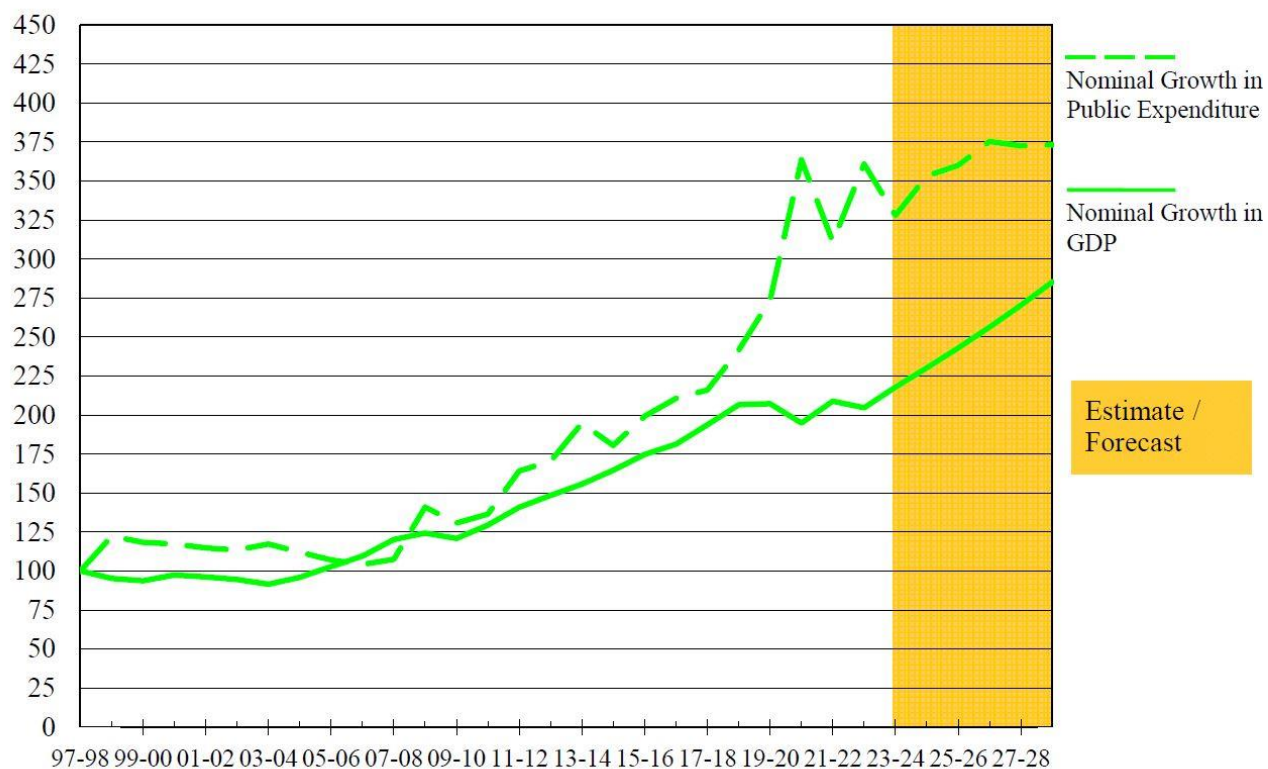
SECTION I THE ESTIMATES IN THE CONTEXT OF THE ECONOMY**Relationship between Government Expenditure, Public Expenditure and GDP**

| | 2024-25 Estimate \$m |
|--|-------------------------------------|
| General Revenue Account | |
| Operating | 613,784 |
| Capital | 9,586 |
| | <hr/> 623,370 |
| Capital Investment Fund | 5,451 |
| Capital Works Reserve Fund | 130,154 |
| Innovation and Technology Fund | 11,081 |
| Land Fund | 1 |
| Loan Fund | 2,675 |
| Lotteries Fund | 4,136 |
| Government Expenditure | <hr/> 776,868 |
| Trading Funds | 5,012 |
| Housing Authority | 48,114 |
| Public Expenditure | <hr/> 829,994 <hr/> |
| GDP | 3,161,800 |
| Public Expenditure in terms of percentage of GDP | 26.3% |



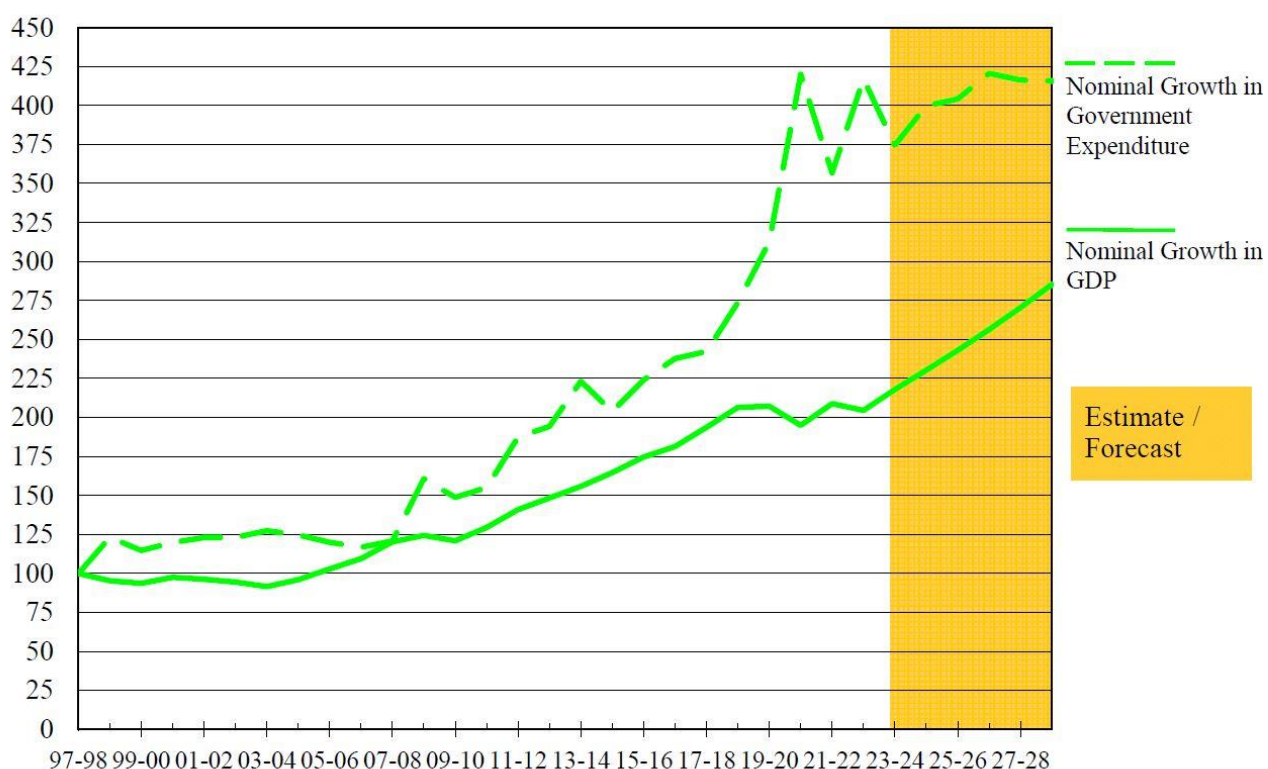
**Comparison of Cumulative Growth in Public Expenditure
with Cumulative Growth in GDP
since 1997-98**

Index
(97-98 = 100)



**Comparison of Cumulative Growth in Government Expenditure
with Cumulative Growth in GDP
since 1997-98**

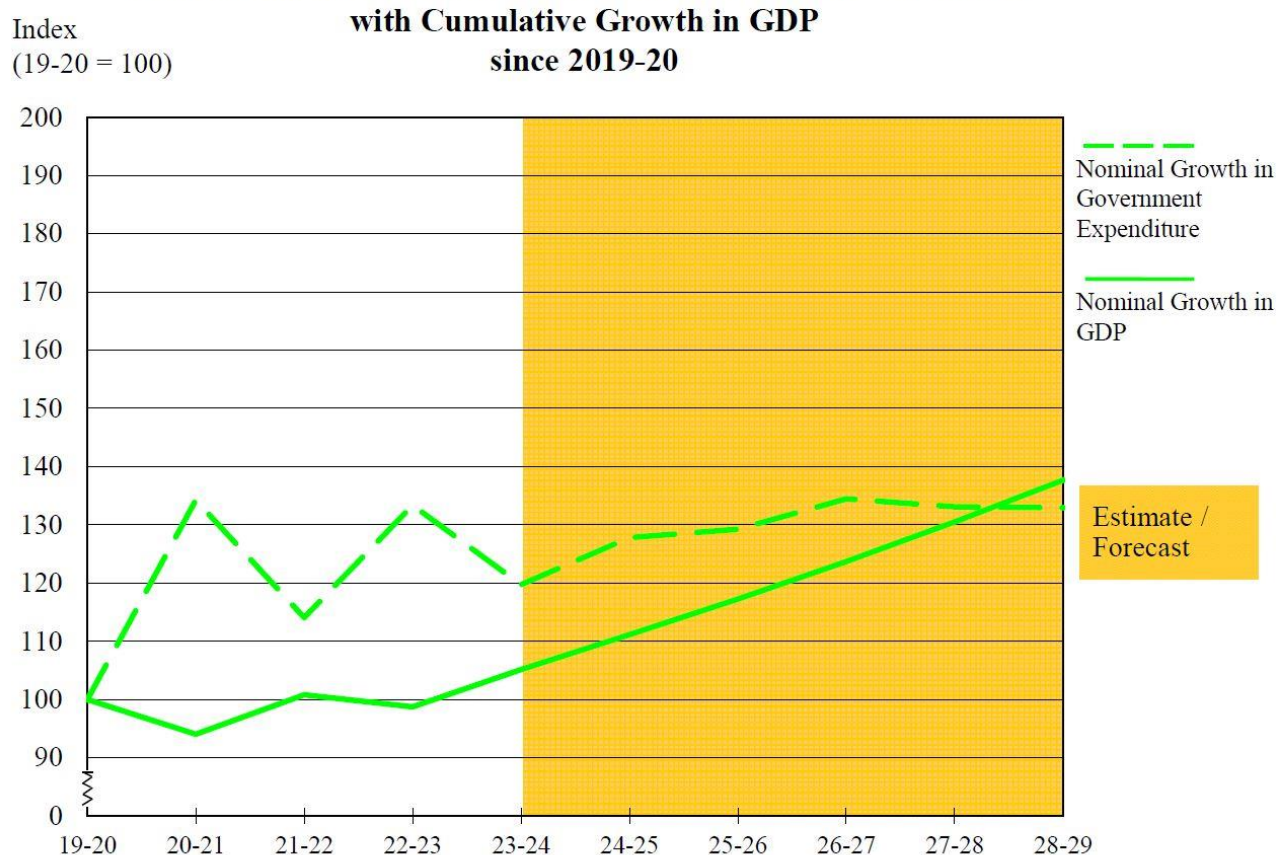
Index
(97-98 = 100)



**Comparison of Cumulative Growth in Public Expenditure
with Cumulative Growth in GDP
since 2019-20**



**Comparison of Cumulative Growth in Government Expenditure
with Cumulative Growth in GDP
since 2019-20**



**SECTION II RECURRENT PUBLIC/GOVERNMENT EXPENDITURE
BY POLICY AREA GROUP**

Recurrent Public Expenditure : Year-on-Year Change

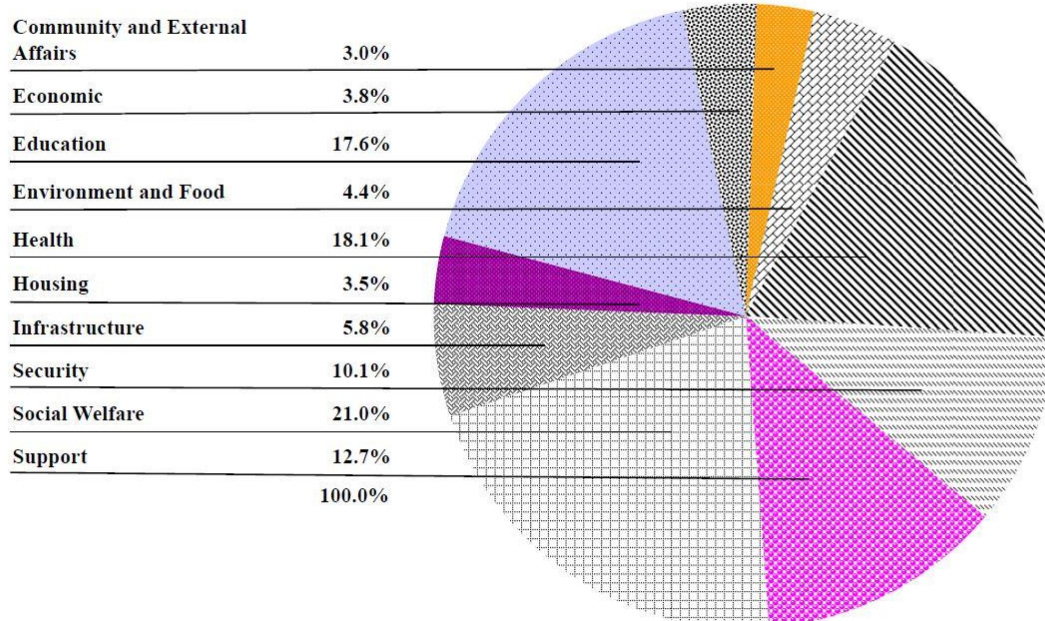
| | 2022-23 Actual \$m | 2023-24 Revised Estimate \$m | 2024-25 Estimate \$m | Increase/Decrease over 2023-24 Revised Estimate in Nominal Terms % | in Real Terms % |
|---------------------------------------|--------------------------|---------------------------------------|----------------------------|---|-----------------------|
| Education | 97,920 | 103,152 | 106,776 | 3.5 | 2.8 |
| Social Welfare | 104,797 | 112,368 | 127,362 | 13.3 | 10.9 |
| Health | 127,002 | 104,711 | 109,522 | 4.6 | 3.6 |
| Security | 55,105 | 57,071 | 60,885 | 6.7 | 5.9 |
| Infrastructure | 32,203 | 33,933 | 34,919 | 2.9 | 1.4 |
| Environment and Food | 22,987 | 24,598 | 26,485 | 7.7 | 5.8 |
| Economic | 20,660 | 20,788 | 23,115 | 11.2 | 9.6 |
| Housing | 18,392 | 19,469 | 21,004 | 7.9 | 5.5 |
| Community and External Affairs | 15,890 | 16,727 | 18,245 | 9.1 | 7.3 |
| Support | 67,687 | 72,415 | 76,666 | 5.9 | 4.3 |
| | <u>562,643</u> | <u>565,232</u> | <u>604,979</u> | 7.0 | 5.6 |
| GDP growth in 2024 | | | | 5.2% to 6.2% | 2.5% to 3.5% |

**SECTION II RECURRENT PUBLIC/GOVERNMENT EXPENDITURE
BY POLICY AREA GROUP**

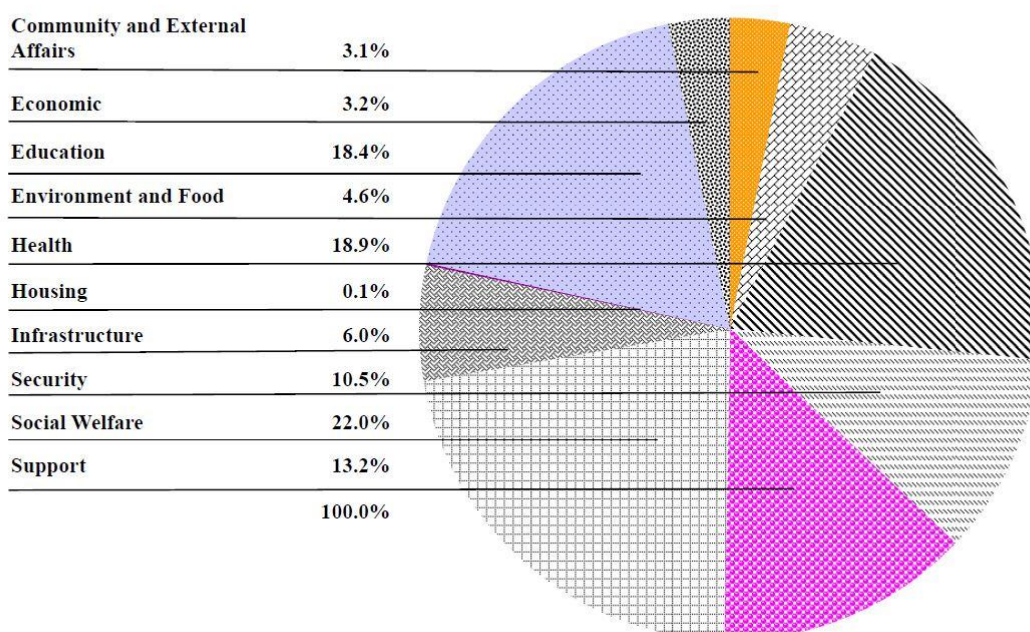
Recurrent Government Expenditure : Year-on-Year Change

| | 2022-23 Actual \$m | 2023-24 Revised Estimate \$m | 2024-25 Estimate \$m | Increase/Decrease over 2023-24 Revised Estimate in Nominal Terms % | in Real Terms % |
|---------------------------------------|--------------------------|---------------------------------------|----------------------------|---|-----------------------|
| Education | 97,920 | 103,152 | 106,776 | 3.5 | 2.8 |
| Social Welfare | 104,797 | 112,368 | 127,362 | 13.3 | 10.9 |
| Health | 127,002 | 104,711 | 109,522 | 4.6 | 3.6 |
| Security | 55,105 | 57,071 | 60,885 | 6.7 | 5.9 |
| Infrastructure | 31,988 | 33,710 | 34,659 | 2.8 | 1.3 |
| Environment and Food | 22,987 | 24,598 | 26,485 | 7.7 | 5.8 |
| Economic | 15,814 | 16,607 | 18,784 | 13.1 | 11.6 |
| Housing | 672 | 745 | 830 | 11.4 | 11.3 |
| Community and External Affairs | 15,890 | 16,727 | 18,245 | 9.1 | 7.3 |
| Support | 67,687 | 72,415 | 76,666 | 5.9 | 4.3 |
| | <u>539,862</u> | <u>542,104</u> | <u>580,214</u> | 7.0 | 5.6 |
| GDP growth in 2024 | | | | 5.2% to 6.2% | 2.5% to 3.5% |

Percentage Share of Expenditure by Policy Area Group
Recurrent Public Expenditure : 2024-25 Estimate



Percentage Share of Expenditure by Policy Area Group
Recurrent Government Expenditure : 2024-25 Estimate



**SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE
BY POLICY AREA GROUP**

Total Public Expenditure : Year-on-Year Change

| | 2022-23 Actual \$m | 2023-24 Revised Estimate \$m | 2024-25 Estimate \$m | Increase/Decrease over 2023-24 Revised Estimate in Nominal Terms % | in Real Terms % |
|---------------------------------------|--------------------------|---------------------------------------|----------------------------|---|-----------------------|
| Education | 106,833 | 113,443 | 115,741 | 2.0 | 1.1 |
| Social Welfare | 110,194 | 117,771 | 136,211 | 15.7 | 13.0 |
| Health | 153,659 | 120,177 | 127,939 | 6.5 | 4.9 |
| Security | 65,954 | 62,757 | 68,352 | 8.9 | 7.8 |
| Infrastructure | 89,604 | 88,619 | 106,141 | 19.8 | 15.9 |
| Environment and Food | 38,296 | 41,664 | 49,735 | 19.4 | 16.9 |
| Economic | 103,103 | 74,555 | 56,405 | -24.3 | -26.0 |
| Housing | 35,997 | 44,874 | 54,063 | 20.5 | 16.4 |
| Community and External Affairs | 26,935 | 28,929 | 31,824 | 10.0 | 7.1 |
| Support | 116,963 | 77,637 | 83,583 | 7.7 | 5.8 |
| | 847,538 | 770,426 | 829,994 | 7.7 | 5.6 |

GDP growth in 2024

5.2% to 6.2% 2.5% to 3.5%

**SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE
BY POLICY AREA GROUP**

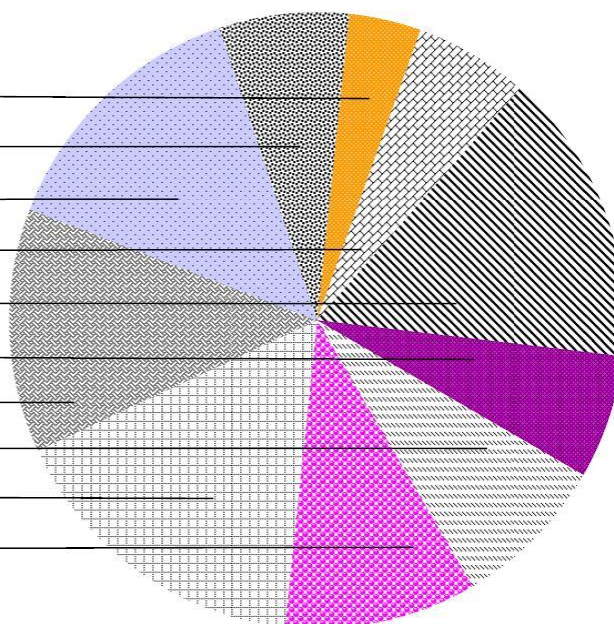
Total Government Expenditure : Year-on-Year Change

| | 2022-23 Actual \$m | 2023-24 Revised Estimate \$m | 2024-25 Estimate \$m | Increase/Decrease over 2023-24 Revised Estimate in Nominal Terms % | in Real Terms % |
|---------------------------------------|--------------------------|---------------------------------------|----------------------------|---|-----------------------|
| Education | 106,833 | 113,443 | 115,741 | 2.0 | 1.1 |
| Social Welfare | 110,194 | 117,771 | 136,211 | 15.7 | 13.0 |
| Health | 153,659 | 120,177 | 127,939 | 6.5 | 4.9 |
| Security | 65,954 | 62,757 | 68,352 | 8.9 | 7.8 |
| Infrastructure | 89,357 | 88,349 | 105,821 | 19.8 | 15.9 |
| Environment and Food | 38,296 | 41,664 | 49,735 | 19.4 | 16.9 |
| Economic | 97,942 | 69,963 | 51,713 | -26.1 | -27.7 |
| Housing | 4,344 | 7,192 | 5,949 | -17.3 | -19.6 |
| Community and External Affairs | 26,935 | 28,929 | 31,824 | 10.0 | 7.1 |
| Support | 116,963 | 77,637 | 83,583 | 7.7 | 5.8 |
| | <u>810,477</u> | <u>727,882</u> | <u>776,868</u> | 6.7 | 4.7 |

GDP growth in 2024 5.2% to 6.2% 2.5% to 3.5%

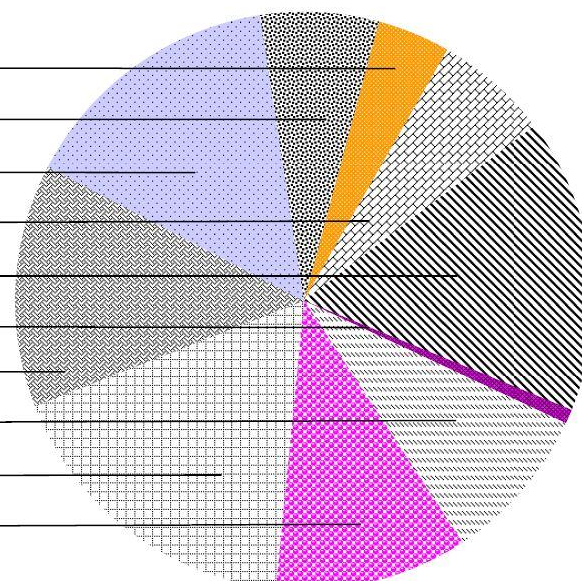
Percentage Share of Expenditure by Policy Area Group
Total Public Expenditure : 2024-25 Estimate

| | |
|--------------------------------|--------|
| Community and External Affairs | 3.8% |
| Economic | 6.8% |
| Education | 14.0% |
| Environment and Food | 6.0% |
| Health | 15.4% |
| Housing | 6.5% |
| Infrastructure | 12.8% |
| Security | 8.2% |
| Social Welfare | 16.4% |
| Support | 10.1% |
| | 100.0% |



Percentage Share of Expenditure by Policy Area Group
Total Government Expenditure : 2024-25 Estimate

| | |
|--------------------------------|--------|
| Community and External Affairs | 4.1% |
| Economic | 6.6% |
| Education | 14.9% |
| Environment and Food | 6.4% |
| Health | 16.5% |
| Housing | 0.8% |
| Infrastructure | 13.6% |
| Security | 8.8% |
| Social Welfare | 17.5% |
| Support | 10.8% |
| | 100.0% |



SECTION IV MAJOR CAPITAL PROJECTS PLANNED FOR COMMENCEMENT IN 2024-25

Major capital projects estimated to begin in 2024-25 include –

| | Project Estimates \$ billion |
|---|---|
| Infrastructure | 134.6 |
| — Town Park with Public Vehicle Park in Area 66, Tseung Kwan O | |
| — Drainage improvement works in Wong Tai Sin | |
| — Drainage improvement works in Mong Kok—phase 1 | |
| — Drainage improvement works in Kwun Tong—phase 2 | |
| — Drainage improvement works in Sha Tin and Sai Kung—phase 1 | |
| — Drainage improvement works in Tai Po—phase 1 | |
| — The District Cooling System (DCS) for Hung Shui Kiu/Ha Tsuen New Development Area, Phase 1 (stage 1 works) | |
| — Dualling of Hiram's Highway from Marina Cove to Sai Kung Town | |
| — Northern Metropolis Highway—investigation | |
| — Improvement works at Tsuen Tsing Interchange | |
| — Hung Shui Kiu/Ha Tsuen New Development Area advance works phase 3—site formation and engineering infrastructure | |
| — Remaining phase of site formation and engineering infrastructure works at Kwu Tung North New Development Area and Fanling North New Development Area—construction | |
| — Hung Shui Kiu/Ha Tsuen New Development Area stage 2 works—site formation and engineering infrastructure | |
| — Tung Chung New Town Extension—site formation and infrastructure works (Phase 2) | |
| — Development of San Tin Technopole phase 1 stage 1 works—site formation and engineering infrastructure | |
| — Trunk Road T4 in Sha Tin | |
| — Risk-based improvement of large diameter water mains, stage 1A | |
| — Site formation and infrastructure works for public housing development at Tin Wah Road, Lau Fau Shan | |
| — Site formation and infrastructure works for public housing development at To Yuen Tung, Tai Po | |
| — Site formation and infrastructure works for public housing development at Tsing Yi Road West, Tsing Yi | |
| — Site formation and infrastructure works for public housing development at A Kung Ngam Village, Eastern | |
| — Site formation and infrastructure works for public housing development near Chai Wan Swimming Pool, Chai Wan | |
| Environment and Food | 18.6 |
| — Reprovisioning of cremators and related works at Kwai Chung Crematorium | |
| — Construction of a new public market in Kwu Tung North New Development Area | |
| — Relocation of Sha Tin Sewage Treatment Works to caverns—remaining works | |
| — Construction and rehabilitation of sewage rising mains in Southern District | |
| — Implementation of a Large scale Solar Farm at South East New Territories Landfill for Supplying Renewable Energy to the Tseung Kwan O Desalination Plant | |
| Health | 11.5 |
| — Reprovisioning of Victoria Public Mortuary | |
| — Redevelopment of Shek Kip Mei Health Centre | |
| — Funding provision to the Hospital Authority for Minor Works Projects | |

**Project
Estimates
\$ billion**

Housing 9.8

- Implementation of Light Public Housing—the Second Batch of Projects

Support 6.2

- Hoi Ting Road Joint-user Complex
- Joint-user Complex with Market in Area 67, Tseung Kwan O
- Development of a Joint User Complex at Sheung Shui Areas 4 and 30

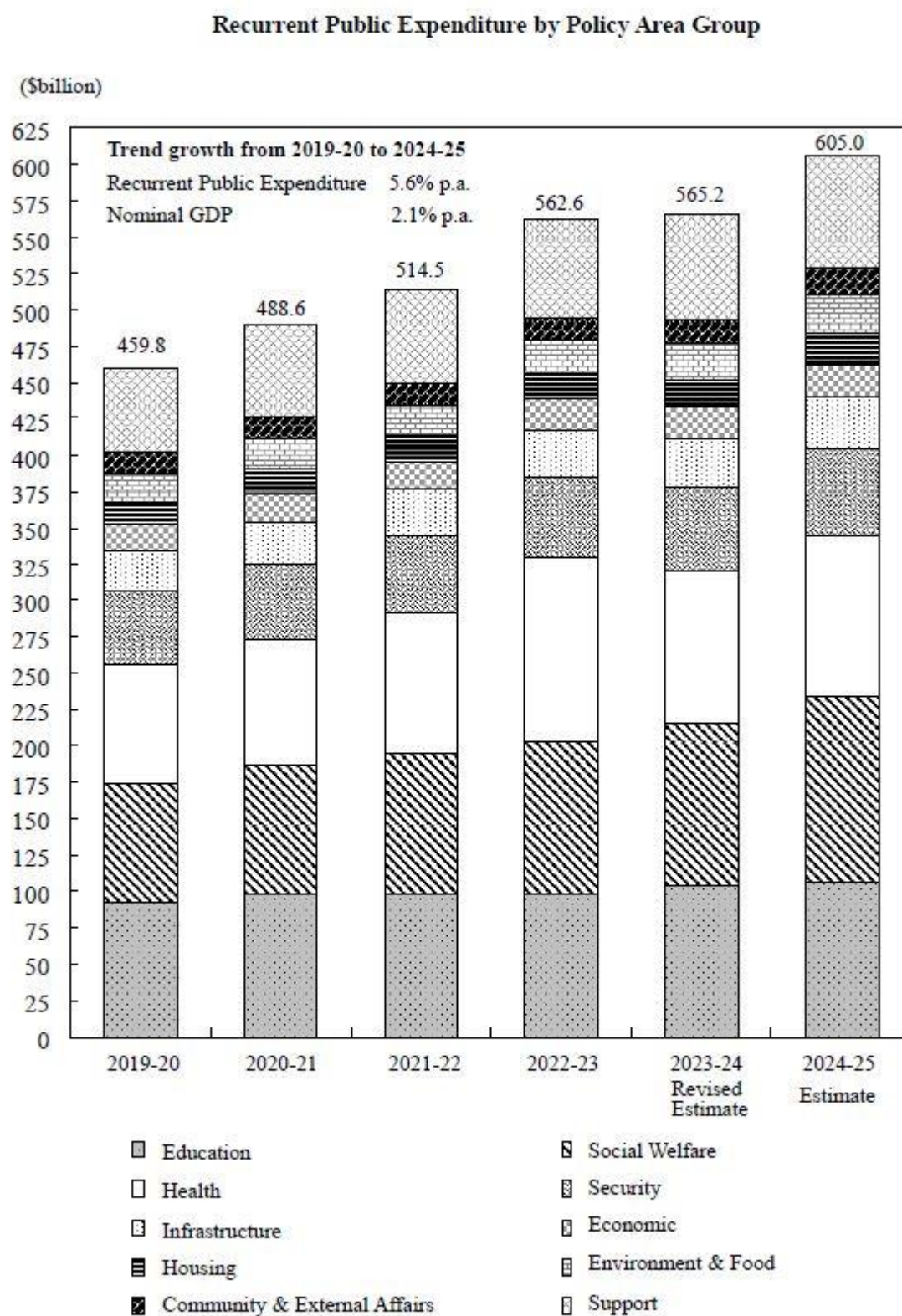
Education 5.5

- A 30-classroom Primary School at Area 89 (Northern side), Tung Chung
- A 30-classroom primary school at Area 17, Fanling North New Development Area
- A 30-classroom primary school at Area 29, Kwu Tung North New Development Area
- The Chinese University of Hong Kong—Engineering Building at Central Campus
- Construction of a new academic building on an extension site east of No. 3 Sassoon Road (Main Works)

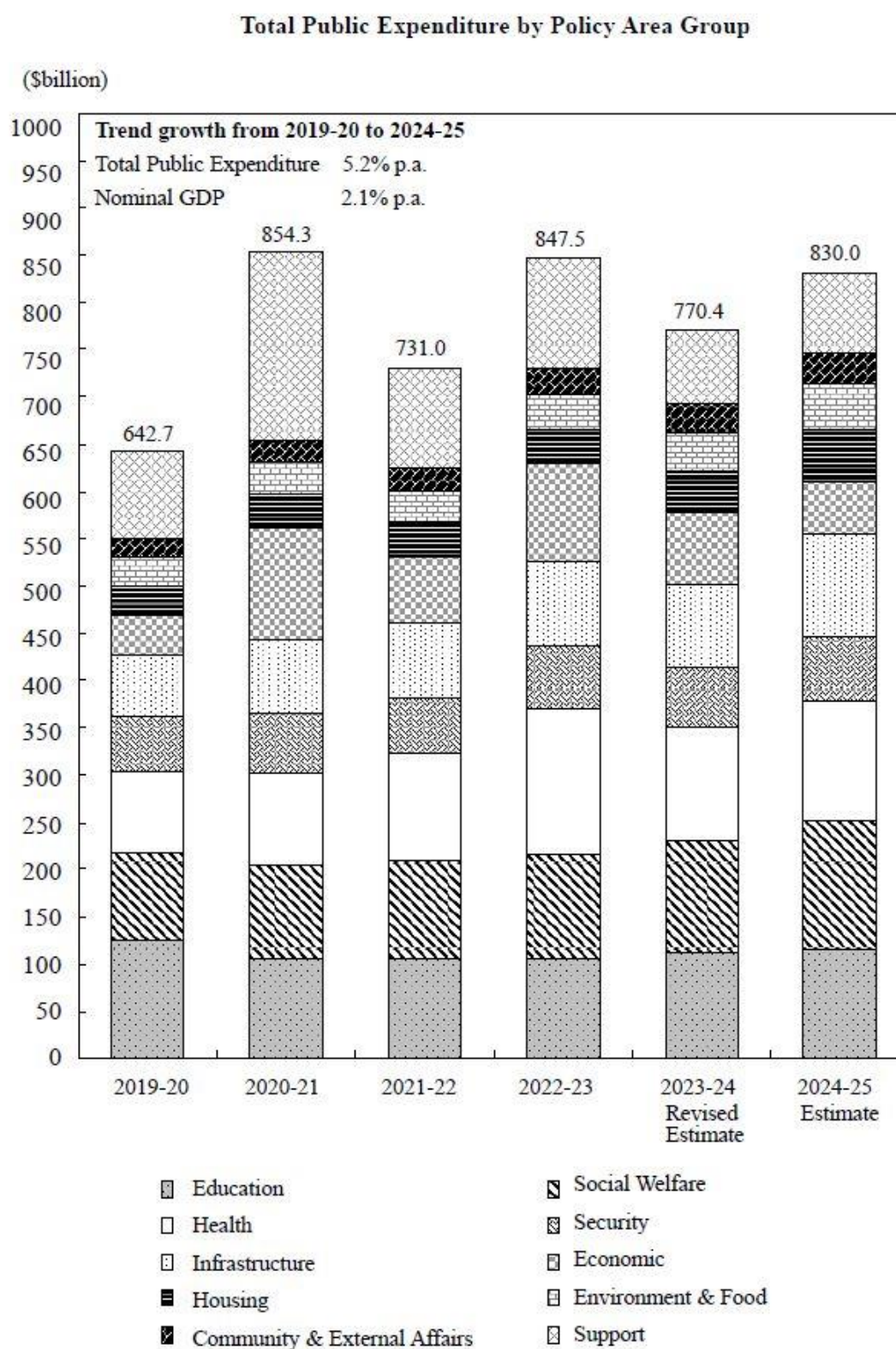
Community and External Affairs 4.7

- Amenity Complex in Area 103, Ma On Shan—main works
- Public Open Space at East Coast Park Precinct, North Point
- Cycle Track between Tsuen Wan and Tuen Mun—detailed design, site investigation and construction (Stage 2)

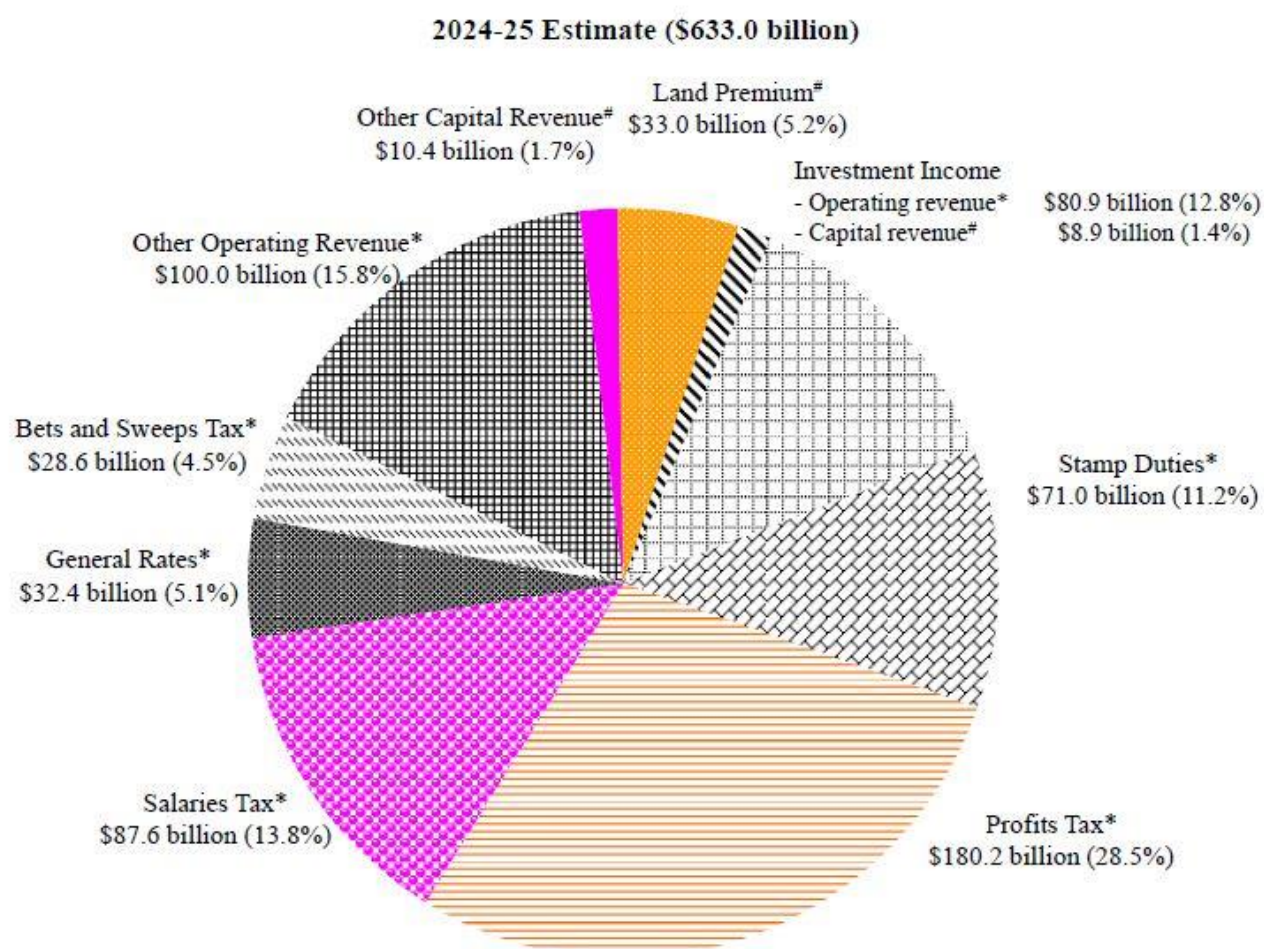
SECTION V TRENDS IN PUBLIC EXPENDITURE : 2019-20 TO 2024-25



SECTION V TRENDS IN PUBLIC EXPENDITURE : 2019-20 TO 2024-25



SECTION VI ANALYSIS OF GOVERNMENT REVENUE



| | 2024-25 Estimate | % Share of Government Revenue | % of GDP |
|---------------------|------------------------|-------------------------------|--------------|
| * Operating Revenue | \$580.7 billion | 91.7% | 18.4% |
| # Capital Revenue | \$52.3 billion | 8.3% | 1.6% |
| Total | \$633.0 billion | 100% | 20.0% |

SECTION VII CLASSIFICATION OF POLICY AREA GROUP

| Policy Area Group | Policy Area (Note) | |
|--------------------------------|---------------------------|---|
| Community and External Affairs | 19 | District and Community Relations |
| | 18 | Recreation, Culture, Amenities and Entertainment Licensing |
| Economic | 3 | Air and Sea Communications and Logistics Development |
| | 6 | Commerce and Industry |
| | 8 | Employment and Labour |
| | 1 | Financial Services |
| | 17 | Information Technology and Broadcasting |
| | 34 | Manpower Development |
| | 4 | Posts, Competition Policy and Consumer Protection |
| | 7 | Public Safety |
| | 5 | Travel and Tourism |
| Education | 16 | Education |
| Environment and Food | 2 | Agriculture, Fisheries and Food Safety |
| | 32 | Environmental Hygiene |
| | 23 | Environmental Protection, Conservation, Power and Sustainable Development |
| Health | 15 | Health |
| Housing | 31 | Housing |
| Infrastructure | 22 | Buildings, Lands, Planning, Heritage Conservation, Greening and Landscape |
| | 21 | Land and Waterborne Transport |
| | 24 | Water Supply, Drainage and Slope Safety |
| Security | 12 | Administration of Justice |
| | 13 | Anti-corruption |
| | 10 | Immigration Control |
| | 9 | Internal Security |
| | 11 | Legal Administration |
| | 20 | Legal Aid |
| Social Welfare | 14 | Social Welfare |
| Support | 26 | Central Management of the Civil Service |
| | 30 | Complaints Against Maladministration |
| | 28 | Constitutional and Mainland Affairs |
| | 27 | Intra-Governmental Services |
| | 25 | Revenue Collection and Financial Control |
| | 29 | Support for Members of the Legislative Council |

Note: Details of individual heads of expenditure contributing to a particular policy area are provided in an index in Volume I of the 2024-25 Estimates. The index further provides details, by head of expenditure, of individual programmes which contribute to a policy area.

APPENDIX C

GLOSSARY OF TERMS

GLOSSARY OF TERMS

Note: Terms shown in ***bold italic*** are defined elsewhere in the glossary.

Capital expenditure. This comprises all expenditure charged to the Capital Account of the General Revenue Account, Capital Investment Fund, Capital Works Reserve Fund (including interest on government bonds but excluding repayment of the bonds), Disaster Relief Fund, Innovation and Technology Fund, Loan Fund and Lotteries Fund. Major items are highlighted below –

General Revenue Account

equipment, works and capital subventions of a minor nature

Capital Investment Fund

advances and equity investments

Capital Works Reserve Fund

acquisition of land
capital subventions
computerisation
interest and other expenses on government bonds
major systems and equipment
Public Works Programme expenditure

Disaster Relief Fund

relief to disasters that occur outside Hong Kong

Innovation and Technology Fund

projects promoting innovation and technology upgrading in manufacturing and service industries

Loan Fund

loans made under various development schemes supported by the Government
loans to schools, teachers, students, and housing loans to civil servants, etc.

Lotteries Fund

grants, loans and advances for social welfare services

Capital surplus. The difference between ***capital revenue*** and ***capital expenditure***.

Capital revenue. This comprises certain revenue items in the General Revenue Account and all receipts credited to seven Funds, as highlighted below –

General Revenue Account

disposal proceeds of government quarters and other assets
estate duty
loan repayments received
recovery from Housing Authority

Capital Investment Fund

dividends from investments
interest on loans
investment income
loan repayments received
proceeds from sale of investments

Capital Works Reserve Fund

investment income
land premium
recovery from MTR Corporation Limited

Civil Service Pension Reserve Fund

investment income

Disaster Relief Fund

investment income

Innovation and Technology Fund

investment income
loan repayments received
proceeds from sale of investments

Loan Fund

interest on loans
investment income
loan repayments received
proceeds from sale of loans

Lotteries Fund

auctions of vehicle registration numbers
investment income
loan repayments received
share of proceeds from the Mark Six Lottery

Consolidated surplus / (deficit) before issuance and repayment of bonds. The difference between *government revenue* and *government expenditure*.

Fiscal reserves. The accumulated balances of the General Revenue Account, Capital Investment Fund, Capital Works Reserve Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund.

Future Fund. It is the part of the fiscal reserves which is set aside for longer-term investment with a view to securing higher investment returns for the fiscal reserves. It is a notional savings account established on 1 January 2016. It comprises the balance of the Land Fund as its initial endowment and top-ups from consolidated surpluses to be transferred from *Operating and Capital Reserves* which is the part of the fiscal reserves outside the Future Fund.

Government expenditure. The aggregate of *operating expenditure* and *capital expenditure*. Unlike *public expenditure*, it excludes expenditure by the Trading Funds and the Housing Authority.

Government revenue. The aggregate of *operating revenue* and *capital revenue*.

Operating and Capital Reserves. With the establishment of the *Future Fund*, the part of the fiscal reserves outside the *Future Fund* is collectively known as the Operating and Capital Reserves.

Operating expenditure. All expenditure charged to the Operating Account of the General Revenue Account and the Land Fund.

Operating revenue. This comprises all revenue credited to the General Revenue Account (except those items which are treated as *capital revenue*) and the Land Fund, as highlighted below –

General Revenue Account

- duties
- fines, forfeitures and penalties
- investment income
- rents and rates
- royalties and concessions
- taxes
- utilities, fees and charges

Land Fund

- investment income

Operating surplus / (deficit). The difference between *operating revenue* and *operating expenditure*.

Public expenditure. *Government expenditure* plus expenditure (operating and capital) by the Trading Funds and the Housing Authority.

Transfer to Funds. Transfers between the General Revenue Account and the eight Funds (Capital Investment Fund, Capital Works Reserve Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund) are not counted as government revenue and expenditure as these are merely internal transfers within Government's accounts.