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**Paper for the House Committee meeting
on 17 December 1999**

**Third report on the position of Year 2000 compliance work
in Government and non-government organizations
providing essential services to the public**

Purpose

      This report provides the latest position of Year 2000 (Y2K) compliance work in Government and non-government organizations (NGOs) providing essential services to the public.　It also outlines the progress of contingency planning within different sectors of the economy, and the territory-wide monitoring and coordinating arrangements for Y2K purposes during the millennium rollover.

Background

2.　　Pursuant to the decisions of the House Committee, LegCo Panels have conducted several rounds of meetings since April 1999 to monitor the progress of Y2K compliance work undertaken by the Government and non-Government essential service providers.　The latest round of meetings was completed in early November 1999 with a view to checking the progress of final testing work and the effectiveness of contingency plans in coping with emergency situations.

3.　　In reviewing the work of the Administration, LegCo Panels have given special attention to Government's efforts in the following aspects of work:

    (a)　　rectification of the internal systems of essential service providers to safeguard the continuity of core businesses;

    (b)　　sector-wide contingency plans to co-ordinate emergency response within the sector in case of any Y2K-induced incidents; and

    (c)　　central co-ordination at the territory-wide level to monitor the overall situation during the rollover to Y2K critical dates.

Present position of Y2K rectification work

Government systems

4. The position of the mission-critical systems within Government was, as reported in September 1999, 99.9% Y2K compliant. The then outstanding systems included the Regional Council Computerized Booking System, the Sailing Schedule Display System of the Marine Department at China Ferry Terminal and the Toll Collection System in the Tsing Ma Control Area.

5. In the latest round of meetings, the Administration has confirmed that all the above outstanding works have been completed. The Regional Council Computerized Booking System has passed all verification tests, including Y2K-compliance tests on 25 October 1999 with the roll-out of Mark II of the system. The Sailing Schedule Display System of the Marine Department at China Ferry Terminal has been replaced by a new system in September 1999. As for the Toll Collection System in Tsing Ma Control Area, standalone personal computers have been installed at each toll booths to cater for its operation. A summary of the Y2K compliance positions of Government bureaux and departments is in **Appendix I**.

Other services

6. In the last round of meetings conducted in September 1999, a number of outstanding Y2K items within the NGOs providing essential services have been identified. As at end of October 1999, the Y2K rectification work within these organizations has largely been completed. A progress report is given in **Appendix II**.

Y2K Compliance Status and Contingency Planning

7. All Government bureaux/departments have formulated departmental Y2K business continuity plans in accordance with the guidelines on Y2K contingency planning drawn up by the inter-departmental Steering Committee on Year 2000 Compliance.

8. Contingency planning is also formulated at sector- and territory-wide levels. Sector-wide contingency plans have been formulated in 13 essential service sectors: food supply, transport, financial services, public order, fire and emergency services, environment, aviation, public health, telecommunications, port management, energy supply, immigration and broadcasting. At the territory-wide level, the Administration's objective is to provide a mechanism to enable the Government to respond effectively to any major Y2K-induced incidents which have cross-sector implications. For this purpose, the Government has set up a Central Co-ordinating Centre to ensure good coordination among various parties involved in the implementation of different levels of contingency plans.

9.   It is noticed that several rounds of desk-top exercises and a command post exercise have been conducted to identify possible gaps in the sector-wide and territory-wide contingency plans. These simulation exercises have aimed to enable the parties involved in the implementation process to be fully conversant with their respective roles in times of emergency and to enhance co-ordination among them. The Administration has advised that in the remaining periods leading to the new millennium, they will focus their efforts on fine-tuning the territory-wide monitoring and co-ordinating arrangements and on thoroughly testing the emergency response arrangements with all concerned parties.

Energy Supply

Power failures

10.   The impact of power failure on services is one of the major concerns of Members. Members are assured that both power companies, namely CLP Power Hong Kong Limited and The Hong Kong Electric Co. Ltd. have achieved Y2K compliance for their mission-critical systems. Nevertheless, concern about the contingency arrangements in the event of power failure was brought up at various Panels, e.g. at the Health Services Panel when discussing the contingency plans for hospitals; and at the Transport Panel when discussing the operation of railways.

11.   In this respect, both power companies have reassured the Economic Services Panel that their operational systems are Y2K ready and their contingency plans have been fully tested. They are confident that they would provide reliable electricity services over all Y2K critical dates. The Electrical and Mechanical Services Department (EMSD) also confirms that they have found the Y2K compliance programmes and contingency plans of power companies satisfactory.

12.   Regarding the provision of hospital services in the event of power failures, the Hospital Authority (HA) confirms that every public and private hospital has a standby electricity supply system which would be activated in the event of electricity breakdown. As for nursing homes and kidney dialysis centres, although only a few centres have standby electricity supply systems, agreement has been reached with public and private hospitals for the urgent transfer of patients of nursing homes and kidney dialysis centres to hospitals in case of emergency.

13.   Contingency arrangements for railway operators in case of power failure have also been studied. For the MTR, the railway system has several independent feeder stations with power provided by both power companies. In the unlikely event that one electricity supply sources is not available, the other will be switched over to enable continuous train operation. If there is a complete loss of both supply sources, the battery backup supply in the MTR system will provide emergency lighting and ventilation to allow immediate, safe evacuation of all passengers out of the trains and railway premises. As for the KCRC East Rail, in the unlikely event of failure in one power supply station, East Rail can still continue to operate at reduced level of services. But if both power stations were to fail, East Rail would then have to cease operation. Backup generators installed at East Rail stations would provide the

essential service (e.g. lighting) in case of power failure, and there are established emergency procedures to evacuate passengers from the train and the stations.

14.   According to the Administration, in the event of large-scale power failure, priority would be provided to important facilities or services according to a priority list drawn up on the basis of the importance of the services concerned and the availability of backup generators.   All important telecommunication facilities such as important telephone exchanges and central computer systems are safeguarded by being powered by two power supply systems and by being equipped with a backup power generator further supported by an Uninterruptible Power Supply device.

Gas and fuel

15.   Towngas and the five suppliers of oil and liquefied petroleum gas confirm that they have put in place contingency plans to cope with unforeseen Y2K-induced incidents.   The oil companies will follow the established "borrow and loan" practice in the industry in case of any Y2K-induced disruptions during the Y2K critical periods. EMSD will set up an Energy Sector Co-ordination Centre during the Y2K critical periods to facilitate communication within the energy supply sector.   As additional supplies of fuel will be stocked up over the critical dates for emergency use, Members have cautioned the need to take precautionary measures to ensure the safe-keeping of fuel.

Water Supply

16.   The Administration confirms that the supply of raw water from Guangdong will not be affected by the Y2K rollover and that the water storage in the local reservoirs will be sufficient to meet normal demand for about three months.   Before the rollover, all the service reservoirs in the territory will be topped up, so that eight-hour water supply on average to all supply zones can be maintained.   If there is prolonged power outage, water drawdown from service reservoirs will be stopped to maintain buffer storage for supply to critical consumers including hospitals.

17.   The Administration has also advised that the water distribution and supply system can be operated manually at short notice.   The relevant business contingency plan has been tried several times in the past and has proved to be effective.   The Water Supplies Department will set up a departmental Y2K Command Centre, five Regional Centres and one Divisional Command Centre to monitor operations and coordinate the activation of contingency plans.

Telecommunications

18.   Members are generally concerned about the Y2K compliance status of the telecommunications sector, having regard to the need and importance of maintaining effective communication during emergencies.   Although all fixed and mobile network operators and all operators of public radiocommunication services have achieved Y2K compliance, there is still a small percentage of public non-exclusive telecommunication services (PNETS) operators which are not Y2K compliant.   The

Office of the Telecommunications Authority (OFTA) has required these PNETS operators to advise their customers of their non-compliant status, formulate suitable contingency plans and submit them to OFTA.

19.   According to the Administration, local telecommunications operators have, having regard to their own Y2K compliance position, identified residual Y2K risks and formulated contingency measures (including clock re-set, system reloaded, signal re-routed, backup power supply etc.) to address these risks.   Most of the operators will arrange additional staff on standby and set up Y2K emergency teams to work with OFTA's Y2K Co-ordination Centre on the Y2K critical dates.   OFTA has examined these organizational contingency plans and are generally satisfied with them. The Administration also advises that the two satellite operators which have yet to achieve Y2K compliance have also submitted their contingency plans to the satisfaction of OFTA.

Public Health Services

20.   The compliance of microprocessors inside implant and home-use equipment and the general Y2K compliance position within the private sector of health services including private hospitals and nursing homes remain a great concern among members of the Health Services Panel.

21.   The Administration advises that the inspections conducted at the 14 hospitals and nursing homes have confirmed that all the computer systems and medical equipment in these institutions have achieved Y2K compliance.   Although a small number of equipment suppliers of private hospitals have yet to confirm their Y2K compliance, alternatives for the non-compliance equipment have already been identified.   Private hospitals and nursing homes are required to devise contingency plans to handle system/equipment failures and breakdown in public utilities, as well as maintaining additional stock of drugs and medical supplies to ensure adequate supply of essential medical items and to postpone non-emergency operations during the "high-risk days" namely 31 December 1999, 1 January 2000, 29 February 2000 and 1 March 2000.

22.   The Administration advises that private hospital contingency plans are formulated at hospital level, group levels (between private hospitals) and inter-sector level (between public and private hospitals).   Emergency patient transfer between private hospitals and from private to public hospitals would be arranged when necessary.   To allow for the taking-in of patients transferred from private hospitals or as a result of the temporary closing-down of kidney dialysis centres, the HA would reserve more than 1,000 beds in public hospitals for emergency use on "high risks days".

23.   As regards the contingency measures for private patients who had their implants installed before they came to Hong Kong, the Administration advises that all registered health care professionals have been requested to pay attention to patients who need to use any implants or home-use equipment. A pamphlet on the subject, together with information of emergency hotlines, has also been printed and distributed

to patients for their information. In this respect, HA confirms that the implant and home-use equipment being used by HA patients except one has been confirmed by the suppliers and vendors to be Y2K compliant. The non-compliant equipment has been identified to have only a date display problem which will not affect patient safety.

24.   At the sector-wide level, the Health and Welfare Bureau, in consultation with HA and Department of Health, has drawn up a sector-wide contingency plan covering both the public and private medical sectors. A Health Sector Y2K Co-ordinating Centre will be set up during the Y2K critical periods to facilitate co-ordination among the service providers of the health sector in order to ensure that the safety of patients will not be affected by Y2K-induced disruptions.

25.   Centrally coordinated contingency drills involving nine major hospitals and government departments, e.g. Fire Services Department and EMSD, were conducted on 5 September 1999 to test the effectiveness of these contingency plans and the result was satisfactory. Furthermore, all hospitals participated in the 9 September 1999 precautionary standby exercise organized by the Administration during which wellness checks on HA's mission-critical equipment were conducted and the result was also satisfactory. As a further safeguard, hospitals have been identified as critical venues for maintaining power supply and other essential services during the Y2K rollover.

Public Order

26.   The Police Force has conducted testing at all levels of the Force in preparation for Y2K-induced incidents. Members of the Security Panel observed a testing involving the inter-action between the Police Headquarter, Regional Headquarters and Police Districts on 16 November 1999.

27.   The Hong Kong Police Force has advised that they have made careful contingency planning to maintain the law and order situation in Hong Kong should problems arise out of the Y2K issue. The Force has undergone careful contingency planning and has devised a set of measures to ensure that law and order will be maintained during the festive period and other Y2K sensitive dates. These measures include enhancing communication and manpower support and strengthening back-up services to ensure communications and provision of electricity, fuel and manpower for the Force to continue its operation.

Land Transport

28.   As of mid-September 1999, all public transport service providers, including bus companies, railway corporations, ferries, tramways and tunnel operators, have completed their Y2K rectification work and have submitted their organizational Y2K contingency plans to the Transport Department (TD). TD has examined the contingency plans of individual transport operators and has refined them to tie in with the sector-wide contingency plan.

29.   TD assumes an overall co-ordination role in the preparation of a sector-wide Y2K contingency plan for the transport sector.   This sector-wide contingency plan has been drawn up having regard to the contingency plans formulated by individual transport service providers, the risk assessment on the operation of transport services due to Y2K-induced disruptions, and the existing emergency handling arrangements. As part of the sector-wide contingency plan, TD will activate the Emergency Transport Co-ordination Centre during the rollover to Y2K critical dates for the central co-ordination of transport services.

Aviation

30.   Members of the Economic Services Panel note that a number of foreign airlines have not yet confirmed their Y2K compliance status and enquired whether the aircraft of those non-Y2K compliant airlines should be prohibited from flying to Hong Kong. The Administration's response is that it is the responsibility of the aviation authority which issued the Air Operator's Certificate to ensure that the airline concerned is competent to operate safely.   This is in line with the provisions of the Convention on International Civil Aviation.   Nevertheless, as an additional safeguard, the Civil Aviation Department (CAD) has been seeking information from these foreign airlines regarding their Y2K compliance status.   Most of them have confirmed to CAD that their aircraft would be Y2K compliant before the end of 1999.   For the seven airlines which have yet to reply, CAD is seeking clarification and assistance from the aviation authorities concerned.   The Department will also take into account any advice from the International Civil Aviation Organization and the practice adopted by other major aeronautical authorities in dealing with airlines which are not Y2K compliant by the end of 1999.

31.   In the light of the experience of the opening of the new airport, members of the Economic Services Panel are particularly concerned about the Y2K compliance status of the Airport Authority (AA) and its business partners.   The Chief Executive Officer of AA reassures the Panel that the rectification work for AA's critical systems has been completed by 31 August 1999.   In respect of contingency planning, AA has compiled a Y2K Contingency Procedures Manual which sets out all the procedures to be implemented to maintain continuity of critical airport operations (i.e. the processing of passengers, baggage, cargo and mail) in the event of any Y2K-related system failure.   A series of drills and exercises have been conducted to ensure that the contingency procedures can be implemented smoothly.

32.   Apart from the contingency plan developed by AA on airport operation, CAD has also formulated a contingency plan for the safety and security-related systems and regional air traffic control.   Both AA and CAD have advised that they will continue to conduct drills and exercises in the remainder of the year with a view to further improving and refining the contingency arrangements.

33.   Regarding the contingency plans of Hong Kong Air Cargo Terminals Ltd. (HACTL) and Asia Airfreight Terminal Co. Ltd. (AAT), a series of validation test and integration drills have been carried out with extensive involvement from the air cargo community.   According to HACTL's report, the continuity procedures outlined in its

Y2K Business Continuity and Contingency Plan are proved to be practical and acceptable to the air cargo industry.   AAT also confirms that it has already refined its contingency plans based on the feedback from the airlines.   Refresher training has also been conducted.   The two companies will also install stand-by generators and seek additional land from AA at both airside and landside for contingency cargo handling.

Port Management

34.   The Y2K Port Management Sector-wide Contingency Plan to deal with port operation disruptions induced by Y2K problems has been completed since June 1999. The plan has been further refined following the tests and exercises held in July and August 1999.   Emergency strategies have been developed with the objective of maintaining the safe and continuous operation of the port.

Broadcasting

35.   As of mid-October 1999, all broadcasters operating in Hong Kong are already Y2K compliant.   All necessary Y2K rectification work has been completed.

36.   All local broadcasters have developed their own contingency plans to deal with possible, albeit unlikely, Y2K-induced incidents affecting their operation.   Individual broadcasters will establish their own emergency centres which will be activated during Y2K critical dates to monitor and manage Y2K-induced incidents affecting their services.   In addition, all broadcasters will arrange for additional staff to be on duty or on standby during the rollover to Y2K critical dates so that there will be sufficient manpower to deal with any Y2K-induced disruptions.   All local broadcasters in operation have carried out trial-runs or drill tests of their contingency plans.

37.   At the sector-wide level, a Y2K monitoring and co-ordinating mechanism has been established.   The Television and Entertainment Licensing Authority will activate a Broadcasting Sector Emergency Centre (BSEC) to monitor and respond to Y2K-induced incidents that take place in the broadcasting sector on Y2K critical dates. In case Y2K-induced incidents are identified, the broadcasters will be responsible for mobilizing the necessary resources to address the cause of the incidents, mitigate their adverse impact and report such incidents to BSEC immediately.   BSEC was activated during the rollover to 9 September 1999.   The operation of the monitoring and co-ordinating mechanism was found to be satisfactory.

Financial Services

38.   As of end September 1999, all banks, members of the Stock Exchange and Futures Exchange, insurance companies and insurance brokers have rectified all their mission-critical systems and completed the internal testing of such systems.   The Administration has advised that as at the end of September 1999, two registered intermediaries under the direct supervision of the Securities and Futures Commission have not completed internal testing work but are expected to complete by the end of October 1999.

39.   At the institutional level, according to reports submitted to the financial regulators, all banks, members of the two Exchanges, insurance companies and insurance brokers have put in place contingency plans for the Y2K transition.   As for non-exchange registered intermediaries in the securities and futures industry, the Administration has indicated that as at the end of September 1999, over 99% of them have reported that they have completed their contingency plans.   The remaining institutions are expected to complete their contingency plans by the end of October 1999.

40.   Members however note the potential risks with the operation of local banking institutions owing to the lack of readiness on the part of the institutions' counterparts overseas. In this respect, the Administration has required all authorized institutions to conduct assessment of their counterparts and establish appropriate risk control measures as part of their contingency planning.   The institutions are also required to understand the Y2K readiness of the key infrastructure in countries in which they have material exposure.

41.   As regards the safe-keeping of tax records in the Inland Revenue Department in case of system failures, the Administration confirms that contingency plans have been drawn up to deal with unforeseen Y2K-induced problems. These include transferring essential operations to back-up systems or switching to manual operation, making back-up copies of all computer programmes and data, etc.   Should there be a disastrous system failure lasting over 48 hours, the contingency plan would be activated.

42.   In order to prevent, mitigate and contain Y2K-induced disruptions to the financial services sector as a whole as far as possible, a sector-wide emergency co-ordination centre has been set up by the Financial Services Bureau. The operation of this centre was tested in early September with no major problems identified.   A large-scale trial run with extensive involvement from the various regulatory bodies in the financial services sector was conducted in mid-November.   According to the Administration, the trial run was smoothly completed and the performance of participating organizations was generally satisfactory.   Reviews had been carried out to solicit feedback from the participants so as to identify areas for improvement.

Food Supply

43.   The Administration has advised that the potential effect of Y2K-induced system failures on the supply of fresh food produce is expected to be minimal.   It is because the majority of the fresh food produce consumed in Hong Kong is imported from the Mainland by road, railway and river boats or supplied by fishing vessels and the related operations do not rely heavily on computerized processing.   The Agriculture and Fisheries Department has formulated a contingency plan to coordinate the various actions of the concerned Government departments and major fresh food produce importers and wholesalers to avoid possible disruption to the supply of fresh food produce in the event of Y2K-induced system failures.   If there are indications that shortage of certain types of fresh food produce may develop, the Food Control

Committee chaired by the Director of Agriculture and Fisheries and involving the concerned departments will be activated to implement appropriate measures to increase supply.

Social Welfare Services

44.   The Joint Initiative undertaken by Social Welfare Department and the Hong Kong Council of Social Service has developed a generic Y2K contingency plan for the reference of all subvented and regulated NGOs to assist them in reviewing whether their contingency plans are adequate and in enhancing their contingency plans as appropriate.   The Joint Initiative has also organized workshops on Y2K contingency planning for NGOs to share experience in this respect.

Tertiary Educational Institutions

45.   All the UGC-funded institutions have achieved Y2K compliance and formulated Y2K contingency plans to cope with Y2K-induced disruptions.

Environment

46.   To address members' concern about the possibility of occurrence of environmental pollution incidents arising from Y2K induced disruptions, the Administration has advised that during the millennium rollover, additional staff will be deployed on duty at Environmental Protection Department (EPD)'s Y2K Command Centre as well as major waste facilities.   In addition, there will be an emergency communication system to facilitate communication in the event of pollution incidents. EPD will be working closely with the Y2K Environment-Sector Co-ordinating Centre and other concerned departments and bureaux in carrying out a series of command post exercises and drills.   Further, arrangements have been made to process as much of the collected chemical waste as possible to increase the buffering capacity of the Chemical Waste Treatment Centre for coping with any surge of chemical waste in early 2000.   If necessary, additional storage can be provided for.   As an added precaution, the Chemical Waste Treatment Centre incinerator will be shutdown during the millennium rollover.

Small and Medium-sized Enterprises (SMEs)

47.   According to the Administration, the results of the survey conducted by the Hong Kong Productivity Council (HKPC) in June 1999 indicate that there has been growing awareness and readiness in the business sector, including the SMEs, in tackling the Y2K problem.   To further minimize the risk exposure of SMEs to the Y2K problem, the Administration will continue to disseminate the message through websites and regular newsletters/circulars of major trade and industry organizations to their member companies.

48.   As regards contingency arrangements, special working groups have been set up in the Trade and Industry Bureau and the departments under its purview to perform emergency duties round the clock during the rollover in case of unanticipated events.

Monitoring and Co-ordinating Arrangements for the Millennium Rollover

49.   Members of the Information Technology and Broadcasting Panel have reviewed the sector-wide and territory-wide contingency plans with the Administration.   They have also requested the Administration to conduct adequate drills and tests to ascertain the validity of the plans and to put in place adequate resources to deal with the rollover.   The Administration has informed the Panel that under its special staffing deployment plans for the millennium roll-over, about 13,000 staff will be on duty during the period from 31 December 1999 to 3 January 2000 in addition to the normal staff deployment.   Another 10,000 staff will be on call under special arrangements during the same period.

50.   The Administration has advised that during its period of operation, the Y2K Central Co-ordinating Centre will work closely with the sector-wide co-ordinating centres of the 13 essential service sectors to monitor the local situation, with particular emphasis on how smoothly Government and the essential services providers roll over to the new millennium, as well as the situation overseas.   In the event of any major Y2K-induced incidents with cross-sector implications, the Central Co-ordinating Centre will also be responsible for co-ordinating emergency response on a territory-wide basis.

51.   According to the Administration, the Central Co-ordinating Centre will focus on the following four areas of work –

(a)   Rollover in overseas economies;

(b)   Rollover of local essential services;

(c)   Wellness checks of mission-critical systems within Government from 9:00 am to 8:00 pm on 1 January 2000; and

(d)   Business-as-usual reports from 7:00 am to 8:00 pm on 3 January 2000, i.e. the first working day in the new Millennium.

Assuming a successful rollover, the Central Co-ordinating Centre would stand down at 8:00 pm on 3 January 2000.   Thereafter, Information Technology and Broadcasting Bureau would continue to monitor the overall situation until the need for such monitoring has subsided.   The Central Co-ordinating Centre would be re-activated during the rollover to 29 February and 1 March 2000.   During its period of operation, the Central Co-ordinating Centre would arrange regular press briefings and issue press releases in conjunction with the Information Services Department to inform the public of the latest position after the rollover to the new Millennium.

52.   The Administration has advised that a series of publicity and promotional programmes have been organized to enhance public understanding of the impact of the Y2K problem, to enhance transparency of Y2K compliance through various means, such as setting up of Y2K web pages, distribution of leaflets or information notes, etc. and to enhance awareness of the need for Y2K contingency planning.   In the run-up to 2000, the Administration shall continue its efforts on the publicity front to prepare the whole community for a smooth and orderly transition to the new Millennium.

Concerns to be conveyed to the Administration

53.   Since April 1999, the issue of Y2K compliance work was discussed at a total of 35 meetings of the various Panels.   Various aspects of compliance work, including rectification of systems and contingency planning, in respect of services which might affect the general public have been fully deliberated.   The Administration and the NGOs providing essential services have been helpful in providing the information required and positive in responding to the suggestions of Members raised at Panel meetings.   However, to ensure disruption of services to the public is kept to the minimum, Members may wish to reiterate their concerns or suggestions to the Administration as set out below so that appropriate action could be taken before rollover to the new Millennium:

(a)   <u>Compliance positions of aircraft of foreign airlines</u>

The Administration to announce the arrangements in respect of the landing of aircraft of those foreign airlines which have not confirmed Y2K compliance.

(b)   <u>Operation of the emergency centres within Government</u>

The Administration to ensure effective communication amongst the different entities of its Central Co-ordinating Centre, particularly in the event of a complete power outage or in the event of a complete breakdown of the fixed telecommunication network on which the communication network of the Central Co-ordinating Centre may have heavily relied.   The overall contingency planning should also include the fallback systems and procedures to handle possible interruption of operations that might be caused by power and telecommunication failures.

(c)   <u>Immigration clearance at control points</u>

The Administration to ensure efficient deployment of resources including manpower for the implementation of cross-border contingency plans in dealing with immigration-related matters at control points.

(d)   <u>Operations of public hospitals</u>

The Administration to ensure efficient deployment of manpower, drugs and medical facilities among public and private hospitals as the current contingency planning for any breakdown of systems in private hospitals or medical institutions is to transfer patients to public hospitals.   The pressure on public hospitals during the first few days of the new Millennium could be enormous.

(e)   <u>Impact on services arising from systems switched to manual operation</u>

The Administration to monitor the response time of those services supported

by systems switched to manual operation especially after normal business resumes on 3 January 2000.

(f)   <u>Enhancement of the two-way communication with the public</u>

The Administration to ensure that members of the public are aware of the channels for soliciting help from relevant authorities even under a non-disastrous situation. Such channels are particular important for SMEs or persons who are affected by the changes in the mode of operation of service providers. For example, some financial institutions have yet to confirm the Y2K readiness of their overseas counterparts; and two satellite operators are still not Y2K compliant as at mid-October 1999.

Advice sought

54.   Members are invited to take note of this report and to consider the need for reiterating the concerns and suggestions listed to the Administration.

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Y2K Compliance Positions of Government Bureaux/Departments
(as at 31 October 1999)

Government bureau/department	No. of compliant systems		No. of non-compliant systems with rectification work in progress		No. of systems which can be rectified by resetting the clock		Total
Administration Wing, Chief Secretary for Administration's Office	34	(100%)	0	(0%)	0	(0%)	34
Agriculture and Fisheries Department	20	(83%)	0	(0%)	4	(17%)	24
Architectural Services Department	20	(100%)	0	(0%)	0	(0%)	20
Auxiliary Medical Service	2	(100%)	0	(0%)	0	(0%)	2
Buildings Department	23	(85%)	0	(0%)	4	(15%)	27
Census and Statistics Department	102	(100%)	0	(0%)	0	(0%)	102
Chief Executive's Office	6	(100%)	0	(0%)	0	(0%)	6
Civil Aid Service	2	(100%)	0	(0%)	0	(0%)	2
Civil Aviation Department	104	(100%)	0	(0%)	0	(0%)	104
Civil Engineering Department	41	(98%)	0	(0%)	1	(2%)	42
Companies Registry	23	(92%)	0	(0%)	2	(8%)	25
Constitutional Affairs Bureau	1	(100%)	0	(0%)	0	(0%)	1
Correctional Services Department	136	(99%)	0	(0%)	2	(1%)	138
Customs and Excise Department	56	(100%)	0	(0%)	0	(0%)	56
Department of Health	788	(98%)	0	(0%)	19	(2%)	807

Department of Justice	6	(100%)	0	(0%)	0	(0%)	6
Drainage Services Department	78	(100%)	0	(0%)	0	(0%)	78
Economic Services Bureau	1	(100%)	0	(0%)	0	(0%)	1
Education Department	17	(100%)	0	(0%)	0	(0%)	17
Electrical and Mechanical Services Department	84	(99%)	0	(0%)	1	(1%)	85
Environmental Protection Department	22	(100%)	0	(0%)	0	(0%)	22
Financial Services Bureau	1	(100%)	0	(0%)	0	(0%)	1
Fire Services Department	80	(100%)	0	(0%)	0	(0%)	80
Government Flying Service	13	(100%)	0	(0%)	0	(0%)	13
Government Laboratory	28	(100%)	0	(0%)	0	(0%)	28
Government Land Transport Agency	1	(100%)	0	(0%)	0	(0%)	1
Government Property Agency	551	(100%)	0	(0%)	0	(0%)	551
Government Records Service Division, Chief Secretary for Administration's Office	13	(100%)	0	(0%)	0	(0%)	13
Government Supplies Department	18	(100%)	0	(0%)	0	(0%)	18
Health and Welfare Bureau	1	(100%)	0	(0%)	0	(0%)	1
Highways Department	68	(100%)	0	(0%)	0	(0%)	68
Home Affairs Department	113	(100%)	0	(0%)	0	(0%)	113
Hong Kong Monetary Authority	11	(100%)	0	(0%)	0	(0%)	11

Hong Kong Observatory	17	(100%)	0	(0%)	0	(0%)	17
Hong Kong Police Force	365	(98%)	0	(0%)	6	(2%)	371
Housing Department	1104	(100%)	0	(0%)	0	(0%)	1,104
Immigration Department	116	(98%)	0	(0%)	2	(2%)	118
Independent Commission Against Corruption	15	(100%)	0	(0%)	0	(0%)	15
Industry Department	1	(100%)	0	(0%)	0	(0%)	1
Information Services Department	7	(100%)	0	(0%)	0	(0%)	7
Information Technology Services Department	15	(100%)	0	(0%)	0	(0%)	15
Inland Revenue Department	51	(100%)	0	(0%)	0	(0%)	51
Intellectual Property Department	8	(100%)	0	(0%)	0	(0%)	8
Judiciary	101	(100%)	0	(0%)	0	(0%)	101
Labour Department	9	(100%)	0	(0%)	0	(0%)	9
Land Registry	24	(96%)	0	(0%)	1	(4%)	25
Lands Department	13	(100%)	0	(0%)	0	(0%)	13
Legal Aid Department	19	(100%)	0	(0%)	0	(0%)	19
Marine Department	92	(99%)	0	(0%)	1	(1%)	93
Office of the Commissioner of Insurance & Office of the Registrar of Occupational Retirement Schemes	7	(100%)	0	(0%)	0	(0%)	7
Office of the Ombudsman	3	(100%)	0	(0%)	0	(0%)	3

Office of the Telecommunications Authority	5	(100%)	0	(0%)	0	(0%)	5
Official Receiver's Office	9	(100%)	0	(0%)	0	(0%)	9
Planning Department	3	(100%)	0	(0%)	0	(0%)	3
Post Office	542	(100%)	0	(0%)	2	(0%)	544
Printing Department	9	(90%)	0	(0%)	1	(10%)	10
Radio Television Hong Kong	66	(100%)	0	(0%)	0	(0%)	66
Rating and Valuation Department	6	(100%)	0	(0%)	0	(0%)	6
Regional Services Department	117	(96%)	0	(0%)	5	(4%)	122
Registration and Electoral Office	2	(100%)	0	(0%)	0	(0%)	2
Secretariat of the Standing Commission on Civil Service Salaries and Conditions of Service	1	(100%)	0	(0%)	0	(0%)	1
Security Bureau	6	(100%)	0	(0%)	0	(0%)	6
Social Welfare Department	54	(100%)	0	(0%)	0	(0%)	54
Student Financial Assistance Agency	6	(100%)	0	(0%)	0	(0%)	6
Trade and Industry Bureau	19	(100%)	0	(0%)	0	(0%)	19
Trade Department	32	(100%)	0	(0%)	0	(0%)	32
Transport Department	308	(99%)	0	(0%)	2	(1%)	310
Treasury	95	(100%)	0	(0%)	0	(0%)	95
Urban Services Department	320	(98%)	0	(0%)	5	(2%)	325

Water Supplies Department	80	(100%)	0	(0%)	0	(0%)	80
Works Bureau	2	(100%)	0	(0%)	0	(0%)	2
Total :	6113	(99%)	0	(0%)	58	(1%)	6,171

Outstanding Y2K compliance works
within NGOs providing essential services

Comparison between the compliance positions
in August 1999 and October 1999

Sector	Compliance position (as at end of August 1999)	Compliance position (as at end of October 1999)
Aviation - Airport	One out of 39 business partners (high and medium criticality groups except the Civil Aviation Department (CAD) and the Electrical and Mechanical Services Department) not yet 100% compliant.	With the exception of Northwest Airlines, the other business partners have submitted their compliance statements. The Authority is following up with the Northwest Airlines and expects a confirmation from them soon.
Aviation - Airlines	CAD is collecting information from non-Hong Kong based airlines on their compliance position. It has also written to the concerned aeronautical authorities for assistance.	As regards the Y2K status of foreign airlines which regularly operate to or overfly Hong Kong, most of them have confirmed to CAD that their aircraft will be Y2K compliant before end 1999. For the few airlines which have yet to reply, CAD is seeking clarification from the relevant aviation authorities. The Department will also consider the mechanism to handle aircraft of foreign airlines which have not confirmed Y2K compliance before the end of 1999, taking into account any advice from the International Civil Aviation Organization and the practice adopted by other major aeronautical authorities.
Energy Supply	Two out of five local oil/LPG suppliers are not yet compliant.	All the five oil/LPG suppliers in Hong Kong have achieved 100% Y2K compliance.
UGC-funded Institutions	A computer system of the Hong Kong Institute of Education is still outstanding.	All the UGC-funded institutions have achieved Y2K compliance.
Financial Services	As at end of June 1999, 93% of supervised firms which are not	Two registered intermediaries under the direct supervision of the

Sector	Compliance position (as at end of August 1999)	Compliance position (as at end of October 1999)
	members of the two Exchanges are Y2K compliant.	Securities and Futures Commission have not completed internal testing work as at end of September 1999. However, these two firms are expected to complete the tasks by the end of October 1999.
Public Health Services	As at end of June 1999, Hospital Authority has completed 99% of its rectification work.	As at 25 October 1999, the Hospital Authority has completed all the necessary rectification work for its mission-critical systems. There is one X-ray system in the Queen Mary Hospital which is not Y2K compliant but will be retired before year 2000. A new Y2K-compliant system will be commissioned to replace this X-ray system by end November 1999.
Telecommunication	Asia Satellite Telecommunication Company Limited (88% as at 15 August 1999) APT Satellite (80% as at 15 August 1999)	Asia Satellite Telecommunication Company Limited (92% as at mid October 1999) APT Satellite (85% as at mid October 1999)
Transport	The Hongkong and Yaumati Ferry Company Limited has completed 97% of its rectification work.	As of mid September 1999, the ferry company has completed its rectification work.
NGOs subvented by the Social Welfare Department (SWD)	As at end of June 1999, 97% of the NGOs with mission-critical systems have achieved compliance.	As of mid October 1999, all the NGOs subvented by the SWD have completed the rectification work for their mission-critical systems.
NGOs regulated by the SWD	As at end of June 1999, 98% of the NGOs with mission-critical systems have achieved compliance.	As of mid October 1999, all the NGOs regulated by the SWD have completed the rectification work for their mission-critical systems.
Small and medium-sized enterprises (SMEs)	According to a sample survey conducted by the Hong Kong Productivity Council in June 1999, about 65% of the companies surveyed indicated that they would be affected by the Y2K problem. 83% of those affected are taking	The Administration has advised that with the completion of the Y2K compliance work of most essential service providers, the business environment in Hong Kong is in general Y2K-ready. As for the SMEs themselves, there

Sector	Compliance position (as at end of August 1999)	Compliance position (as at end of October 1999)
	action to tackle the problem, and over 55% are expected to complete their rectification work by first half of 1999.	have been notable improvements in terms of Y2K readiness as reflected by the outcome of the survey conducted HKPC in June 1999. To further minimize the risk exposure of our SMEs to the Y2K problem, the Administration has advised that they have already intensified their assistance and publicity programmes targeted at SMEs.