

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 23 February 2005

The Council met at half-past Two o'clock

MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE MRS RITA FAN HSU LAI-TAI, G.B.S., J.P.

THE HONOURABLE JAMES TIEN PEI-CHUN, G.B.S., J.P.

THE HONOURABLE ALBERT HO CHUN-YAN

IR DR THE HONOURABLE RAYMOND HO CHUNG-TAI, S.B.ST.J., J.P.

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE MARTIN LEE CHU-MING, S.C., J.P.

THE HONOURABLE FRED LI WAH-MING, J.P.

DR THE HONOURABLE LUI MING-WAH, J.P.

THE HONOURABLE MARGARET NG

THE HONOURABLE MRS SELINA CHOW LIANG SHUK-YEE, G.B.S., J.P.

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN YUEN-HAN, J.P.

THE HONOURABLE BERNARD CHAN, J.P.

THE HONOURABLE CHAN KAM-LAM, J.P.

THE HONOURABLE MRS SOPHIE LEUNG LAU YAU-FUN, S.B.S., J.P.

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI, J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG, G.B.S.

THE HONOURABLE WONG YUNG-KAN, J.P.

THE HONOURABLE JASPER TSANG YOK-SING, G.B.S., J.P.

THE HONOURABLE HOWARD YOUNG, S.B.S., J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

THE HONOURABLE LAU WONG-FAT, G.B.S., J.P.

THE HONOURABLE MIRIAM LAU KIN-YEE, G.B.S., J.P.

THE HONOURABLE EMILY LAU WAI-HING, J.P.

THE HONOURABLE CHOY SO-YUK

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE TIMOTHY FOK TSUN-TING, G.B.S., J.P.

THE HONOURABLE TAM YIU-CHUNG, G.B.S., J.P.

THE HONOURABLE ABRAHAM SHEK LAI-HIM, J.P.

THE HONOURABLE LI FUNG-YING, B.B.S., J.P.

THE HONOURABLE TOMMY CHEUNG YU-YAN, J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE FREDERICK FUNG KIN-KEE, J.P.

THE HONOURABLE AUDREY EU YUET-MEE, S.C., J.P.

THE HONOURABLE VINCENT FANG KANG, J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

THE HONOURABLE LI KWOK-YING, M.H.

DR THE HONOURABLE JOSEPH LEE KOK-LONG

THE HONOURABLE DANIEL LAM WAI-KEUNG, B.B.S., J.P.

THE HONOURABLE JEFFREY LAM KIN-FUNG, S.B.S., J.P.

THE HONOURABLE ANDREW LEUNG KWAN-YUEN, S.B.S., J.P.

THE HONOURABLE ALAN LEONG KAH-KIT, S.C.

THE HONOURABLE LEUNG KWOK-HUNG

DR THE HONOURABLE KWOK KA-KI

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

THE HONOURABLE CHEUNG HOK-MING, S.B.S., J.P.

THE HONOURABLE WONG TING-KWONG, B.B.S.

THE HONOURABLE RONNY TONG KA-WAH, S.C.

THE HONOURABLE CHIM PUI-CHUNG

THE HONOURABLE PATRICK LAU SAU-SHING, S.B.S., J.P.

THE HONOURABLE ALBERT JINGHAN CHENG

THE HONOURABLE KWONG CHI-KIN

THE HONOURABLE TAM HEUNG-MAN

MEMBERS ABSENT:

DR THE HONOURABLE DAVID LI KWOK-PO, G.B.S., J.P.

THE HONOURABLE MA LIK, J.P.

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE DONALD TSANG YAM-KUEN, G.B.M., J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE ELSIE LEUNG OI-SIE, G.B.M., J.P.
THE SECRETARY FOR JUSTICE

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.
SECRETARY FOR HOUSING, PLANNING AND LANDS

THE HONOURABLE STEPHEN IP SHU-KWAN, G.B.S., J.P.
SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR

DR THE HONOURABLE SARAH LIAO SAU-TUNG, J.P.
SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

DR THE HONOURABLE YORK CHOW YAT-NGOK, S.B.S., J.P.
SECRETARY FOR HEALTH, WELFARE AND FOOD

CLERKS IN ATTENDANCE:

MR RICKY FUNG CHOI-CHEUNG, J.P., SECRETARY GENERAL

MS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments *L.N. No.*

Air Transport (Licensing of Air Services) (Amendment) (No. 2) Regulation 2004 (Commencement) Notice 2005	17/2005
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Other Papers

- No. 56 — Hong Kong Arts Development Council
Annual Report 2003-2004
- No. 57 — The Hong Kong Academy for Performing Arts Annual
Report 2003-2004 and the Financial Statements and
Auditor's Report for the year ended 30 June 2004
- No. 58 — Li Po Chun Charitable Trust Fund
Annual Report for the period from 1 September 2003 to 31
August 2004
- No. 59 — Equal Opportunities Commission
Annual Report 2003/04
- No. 60 — Audited Statement of Accounts together with the Director
of Audit's Report and Trustee's Report on the
Administration of the Education Scholarships Fund for the
year ending 31 August 2004
- No. 61 — Report of the Public Accounts Committee on the Reports
of the Director of Audit on the Accounts of the
Government of the Hong Kong Special Administrative
Region for the year ended 31 March 2004 and the Results
of Value for Money Audits (Report No. 43)
(February 2005 - P.A.C. Report No. 43)

ADDRESSES

PRESIDENT (in Cantonese): Members, today is the first meeting of the Legislative Council in the Year of the Rooster. I wish you all good health and every success.

PRESIDENT (in Cantonese): Address. Dr Philip WONG, Chairman of the Public Accounts Committee, will address the Council on the Committee's report on the Report of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2004 and Report No. 43 on the Results of Value for Money Audits.

Report of the Public Accounts Committee on the Reports of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2004 and the Results of Value for Money Audits (Report No. 43) (February 2005 - P.A.C. Report No. 43)

DR PHILIP WONG: Madam President, on behalf of the Public Accounts Committee, I have the honour to table our Report No. 43 today.

The Report corresponds with the Report of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2004 and his Report No. 43 on the results of value for money audits, which were submitted to you on 29 October 2004 and tabled in the Legislative Council on 24 November 2004.

The Committee's Report contains three main parts:

- (a) the Committee's assessment of the actions taken by the Administration in response to our recommendations made in the Committee's previous Reports Nos. 40, 40A and 41;
- (b) our observations on the Report of the Director of Audit on the Accounts of the Government for the year ended 31 March 2004; and
- (c) the conclusions reached by the Committee on the Director of Audit's Report No. 43.

On the Director of Audit's Report No. 43, as in previous years, the Committee has selected for detailed examination only those chapters which, in our view, contained more serious allegations of irregularities or shortcomings. The Report tabled today covers our deliberations on the five chapters selected, three of which relate to the English Schools Foundation (ESF).

I now turn to the substantive issues covered in this Report.

On the subject "Government subsidies to the ESF", the Committee is concerned that there is a divergence of views between the Education and Manpower Bureau (the Bureau) and the ESF on whether ESF schools are no different from private international schools, and whether the existing government subsidies to ESF schools should continue.

The Committee notes that since 1999, the Bureau has been discussing with the ESF the gradual reduction of its recurrent subsidies to the ESF under a phased programme. While the ESF has indicated its willingness to work with the Government for a smooth transition, it has emphasized that the phasing-out programme should stretch over a period of 13 years. The Bureau considers that the focus of its discussion with the ESF was not on "whether" recurrent government subsidies to the ESF should be withdrawn, but rather on "how" the withdrawal should be phased. On the other hand, it is the ESF's view that the discussion between the Bureau and itself over the years on the future of government subsidies to the ESF was never concluded, and that the ESF is an integral part of the local education system. Its position on the parity of subsidy principle remains unchanged, and it should be entitled to government funding as other schools in the aided sector.

The Committee strongly urges the Bureau to expeditiously complete the review of government subsidies to the ESF. We also strongly urge the Bureau and the ESF to come to an agreement expeditiously over the future of government subsidies to the ESF.

I now turn to the subject "Corporate governance and Headquarters administration of the ESF". The Committee notes that the Bureau only has a small representation on the ESF and its Executive Committee, and that the Government's policy is to not micro-manage. Notwithstanding this, the Committee is concerned that the Bureau has not ensured that the ESF, which receives substantial recurrent government subsidies, adopts a high standard of corporate governance.

The Committee condemns the ESF Headquarters senior executive management for its failure to ensure that the ESF and its schools adopt a high standard of corporate governance, and for its failure to exercise proper financial and administrative controls to achieve value for money in the operations of the ESF and its schools, as evidenced by the following.

The administration of some ESF schools was conducted in a chaotic and negligent manner. The school administration guidelines provided by the ESF were fundamentally inadequate. The ESF's existing arrangement for an internal auditor to report directly to the Financial Controller is not sufficient to help the ESF discharge its monitoring functions effectively. Besides, the approval of the Executive Committee was not sought for extra payments made to two senior staff upon their leaving the ESF in the 2002-03 ESF financial year. The minutes of the Executive Committee meeting which discussed issues concerning the termination of the employment of a senior staff member had not been entered in the ESF's minute books.

In addition, prior approval had not been sought from the Executive Committee for the sale of four ESF staff quarters. The ESF leased 10 staff quarters for its senior staff, when it had 13 vacant ESF-owned Teaching-staff Grade quarters.

Moreover, the ESF had been paying the rates and management fees of leased staff quarters, as long as the monthly rent (excluding rates and management fees) of the quarters did not exceed the rent entitlement of the staff concerned. The ESF also reimbursed a senior staff member for the expenses on treatment in a first-class ward at a hospital, when the staff member was only entitled to receive treatment in a second-class ward.

Most of the ESF staff having an annual budget for entertainment expenses used up all, or a large portion of, their budgets. Of the total entertainment expenses reimbursed to staff in the 2002-03 ESF financial year, 77% were related to staff functions.

On corporate governance, the Committee acknowledges that the ESF has approved the draft guidelines for restructuring the governance and management of the ESF. A task force appointed by the Executive Committee has started work on the proposed restructuring. The ESF has also set up an audit committee which will report to the Executive Committee.

The Committee has made other comments and recommendations on the aspects of financial management, staff remuneration and recruitment, staff housing and medical benefits, and entertainment expenses. The Committee urges the ESF to implement these recommendations and to keep it informed of the progress made.

The Committee acknowledges that the objective of the audit review on the subject "School administration of the ESF" is to examine the administration of ESF schools. The Committee has therefore focused on matters pertaining to that objective, rather than the quality of education provided by ESF schools.

On the corporate governance of ESF schools, the Committee is dismayed that the council of one school did not hold any meeting during a period of 23 months when the post of Chairman of the school council was vacant. Moreover, most schools did not require council members to declare their personal interests which might conflict with their roles.

On financial and administrative matters, the Committee is seriously dismayed that the guidelines on internal control principles and/or procedures provided by the ESF to schools were inadequate, and that the internal control procedures of those schools were generally crude. Some ESF schools had not set up their own internal control procedures to suit their particular circumstances. Some schools had spent too generously on staff functions. The ESF had not set any guideline on the provision of staff welfare and benefits by schools, and that the provision was made solely at the schools' discretion. Besides, the propriety in managing travelling expenditure for official duties by school staff could have been improved.

Regarding human resources management, the Committee is alarmed and finds it unacceptable that some schools did not properly record, in an assessment form, the interviewer's assessment of an applicant showing his relative merits together with the reasons for recommending or not recommending him for appointment. Most schools did not seek the approval of their school councils to endorse the most suitable applicant for appointment to school posts. Moreover, the ESF had not set any guideline on the conduct of performance appraisal of school staff. As a result, some schools did not have a proper arrangement for conducting regular performance appraisal of their staff. Salary increments were granted to ESF staff automatically, taking no account of work performance. In addition, some unregistered teachers had worked as supply teachers in some ESF schools.

In examining the subject "Grant of land at Discovery Bay and Yi Long Wan", the Committee acknowledges that the development of Discovery Bay began in the 1970s and 1980s and took place against the particular background which existed at those times.

The Committee is alarmed and strongly resents the fact that the lease conditions of the Discovery Bay site failed to specify the requirements for achieving the development concept. The original resort concept of the Discovery Bay development, as reflected in the Governor-in-Council's decision of 6 July 1976, had changed from a holiday resort and residential and/or commercial development to that of a first-home community. Nevertheless, the Administration had failed to obtain the Executive Council's endorsement of that change.

The Committee urges the Secretary for Housing, Planning and Lands to expeditiously seek the Executive Council's endorsement of the change of concept.

The Committee is astonished and seriously dismayed that the approval of Master Layout Plan 5.0 had in effect deleted the requirement to provide a public golf course, notwithstanding its specification in the lease conditions. In addition, the Lands Department had failed to assess the implications, financial or otherwise, of the deletion of the facilities in the Discovery Bay development.

The Committee is astonished and finds it inexcusable that the Lands Department failed to maintain a record of the public recreational facilities actually provided in the Discovery Bay development. It failed to verify the specific as-built facilities in the development with those agreed with the developer to ensure that they had in fact been built. It also failed to document the reasons for not assessing and/or charging premium for the changes in those Master Layout Plans.

The Committee condemns the then land authorities for having failed to assess whether premium should be charged for the changes made in the Master Layout Plans after the land grant and prior to 7 June 1994, including the deletion of the public golf course in Master Layout Plan 5.0 and the cable car system in Master Layout Plan 5.1.

On the site boundaries of Discovery Bay and Yi Long Wan developments, the Committee is gravely dismayed that, despite a lapse of 28 years after the land grant of the Discovery Bay site, the Lands Department had not yet set out the boundaries of the site. Some 41 200 sq m of government land adjoining the Discovery Bay site had been occupied without authorization for over 20 years. But the Lands Department did not take timely actions to rectify the encroachments. Besides, although certain buildings of the Yi Long Wan development were found outside the boundaries of the land grant, the Lands Department had not taken any follow-up action to resolve the encroachment problem.

On the subject "Control and monitoring of District Council expenses and related activities", the Committee notes that since April 1996, the District Council members' remuneration package has been expanded to include allowance and grant for various office expenses incurred by District Council members for discharging their duties. The Committee is seriously concerned that, notwithstanding the above, the Commissioner of Inland Revenue continued to adopt the administrative measure which allows, without query, a deduction of 50% of the honorarium for a District Council member as tax deductible expenses.

The Committee is concerned that the tax treatments for the honorarium of District Council members and those of Executive Council Members and Legislative Council Members are not the same. The honorariums of Executive Council Members and Legislative Council Members are all taxable, whereas a tax deduction of 50% of a District Council member's honorarium is allowed.

The Committee notes that the Commissioner of Inland Revenue plans to remove the above administrative measure for the 2005-06 final and subsequent years of assessment.

The Committee recommends that the Director of Home Affairs should consider revising the existing remuneration package of District Council members by converting 50% of a District Council member's honorarium to the Operating Expenses Allowance, which is not taxable. As such, District Council members' honorarium, similar to those of Executive Council Members and Legislative Council Members, is all taxable.

Madam President, as always, in performing its duty, the Committee is mindful of its role in safeguarding public interest by continuing to prod for the delivery of high quality public services in an efficient and cost-effective manner.

I wish to record my appreciation of the contributions made by members of the Committee. Our gratitude also goes to the representatives of the Administration and the ESF who have attended before the Committee. We are grateful to the Director of Audit and his colleagues as well as the staff of the Legislative Council Secretariat for their unfailing support and hard work.

Thank you.

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. A supplementary should only contain one question and should be as concise as possible so that more supplementaries may be asked by Members. Members should not make statements when asking supplementaries, as this contravenes Rule 26(5) of the Rules of Procedure.

PRESIDENT (in Cantonese): First question.

Government Crematoria

1. **MRS SELINA CHOW** (in Cantonese): *Madam President, it has been reported that the current six government crematoria in Hong Kong with 30 cremators for handling up to 144 bodies per day cannot cope with the public demand for cremating their deceased relatives and friends. In this connection, will the Government inform this Council:*

- (a) *of the shortest, longest and average waiting time for cremating bodies at present;*
- (b) *of the details of the existing booking mechanism for cremation of bodies; whether there are criteria for setting priority; and whether*

the public could, according to their own needs, apply to the authorities for priority for cremating their deceased relatives and friends; and

- (c) *whether the current utilization of the above cremators had exceeded their capacity; if so, of the measures taken by the authorities to relieve the workload?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese):

Madam President, it is the Government's policy to encourage the public to make use of our cremation services as far as possible in view of the scarcity of land resources for the provision of land burials. There are at present six government crematoria which could provide a total cremation capacity of about 34 000 cremation sessions for 2005. The designed capacity should therefore be sufficient to meet the projected cremation demand of 32 000 cremation sessions for 2005. To cope with the anticipated increase in demand for cremation service in the next decade, measures have been taken and plans are in place to expand and upgrade our cremation facilities.

My reply to the three-part question of Mrs Selina CHOW is as follows:

- (a) In 2004, the Food and Environmental Hygiene Department (FEHD) handled a total of 31 332 applications for cremation service. All cremations were carried out within 15 days from the day following the date of application. Given that the waiting time for cremation service depends on a number of factors including the availability of cremation sessions, the number of applications at the time and the preference of the applicants for specific dates and sessions, it is difficult to provide information on the average waiting time. Notwithstanding this, according to the FEHD's statistics in 2004, the shortest waiting time was one day, the longest waiting time was 15 days and most of the cremation services, 90%, were carried out within 11 to 15 days.
- (b) The procedures for the booking of cremation service provided by the FEHD are as follows:

1. The applicant should complete the "Application for Private Cremation Form" and supply relevant supporting documents (for example, death certificate and identity card). He/she can book in person an unallocated normal cremation session in any government crematorium within 15 days from the day following the date of application.
 2. Should the applicant wish to authorize the representative of a licensed undertaker/funeral agent to book a cremation session on his/her behalf, the applicant and the representative have to sign and stamp the chop of the licensed undertaker/funeral agent on an authorization form in the presence of staff in an FEHD cremation booking office.
 3. Booking of cremation sessions is normally processed on a first-come-first-served basis.
 4. If there are special reasons for urgent cremation, such as the next of kin who returns to Hong Kong for the funeral has to leave before a certain date, the applicant should provide supporting documents (such as a departure air ticket of the next of kin). The FEHD is prepared to exercise discretion on individual cases.
- (c) The FEHD cremators are all utilized according to their design without exceeding the designed capacity. As a long-term measure to cope with the increase in demand for cremation service, the FEHD has been gradually replacing old cremators with more efficient ones to make available more cremation sessions. The replacement of cremators at the Kwai Chung Crematorium and Fu Shan Crematorium was completed in March 2003 and October 2004 respectively. The current replacement works at the Diamond Hill Crematorium are expected to complete by mid-2006. In addition, planning for increasing and upgrading the cremation facilities at other crematoria is underway.

MRS SELINA CHOW (in Cantonese): *Madam President, first of all, I would like the Secretary to clarify one point, for I noted that part of his main reply is*

inaccurate. The Secretary pointed out in part (a) of his reply that the shortest waiting time was one day while the longest waiting time was 15 days. However, I have personally handled cases that proved the waiting time might exceed 15 days. Will the Secretary clarify if it is because cases exceeding 15 days will not be processed by the department concerned and thus the longest waiting time will not exceed 15 days? According to the first point of part (b) of his main reply, application is processed within 15 days from the day following the date of application, is this the case? This point should be clarified.

Madam President, in fact, I hope the Secretary will tell us whether he really thinks the waiting time of 11 to 15 days is not an indication that the cremation service is overloaded. Does he consider the waiting time acceptable? Many relatives and friends of the deceased consider the waiting time unacceptable.

PRESIDENT (in Cantonese): Mrs Selina CHOW, I will invite the Secretary to answer the later half of your supplementary question, but he may clarify the point you mentioned in the first half of your supplementary question if he so wishes.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I do not remember how many questions have been asked, but I hope I can explain it clearly. In general, we would like to allow sufficient time for the families of the deceased to make arrangements for funeral and cremation. The period of 15 days laid down by the FEHD is an acceptable duration, which is also acceptable to most families of the deceased. Since we do not want to see some families of the deceased occupying certain sessions by booking well in advance, we consider it a fair practice to allow applicants to select any session within the 15 days from the day following the date of application. Applicants who cannot book their desired sessions may wait again on the following day. This practice is applicable to cremation and other arrangements, such as the application for columbarium niche. This method offers equal opportunities, preventing anyone from taking up sessions of certain dates and time by booking well in advance. I hope my reply can dispel the doubts of Mrs Selina CHOW.

MRS SELINA CHOW (in Cantonese): *Madam President, perhaps the Secretary has listened to you and clarified the first point raised by me, but he has forgotten to answer my supplementary question. My supplementary question is: As the Secretary pointed out the lead time for the arrangement ranged from 11 to 15 days, does he really consider the waiting time acceptable? Though he has expressed his understanding of the need of the families of the deceased, I have received complaints about the long waiting time. Does he know exactly*

PRESIDENT (in Cantonese): Mrs Selina CHOW, you need only state the supplementary question you raised earlier.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Let me explain it clearly again. If we consider the present situation satisfactory, we would not have to increase or enhance our cremators. We hope that upon the completion of the cremator replacement works, more sessions can be provided, offering more choices to the relevant parties. However, we consider 15 days a reasonable period.

PRESIDENT (in Cantonese): Members, there are 10 Members waiting to raise supplementary questions, so please make your questions as concise as possible.

DR PHILIP WONG (in Cantonese): *Madam President, may I ask the Secretary if he knows that applicants have to start waiting at the cremation booking office early in the morning, squeezing in the lift lobby with no air-conditioning and poor ventilation? Such an environment creates a breeding ground for infectious diseases. Does the Government have any intention to improve the air quality of the lift lobby?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): I also find the environment undesirable, in particular for the families of the deceased who are grief-stricken. I will reflect this to the FEHD and see whether improvement can be made. However, there is no factual evidence that infectious diseases have spread in that environment.

MR TOMMY CHEUNG (in Cantonese): *Madam President, the Secretary has provided the number of cremation cases for the entire year, but there are seasonal variations of such demand, with peak season and off season. Does the Secretary know whether all applications can be dealt with within 15 days? During peak seasons, will the waiting time exceed 15 days? I have also received similar complaints about waiting for more than 15 days, as did Mrs Selina CHOW.*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): As far as I know, we have tried to utilize the cremators to their maximum capacity. During specific seasons, such as towards the end of the year, we will increase manpower to increase such services provided that the environment in the vicinity and nearby residents will not be affected. I believe we have done our utmost to provide the necessary services to the public and families of the deceased.

MR TOMMY CHEUNG (in Cantonese): *Madam President, actually, the Secretary has not answered whether there has been any case where the waiting time exceeded 15 days. There seems to be such cases, but the Secretary insists that cremation arrangement can be made within 15 days.*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, as far as I know, if the families of the deceased are not selective and choose sessions of a specific date or time of the day, they will be able to book cremation sessions. However, since some people are looking for a specific date or time of the day, they may prefer to wait until the following day or several days later to submit applications in order to book their desired sessions. I think this is a matter of choice rather than a matter of the waiting time required.

MISS TAM HEUNG-MAN (in Cantonese): *Madam President, may I ask whether the Government has made any projection on the future demand of the public for different methods of burial and done corresponding planning? If it has, what are the findings of the study? If not, when will the Government conduct such study to prevent existing funeral facilities from being used beyond their capacities?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): I have to thank Miss TAM Heung-man for her supplementary question. Last year, the total number of deaths was 38 000, and the number of cases requiring cremation services was 32 000, accounting for approximately 84%. According to past record, the number of cremation has increased by 1% gradually per annum, and it is expected that the percentage will reach 92% 10 years later. According to the experts of the FEHD, as some people may still prefer land burials to cremation, 92% is nearly the average. We have noticed the need to consider the adequacy of facilities for land burial and cremation, and have been increasing cremation facilities step by step, such as replacing cremators. The addition of cremators at certain places has also been considered, however, as we all know, if crematoria are built at new locations, many District Councils will raise objections, so we hope to increase the facilities at the existing crematoria. I believe increasing facilities at Wo Hop Shek will find greater acceptance, for the crematorium is far away from residential areas. Planning of the site is underway with a view to increasing cremators and facilities to cope with future demand.

PRESIDENT (in Cantonese): Miss TAM Heung-man, has your supplementary question not been answered?

MISS TAM HEUNG-MAN (in Cantonese): *Excuse me, I would like to seek clarification for one more point. I would like to ask a question about the cremators at Diamond Hill, for the Secretary said earlier that improvement works would be conducted in 2006. The issue has aroused much concern in my district. Is this question not allowed?*

PRESIDENT (in Cantonese): No, this is not allowed, for only questions related to the supplementary question you raised earlier will be allowed.

MISS TAM HEUNG-MAN (in Cantonese): *Fine, maybe I can approach the Secretary later.*

PRESIDENT (in Cantonese): You may wait for a second turn.

DR LUI MING-WAH (in Cantonese): *Madam President, for families having to arrange for a funeral, the 15-day wait is very long indeed, causing considerable mental stress. I see that a cremator can only cremate five bodies each day at present. Will the Government explain whether the small number of cases handled should be attributed to the low efficiency of cremators or the lengthy processing time of other procedures?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): As far as I know, the time required for the cremation of a coffin by a cremator ranges from two and a half hours to two hours and forty-five minutes, and the time required for cooling down has to be included. This is the case with conventional cremators. By now, eight of the cremators at the crematoria at Fu Shan and Kwai Chung have been replaced by new models. These new cremators of a double-deck design are called the auto-descending cremators. When both decks are used simultaneously, it will take about three hours to cremate two coffins, an increase in efficiency by 70% approximately. By replacing cremators in other places, we hope that the capacity of cremators can be increased gradually.

MR FRED LI (in Cantonese): *Madam President, at present, there are crematoria in both urban areas and the New Territories. The Diamond Hill Crematorium located in the urban area is quite popular and the replacement of its cremators will soon be carried out. However, owing to the preference of the public for crematoria in urban areas, is it likely that cremation sessions provided by crematoria in urban areas will be fully booked within a short period while those in the New Territories, such as Fu Shan or Kwai Chung, cannot be fully utilized, resulting in an imbalanced situation? Is this possible? Under such circumstances, disparities in the waiting time between applications will arise. How will this problem be addressed?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, at present, there are six crematoria in the territory, and the average utilization rate of these crematoria is over 90%. The only crematorium with a very low utilization rate is the one in Cheung Chau, with a utilization rate of only 4%. Therefore, anyone intending to arrange for cremation in Cheung Chau may easily have it done. However, I have to remind the public that

arranging for cremation in Cheung Chau may incur an additional transportation cost of \$7,000 to \$10,000.

MR JAMES TIEN (in Cantonese): *Madam President, after listening to the views presented by several Members and those of the public received by us, the Secretary should probably know that the 15-day waiting time is considered too long. Will the Government consider increasing investment and building more crematoria? Actually, land available for land burial is very limited in Hong Kong. Will the Government consider shortening the waiting time from 15 days to 10 days, 11 days or 12 days? Will the Government consider this?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Mr TIEN, we will definitely consider different ways and means to enhance the efficiency and capacity of cremation services, and the privatization of crematorium will not be ruled out. We will consider this option, but we have not drawn up any proposals yet. We will conduct more detailed assessments and planning when we consider it necessary or the market so demands.

PRESIDENT (in Cantonese): We have spent more than 17 minutes on this question. Last supplementary question.

MR JAMES TO (in Cantonese): *Madam President, I agree with Mr James TIEN's proposal. But the question is that in the first point of part (b) of the main reply, it is said that current procedures only accept booking within 15 days. Apart from the factor of peak and off seasons as mentioned by Mr Tommy CHEUNG, does the Government know that no cremation sessions are available within 15 days even if applicants are not selective in choosing sessions of specific date or time? Or is it that the Government has no way to keep such record? Is it because the existing system fails to reflect this situation, and thus makes the Government regard applicants booking cremation session on the following day or several days later are being selective in choosing the dates and time of cremation, that is, the Government has virtually no means to know the current demand for the services? Therefore, according to the complaints we have received from the public, the authorities have failed to cap the waiting time for cremation services at 15 days, not to mention 10 days.*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): As I have pointed out in my main reply, for applicants with special need, we will process their cases as soon as possible and sessions will be allotted to cater for their need. According to my record, discretion for early cremation has been granted to 816 cases during the past year. Certainly, these cases are justifiable.

MR JAMES TO (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. I am not talking about cases requesting early processing, but cases where applicants who have no preference for sessions of specific dates or time are still unable to book a session within the following 15 days. Since these applicants do not have any relatives leaving Hong Kong, they cannot convince the authorities to accord priority in handling their cases. However, since no session is available for booking within the 15-day period, but only on the 17th and 18th day, applicants can only return to the office the following day or the day after next and wait for their turn again. It seems that records of the existing system cannot reflect whether the resubmission of applications is due to the unavailability of sessions or other reasons. Will the Secretary tell us whether such cases can be recorded? Is it because the system simply cannot keep track of such situation so records of this kind cannot be found under the existing system?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): I agree that we do not have records of this kind at the moment.

PRESIDENT (in Cantonese): Second question.

Air Quality at Hung Hom Station Platforms

2. **MR ANDREW CHENG** (in Cantonese): *Madam President, I have recently received complaints about poor air quality at Platforms 5 and 6 of the Hung Hom Station, for the use of through trains some of which are diesel trains from the Mainland. I understand that currently there is no legislation in Hong Kong governing the air quality in public transport facilities such as railways and air-conditioned buses. On the other hand, the Environmental Protection Department (EPD) published the "Practice Note for Managing Air Quality in*

Air-conditioned Public Transport Facilities" in November 2003. The Practice Note sets the air quality objectives for such facilities and provides that the railway corporations should monitor one-hour average concentration of carbon dioxide during normal operations at peak hours at least once a year. In this connection, will the Government inform this Council:

- (a) as the diesel trains generate a large volume of emissions when starting to run, whether it knows if the Kowloon-Canton Railway Corporation (KCRC) monitors if the air quality at the above station platforms meets the relevant air quality objectives at the time when the diesel trains start to run; if it does, of the monitoring results; if not, the reasons for that;*
- (b) as the air quality at the open platforms of the Hung Hom Station may vary with the climate in the four seasons and may also change due to any works or modifications undertaken in the Station, whether it knows if the KCRC will increase the frequency of air quality inspections so as to ensure that the air quality at the platforms of the Station is persistently kept to a good standard; and*
- (c) whether it will consider enacting legislation on air quality management to replace the existing Practice Note which has no legal effect, in order to provide an environment with good air quality for passengers and station staff; if so, of the legislative timetable; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS
(in Cantonese): Madam President,

- (a) The Practice Note for Managing Air Quality in Air-conditioned Public Transport Facilities — Railways published by the EPD in November 2003 is intended for air-conditioned railway facilities and train compartments. Platforms 5 and 6 of Hung Hom Station are open platforms and should not cause any air quality problems under normal circumstances. To address the impact of emissions from diesel-powered through trains on the two platforms and to minimize any adverse effect on the passengers, the KCRC has taken a series of measures, including the installation of additional exhaust fans and

hoods for speedy smoke extraction above the position where diesel locomotives are started. To evaluate the effectiveness of the measures, the KCRC has commissioned a consultant to conduct air quality tests when the through trains start. The air pollutants measured included nitrogen dioxide, sulphur dioxide, carbon dioxide and carbon monoxide, and Hong Kong's one-hour air quality objectives were adopted as the standards for the tests in order to safeguard passengers' health. To protect the health of the employees, the Occupational Exposure Limit - Time Weighted Average (OEL-TWA) and the Occupational Exposure Limit - Short-Term Exposure Limit (OEL-STEL) were adopted as the standards for the tests. The results of the tests as conducted in September 2004 show that these exhaust facilities are effective in ensuring that the above objectives are met at Platforms 5 and 6 when the through trains start.

- (b) To ensure that good air quality at the platforms of Hung Hom Station is maintained over time, the KCRC will continue to closely monitor the air quality at the station by taking measurements every six months or, if necessary, more frequently at the concourse and platforms of the station during morning peak hours, including the periods when the diesel locomotives are started.

When planning for works or modifications, the KCRC will ascertain whether the projects will adversely affect the air quality at Platforms 5 and 6. If so, it will adopt additional control measures as appropriate to maintain good air quality at the platforms.

The KCRC has been discussing with the Mainland authorities for the early replacement of diesel locomotives with electric ones as the long-term solution to the impact of emissions from diesel-powered through trains. The KCRC understands that the mainland railway authorities plan to replace diesel locomotives gradually with electric ones in two to three years so as to eliminate the emission problem.

- (c) As mentioned above, Platforms 5 and 6 of Hung Hom Station are affected by train emissions because some through trains are still hauled by diesel locomotives. The KCRC has taken a package of improvement measures and has been discussing with the mainland

authorities for the early replacement of diesel locomotives with electric ones. With the complete replacement of diesel locomotives by electric trains, the air quality problem at the platforms will be fully resolved. As such, there is no need to introduce any statutory regulation in the meantime.

MR ANDREW CHENG (in Cantonese): *Madam President, in part (a) of the main reply, the Secretary mentioned that Platforms 5 and 6 should not cause any air quality problem under normal circumstances. However, the Secretary should understand that railway corporations are only required to hire consultants to conduct a test annually under the Practice Note which is not binding at all. Will monitoring on self-discipline basis be sufficient in a society which is increasingly more concerned about environmental protection? Legislation regulating air pollution will control emissions caused by business activities and the construction industry while vehicle emissions are subject to the control of road and traffic laws. Why is the air quality inside the KCR, MTR and air-conditioned buses monitored by a so-called Practice Note which is not legally binding at all? Will better and healthier air quality be enjoyed by passengers if binding legislation is enacted and sample tests are conducted?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, regarding air quality management, in fact, we can adopt a lot of methods. Some legislation in Hong Kong presently govern the emissions by some industries. This situation is called specified process, meaning that a relatively large amount of air pollution is produced by their operations. To deal with such situations, some organizations have also adopted monitoring on self-discipline basis. Under our system, each organization will hire professionals on their own to conduct tests for it and the test report will be submitted to the Government. The Government can then monitor the organization through the test report without the need of deploying a lot of manpower resources. Under the principle of "small government, big market", this is one of the feasible systems which has operated effectively in many developed cities.

Compared with other industrial processes, emissions by the KCR and other modes of transport are less serious and so is the air pollution. We therefore consider that the existing control is effective. On the whole, the

problem of diesel through trains is temporary and only a small number of diesel locomotives will be reserved for use during maintenance in future. Under such circumstances, we think that self-discipline and self-monitoring by railway corporations to ensure the safety and operation of trains are feasible.

MR ANDREW CHENG (in Cantonese): *Madam President, the Secretary has not answered my follow-up question. The thrust of my supplementary question is that the authorities have enacted legislation on air pollution control particularly for business activities and the construction industry. As for vehicle emissions, legislation on road traffic is in place. If the logic of small government just mentioned by the Secretary is applied, why is the concept of self-discipline not applied for all?*

PRESIDENT (in Cantonese): Mr Andrew CHENG, you only have to point out the relevant part of the supplementary question raised by you just now. Please do not initiate a debate with the Secretary.

MR ANDREW CHENG (in Cantonese): *Sorry, Madam President, I now follow up the part of my question that has not been answered by the Secretary. Why is the air quality in railways and other modes of public transport, unlike emissions by the construction industry, the business sector and vehicles, not subject to statutory regulation? The Secretary has not answered this part of my question. She only mentioned that monitoring on self-discipline basis currently adopted was effective.*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, I think I have answered the question because we have different methods to manage different air polluting production processes. Legislation on air pollution control is not aimed at monitoring all industries. I would like to explain that since trains or other modes of public transport only produce limited emissions, we can adopt monitoring on self-discipline basis and their professional code is also legally binding. In case of serious incidents, which should not occur under normal circumstances, proceedings can be initiated in accordance with their professional code.

MS MIRIAM LAU (in Cantonese): *Madam President, it is mentioned in part (a) of the main reply that the KCRC has commissioned a consultant to conduct air quality tests when the through trains start to run. We are apparently very concerned about the respirable suspended particulates (RSPs) emitted by diesel locomotives. However, air pollutants measured by the KCRC this time do not include RSPs. Why? Since no measurement in this aspect has been taken, how can we ensure that the RSPs emitted when the diesel-powered through trains start do not exceed the standard?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): *Madam President, what Ms LAU said is true. The level of nitrogen dioxide, rather than the level of RSPs, is measured in the test mainly because the former represents the amount of emissions during the whole burning process. Of course, the level of RSPs is also one of the indicators. However, according to our air quality management standard, we have not set the one-hour exposure limit for this indicator. Instead, the standard is defined in terms of exposure in eight hours or a longer duration. So, in the absence of such a standard, it is not at all appropriate to take measurement when through trains start. Moreover, passengers of through trains will usually stay at the platforms for not more than 10 to 20 minutes. In view of the temporary impact caused by emissions when diesel-powered trains start, we have also to measure the amount of air pollutants for a short span of time. Since there is no such a standard for RSPs, we can only select nitrogen dioxide as an indicator to measure whether or not the emissions of diesel-powered trains comply with the normal standard. In other words, a correlation is compiled with these data in order to examine whether the standard is met.*

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, can the Government inform this Council whether there were occasions when the air quality standards in the KCRC stations failed to meet the requirements laid down in the Practice Note on air quality objectives since its formulation in November 2003? If yes, what is the number of such occasions and how serious is the situation? Besides, what remedies are in place?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): *Madam President, after the implementation of the Practice Note,*

four standard tests were conducted at Platforms 5 and 6 and only one indicated that the pollution level had exceeded the limit. The measurement taken on 22 March 2004 showed that the concentration of nitrogen dioxide was 377 micrograms per cu m. Compared with the standard of 300 micrograms per cu m, it was slightly higher than the specified standard. We know that the KCRC has enhanced the ventilation facilities and additional exhaust fans have been installed in each diesel locomotive so that emissions can be extracted immediately.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, according to the explanation just given by the Secretary, even though the weighted average of the tests may not exceed the standard, certain problems still exist and may possibly affect public health. In part (b) of the main reply, the Secretary mentioned that the KCRC would take measurements every six months or more frequently. Despite that, the Secretary also mentioned in the same part of the reply that additional control measures would be adopted if problems were found. May I ask what these so-called additional measures are? Why will additional measures be adopted only when the results of the measurements are found to have exceeded the standards?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, under the currently adopted standards, the air quality which will not adversely affect public health will be taken as the objectives. Since passengers will stay at platforms for a very short duration, the standards of air quality adopted for these places should not be the same as that for places where people will stay for a long time. In my opinion, the argument that the same standards should be adopted is not valid. As for the reason why we do not often adopt special measures, there are in fact many types of special measures. For instance, one of the measures is to strengthen the capacity of exhaust fans when concentration of the accumulated emissions in the platforms cannot be reduced in a timely manner due to high train frequency. To strengthen the capacity of exhaust fans more regularly is not infeasible, but we have to strike a balance. Financially this request is taxing for, as we all know, the exhaust fans will consume a lot of electricity. We should try to meet the standards as far as possible instead of always exceeding the required objectives because this will, on the other hand, waste a large amount of energy.

MR LEUNG KWOK-HUNG (in Cantonese): *Madam President, the Secretary mentioned that four tests had been conducted and only one indicated that the pollution level had exceeded the standards. However, she said that public health would not be jeopardized because passengers would stay at the platforms for a very short time. Nevertheless, the staff working there cannot avoid such emissions. They are also human beings. Who will protect their health? In fact, I am not referring to Platforms 5 and 6 only because we can see that Hong Kong has a characteristic and, that is, the intolerable high level of emissions at bus stations built on the superstructure of the MTR and KCR stations. Many people and the employees of bus companies have repeatedly complained to me that they hoped improvement could be made. My supplementary question is very simple. Has the Secretary conducted any test at these places? Apart from Platforms 5 and 6 of Hung Hom Station, the concentration of suspended particulates in all bus terminals in semi-enclosures is very high and diffusion is impossible. Bus and minibus passengers will stay there for a longer time. The health of the bus drivers will also be seriously affected. May I ask whether tests in this aspect have been conducted and what the data are?*

PRESIDENT (in Cantonese): This oral question is about Platforms 5 and 6 of Hung Hom Stations. But if the Secretary has information in this regard, I believe Members will also wish to know. Secretary, please reply.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, I think Mr LEUNG's question is about public transport interchanges (PTI) and whether air quality test has been conducted at bus terminals. The EPD has in fact attached importance all along to indoor air quality investigations and tests have been conducted in this connection. It is found that the amounts of suspended particulates, nitrogen dioxide or even carbon monoxide at bus stations, no matter in enclosed areas or in semi-enclosures, need to be adjusted. We have also issued some improvement guidelines and assistance has been provided to improve their exhaust systems so that air circulation can be enhanced and standards met.

As to Mr LEUNG's question of whether the health of the employees working at these places is protected, since the occupational health standard differs from the general air quality standard and as far as occupational health standard is concerned — I am not saying that these employees can tolerate more

emissions, instead I would like to point out that we have an international industrial safety standard. An employee should clearly know what exposure he is subject to at his workplace and the employer also has the responsibility to give a clear briefing to the employee. We have undertaken a lot of studies on the maximum level of pollution that a person working eight hours a day can tolerate in relation to his body weight and age. Factories have the same problems. As the air quality inside and outside a factory is different, the employers should provide the employees with personal protective equipment or require them to take medical examinations every year. Meanwhile, the employees should also be provided with special training so that they know how to protect themselves when using solvents and other tools. As there is a separate set of standards for occupational health, it is not that the ordinary citizens working at these places should be subject to different standard. The fact is that we do have two sets of standards.

MR LEUNG KWOK-HUNG (in Cantonese): *Madam President, can I follow up?*

PRESIDENT (in Cantonese): Mr LEUNG, let me listen to your follow-up question first for I have no idea which part of your supplementary question has not been answered.

MR LEUNG KWOK-HUNG (in Cantonese): *Madam President, part of my question about whether information is available and to what extent the level of air pollution has exceeded the limit has not been answered by the Secretary. I heard the Secretary say just now that enterprises were encouraged to observe the Practice Note on self-discipline basis. Are bus stations in semi-enclosures or in enclosed areas subject to monitoring on self-discipline basis in such a way that the employers or the management will comply with the Practice Note voluntarily? Can zero pollution as mentioned earlier by the Secretary — is it zero pollution? — be achieved by this?*

PRESIDENT (in Cantonese): Mr LEUNG, your current question is outside the scope of your supplementary question asked just now. But never mind, please sit down. Due to the time constraint, I will invite the Secretary to respond.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, indoor air pollution is also controlled through the Practice Note and self-discipline remains to be the norm. We do not think that statutory regulation is required for the time being. We will observe the effect after implementing the Practice Note and do not rule out the possibility of imposing statutory regulation in future if the effect is not satisfactory.

PRESIDENT (in Cantonese): Last supplementary question.

MR LAU KONG-WAH (in Cantonese): *Madam President, the Secretary mentioned that according to the KCRC, diesel trains will be replaced by the mainland railway authorities in two or three years. But in the Secretary's understanding, is this true? What can be done to expedite the timetable of train replacement without further delay?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, I was informed of this through the KCRC.

MR LAU KONG-WAH (in Cantonese): *Madam President, the Secretary has not answered my question. Will she try to get more information on whether the timetable of train replacement can be expedited?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, I think we can only be informed. As to whether the timetable of train replacement can be expedited, the consent of the mainland railway authorities is required.

PRESIDENT (in Cantonese): Third question.

Retrofitting of Platform Screen Doors at MTR Stations

3. **MR LEUNG YIU-CHUNG** (in Cantonese): *Madam President, regarding the retrofitting of platform screen doors (PSDs) at the MTR stations at ground and elevated levels, as well as the safety of MTR passengers with disabilities, will the Government inform this Council whether it knows:*

- (a) *the average costs involved in retrofitting screen doors at the above stations, and how they compare to the corresponding costs in respect of underground MTR stations; and*
- (b) *the number of accidents involving passengers falling onto rail tracks at MTR stations in each of the past 10 years and, among them, the respective numbers of visually and physically handicapped passengers who were injured or died as a result?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): *Madam President, according to the MTR Corporation Limited (MTRCL), the project cost of the retrofitting of PSDs at 74 platforms in all 30 underground MTR stations is over \$2 billion, that is, about \$2.7 million for the retrofitting works at each platform.*

Compared with underground stations, retrofitting works in at-grade/elevated stations would involve greater technical constraints. The MTRCL is therefore now fully engaged in retrofitting PSDs in the 30 underground stations. Upon their completion, the MTRCL will conduct a study to examine the technical and operational feasibility of retrofitting PSDs at at-grade/elevated stations. It will draw up possible proposals for retrofitting PSDs at at-grade/elevated stations subject to the outcome of its study and the requisite cost cannot be estimated at this stage.

The number of accidents involving passengers falling onto rail tracks at MTR stations in each of the past 10 years is as follows:

<i>Year</i>	<i>Number of accidents involving passengers falling onto rail tracks</i>
1995	74
1996	80
1997	83
1998	113
1999	119
2000	82
2001	52
2002	61
2003	44
2004	32
Total	740

According to the MTRCL's statistics, there is no record of wheelchair/walking stick users falling onto rail tracks in the past 10 years, while a total of 13 cases involving visually impaired persons are recorded. Among these 13 cases, 10 were injured while the other three were unhurt.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, the figures and main reply of the Secretary show clearly that visually impaired persons are facing enormous danger, as 10 cases involving visually impaired persons were recorded and only three were unhurt. In other words, the retrofitting of PSDs is a must. Unfortunately, the Secretary explained in her main reply that the retrofitting works were only carried out in underground stations, the MTRCL had yet come up to any decision with regard to the retrofitting of PSDs at at-grade/elevated stations and it would conduct further studies. With regard to the entire project, it will take a long time from study to the actual retrofitting of PSDs, may I ask will she in her capacity as the Secretary tolerate or accept this way of doing things? If the Secretary finds that unacceptable or intolerable, what can be done to speed up the project, so as to minimize the hazard handicapped passengers (in particular visually impaired persons) have to face?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): *Madam President, PSDs can enhance the safety of all passengers, not only the safety of visually impaired persons, for that reason, the MTRCL has decided to retrofit PSDs at most of its stations. Of course, we have set*

priorities for the project, and since railway service improvement involves investment, it is a matter of balance and choice. If the circumstances permit, the MTRCL will try its best to complete the project as soon as possible, but there are still other facilities that we should take care of. For that reason, I do not consider that our progress in this respect is too fast or too slow.

PRESIDENT (in Cantonese): Mr LEUNG, has your supplementary not been answered?

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. Just now the Secretary said that the retrofitting of PSDs involved a prolonged process from the feasibility study to the implementation of works, but since a long time has passed and only a small number of PSDs have been retrofitted, I therefore asked the Secretary whether she could tolerate and accept the fact that it takes so long to complete these tasks.*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, I believe I have answered the supplementary already. Since every task has its own urgency, we should therefore tolerate an orderly and prioritized arrangement, so as to allow the neat installation of every facility.

MR ALBERT CHAN (in Cantonese): *Madam President, with regard to the retrofitting of PSDs, I have been maintaining correspondence with the MTRCL recently. I wish to inform the Secretary that with regard to the cost of retrofitting PSDs, the MTRCL has actually drawn up a formula to levy a certain amount from the fares to subsidize the project, and it has already collected hundreds of million dollars. The Secretary explained in the main reply that retrofitting works in at-grade/elevated stations would involve greater technical constraints; this is the reply of the Secretary. In connection with this reply, may I ask the Secretary whether she believes that this is a valid reason? As a liberal and high-tech city, should the Government accept this reason, that is, the retrofitting of PSDs in at-grade/elevated stations would involve greater technical constraints, therefore it cannot be done at the present stage? Should the*

Secretary be responsible for the provision of a reasonable project completion timetable? One should know that MTR users are contributing the cost of retrofitting works in every journey made.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, I have stated earlier the project cost. I wish to report to Members that since July 2000, the MTRCL has been collecting \$0.1 contribution per Octopus MTR journey from passengers to subsidize the project. As of the end of December 2004, the MTRCL has collected a total of \$300 million, and there is still a large gap between that and the \$2 billion project cost. The fees collected by the MTRCL have actually been used in subsidizing the retrofitting of PSDs. As to the issue of specific technical constraints of retrofitting works in at-grade/elevated stations, this is not my personal comment, in fact, we were told by professionals from the MTRCL. In view of the entire ventilation system of the stations and other factors, they considered that it would involve greater technical constraints. We gave this reply only on account of their views.

MR ALBERT CHAN (in Cantonese): *Madam President, the Secretary has not answered my supplementary. I said that the MTRCL had cited this as a reason, but as a Government, whether the Secretary has assessed this reason and whether she accepts the so-called technical constraints explained by the MTRCL genuine constraints? It is difficult for the Secretary to convince others that these constraints can never be overcome. Has the Government ever assessed whether the constraints are genuine constraints and when the project will complete? The Secretary has not answered this part of my supplementary.*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, I have not said that these constraints can never be overcome. I only said that it would involve greater technical constraints. Mr LEUNG Yiu-chung asked a question about priority earlier, that is, whether the whole project could be completed immediately. I have explained earlier that the tasks should be carried out in accordance with their priority and in a gradual and orderly manner, that is, they cannot all be completed at the same time.

DR FERNANDO CHEUNG (in Cantonese): *Madam President, I wish to raise a similar supplementary. The Secretary has told us the number of accidents involving visually impaired persons in the past four years: Three cases in 2001, none in 2002, two cases in 2003 and two cases in 2004. We can see that the number of accidents involving visually impaired persons has not dropped actually. On the contrary, when we look at the overall number of passengers falling onto rail tracks, we would find that the number is gradually decreasing; I believe it is due to the retrofitting of PSDs. At present, it is possible that retrofitting works in at-grade/elevated stations have to be delayed due to technical problems; I am concerned that the visually impaired would still have to face certain risks. I know the study is quite time-consuming, even the retrofitting works in underground stations will be completed only by 2006. May I ask the Secretary whether there would be some compromise solutions in the next few years? I visited Seoul during the new year and found that they had adopted a relatively low-cost way to achieve the result, that is, they use railings built between train doors as a safety measure. I believe it is an effective safety measure at a very low cost. May I ask the Secretary whether she will study that and draw on overseas experience to determine whether we can adopt some low-cost measures first so that physically handicapped passengers will not have to be exposed to such hazards?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, of course, I am willing to listen to the experience Dr Fernando CHEUNG gained in overseas countries and see how they could achieve the result in a simple way. The MTRCL has adopted the following safety devices and arrangements in its daily operation to ensure the safety of visually impaired passengers, and they include: the installation of tactile guide paths on each MTR platform with special tiles to indicate the position of the train door openings for the visually impaired to wait for the trains; the installation of tactile yellow lines at edges of platforms without PSDs to enable cane users to detect the platform edge; the arrangement for public address and train door closing chime to announce the approach of trains and their destinations and indicate the closing of train doors; the installation of CCTV cameras at every station platform to facilitate effective platform monitoring and management; the deployment of station staff and additional platform assistants to maintain order and provide assistance to passengers on platforms especially during peak hours, and the installation of "Help Line" telephones and emergency train stop buttons at each platform for emergency use.

MR WONG KWOK-HING (in Cantonese): *Madam President, I am one of the pioneers who urged the Mass Transit Railway Corporation (MTRC) to retrofit PSDs as early as 1992, at that time, the MTRC told me that the retrofitting works of PSDs in underground stations involved greater technical constraints than works in at-grade/elevated stations, at variance with today's explanation given by the MTRCL. In this connection, may I ask whether the Secretary will request the MTRCL to clarify its claim, that is, whether the retrofitting works in at-grade/elevated stations really involve greater technical constraints than works in underground stations? Given the constraints, will it deploy staff to assist the visually impaired to get on and off MTR trains?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, according to the information provided by the MTRCL, that is, the assessment conducted by their engineering professionals, retrofitting works of PSDs in at-grade/elevated stations involve greater technical constraints than in underground stations. As to the situation mentioned by Mr WONG Kwok-hing, I do not know very well why the MTRC gave such a response to his proposal at that time. With regard to the present situation that not all stations are retrofitted with PSDs, I have explained in my earlier reply that since not all stations are retrofitted with PSDs for the time being, additional platform assistants would be deployed to maintain order and provide assistance to passengers at platforms especially during peak hours, with a view to assisting visually impaired passengers.

MS MIRIAM LAU (in Cantonese): *Madam President, my supplementary is also about the technical restraints relating to retrofitting PSDs at at-grade/elevated stations. Just now the Secretary explained that engineering professionals from the MTRCL said it would involve greater technical constraints and a feasibility study would be conducted. May I ask the Secretary whether she knows what specific technical constraints would be involved? Can she tell us some of the constraints?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, I have not studied in detail the specific area of problems, but I believe it is related to certain technical constraints.

MISS TAM HEUNG-MAN (in Cantonese): *Madam President, I know there are technical constraints, but I also believe the safety of the public is of the utmost importance, in particular the safety of the visually impaired. Will the Government inform us whether it will consider making the PSDs a standard facility of various mass transit systems; if so, of the time of implementation; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): As far as passengers are concerned, our study shows that PSDs can enhance the safety of passengers, but as far as railway services are concerned and according to the standard of railway operation, it is not a necessary safety measure. Nevertheless, I have explained earlier that as far as the whole project is concerned, the MTRCL will retrofit PSDs in underground stations first, then it will further study the feasibility of retrofitting PSDs at at-grade/elevated stations.

MR LAU KONG-WAH (in Cantonese): *Madam President, I am more interested in the figures of 2004. We can see that there is a downward trend year on year in the number of accidents, but there were 32 cases in 2004. For that reason, may I ask the Secretary whether there was no accident involving passengers falling onto rail tracks at MTR stations with PSDs? Did all the accidents take place at platforms without PSDs? Was there any specific reason which caused these 32 accidents, that is, why the number of accidents was still that high?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, the data I provided in the main reply have not been divided into two categories, perhaps I shall give Mr LAU Kong-wah a written reply later. (Appendix I)

MR LAU KONG-WAH (in Cantonese): *Madam President, besides the reason, I have also asked the Secretary whether the retrofitting of PSDs has prevented accident involving passengers falling onto rail tracks. Can the Secretary also reply to that part?*

PRESIDENT (in Cantonese): Secretary, do you have the information at hand?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS
(in Cantonese): No, Madam President.

PRESIDENT (in Cantonese): Perhaps you can provide a written reply together.
Fine?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS
(in Cantonese): Yes. (Appendix II)

PRESIDENT (in Cantonese): Fourth question.

Abolition of Requirements on Cross-boundary Container Trucks

4. **MR WONG TING-KWONG** (in Cantonese): *Madam President, after discussion with the Government of the Hong Kong Special Administrative Region (SAR), the mainland authorities abolished the "four-up-four-down" requirement imposed on cross-boundary container trucks at the end of last year; hence the container, driver, tractor and trailer of a Hong Kong container truck having entered the Mainland need not return to Hong Kong all together. However, the mainland authorities have yet to abolish the "one-truck-one-driver" and "operating fee" requirements under which each container truck must be operated by a designated driver and a monthly licensing fee of about \$6,000 has to be paid by a Hong Kong driver to the mainland authorities. In this connection, will the Government inform this Council of:*

- (a) *the impact of the abolition of the "four-up-four-down" requirement on the transport industry;*
- (b) *the current progress of its discussions with the mainland authorities on issues such as the licensing, regulation and customs clearance of Hong Kong cross-boundary container trucks; and*

- (c) *the anticipated time when the Mainland authorities will abolish the "one-truck-one-driver" and "operating fee" requirements, and whether it has proposed any specific alternatives to the mainland authorities; if so, of the details of such plans?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, to reduce cross-boundary trucking cost is critical to enhancing Hong Kong's port and logistics competitiveness. Key issues affecting trucking cost include the "four-up-four-down" and "one-truck-one-driver" requirements as well as the indirect truck licensing scheme. We have pursued the above issues with the mainland Customs General Administration and relevant authorities in Guangdong, and have achieved initial results. We will continue to discuss with the Guangdong authorities issues such as "one-truck-one-driver" and the "licence quota fee" to seek further improvements and help reduce cross-boundary trucking cost. The initial outcome of our discussion with the Guangdong side is set out below.

With regard to the "four-up-four-down" rule, the "42nd Announcement of the Mainland Customs" issued in December 2004 stipulates that starting from 1 January 2005, the tractor, trailer and container of cross-boundary trucks no longer need to be "tied together" for crossing the boundary. In other words, the "four-up-four-down" rule has been relaxed. We believe this new measure will provide greater flexibility for the cross-boundary container trucking industry, and allow for better deployment of tractors, trailers and containers to increase trip frequency, enhance efficiency and reduce cost.

After discussion on the "one-truck-one-driver" rule, the Guangdong authorities have agreed to allow cross-boundary container trucks to apply for reserve drivers in addition to the assigned drivers. They will implement the new measure when formal approval is granted by the provincial government.

To regulate cross-boundary trucking enterprises, the Guangdong authorities currently charge the relevant Hong Kong-Guangdong joint-venture enterprises (JV licence holders) a three-year licence fee of RMB 100,000 yuan per truck, and that is approximately RMB 2,800 yuan per month. Some operators pay a "licence quota fee" to the JV licence holders in order to obtain the necessary permits through them.

We have discussed the industry's proposals regarding the "licence quota scheme" and related arrangements with the Guangdong side. As an initial response, the Guangdong side has agreed to simplify the procedures so that the licence period will be extended from three to five years. The average annual licence fee (approximately RMB 33,000 yuan) will remain unchanged. The Guangdong side will implement the new measure when formal approval is granted by the provincial government. We will continue to discuss other matters relating to the "licence quota scheme" with the Guangdong side, and seek to achieve further relaxation.

Regarding improvements in customs services, the Guangdong side has agreed to extend customs operating hours according to cargo volume and practical needs of different regions. The operating hours of a selected control point at Jiangmen will be extended to midnight on a trial basis.

Madam President, we have made good progress in our discussion with the Guangdong authorities on measures to reduce cross-boundary trucking cost, and improvements have been made on various aspects regarding licensing, regulation and customs clearance. These new measures would benefit the industry and we will continue to discuss with the Guangdong authorities further relaxation of the above regulations.

MR WONG TING-KWONG (in Cantonese): *Madam President, we understand that the SAR Government has solved the "four-up-four-down" problem for the industry and is now discussing the issue of "one-truck-one-driver". But the response of the industry is that even though the problem of reserve driver has been solved, drivers cannot make two round trips between Hong Kong and Guangdong daily mainly because the mainland customs clearance points for containers at Guangzhou, Weizhou and Dongguang do not operate round the clock.*

Madam President, I would like to ask the Secretary: Apart from selecting Jiangmen as the control point where the operating hours have been extended to midnight, has the SAR Government negotiated with the relevant mainland authorities on extending the customs operating hours of other places a la Jiangmen? If so, what is the progress?

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): I thank Mr WONG for his question. Perhaps Mr WONG can also see that during the past few months we have been discussing the issue with the Guangdong Port Administration Office and other relevant departments, and made some progress.

On the extension of customs operating hours just mentioned by Mr WONG Ting-kwong, the Guangdong authorities has initially agreed that they will consider extending the operating hours in due course according to cargo volume and practical needs of different regions. They suggested that Jiangmen be selected as the control point. Of course, we are happy to continue our discussion with the Guangdong authorities when other cities need to extend their service hours. I only wish to point out that Jiangmen is only a control point and we will continue to discuss the issue with the Guangdong authorities in response to the views of the industry.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, it is pointed out in both the fifth paragraph and the preceding paragraph of the main reply that approval from Guangdong Province is needed before the two measures can be implemented. Has the Secretary estimated how long it will take before these measures can be implemented? Has the Secretary consulted the mainland authorities how long it will take before these measures can be implemented?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): I hope within this season.

PRESIDENT (in Cantonese): Mr SIN Chung-kai, has your supplementary question not been answered?

MR SIN CHUNG-KAI (in Cantonese): *The Secretary has answered my question. But can he tell us the approximate implementation date in future?*

PRESIDENT (in Cantonese): Mr SIN, sorry, please press the button again quickly and wait for your turn to ask another supplementary question when there are not too many Members waiting for their turns.

MS MIRIAM LAU (in Cantonese): *Apart from the "one-truck-one-driver" and the "licence quota fee", will the proposals to be discussed by the SAR Government and the Mainland include the abolition of "two inspections at two places" for cross-boundary vehicles so that these vehicles are not required to be inspected both in Hong Kong and the Mainland? Will both sides study the implementation of "one insurance policy for two places" so that these vehicles are not required to take out third party insurance in Hong Kong and the Mainland concurrently?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): The Environment, Transport and Works Bureau has in fact discussed the issue just raised by Ms Miriam LAU in her supplementary question. I believe Ms Miriam LAU also understands that different requirements are prescribed in Hong Kong and Guangdong Province in respect of vehicle inspection. The same applies to third party insurance. We have prescribed our own requirements and the Guangdong authorities require that drivers take out third party insurance with approved insurance companies in the Mainland. The SAR Government has been discussing these two issues with the mainland authorities and I can say that we will convey Ms LAU's wish or our wish to Secretary Dr Sarah LIAO. We will continue our discussion with the Guangdong authorities to see how relevant requirements can be relaxed.

MR LAU KONG-WAH (in Cantonese): *Madam President, after the SAR Government had discussed the "licence quota scheme" with the mainland authorities for a period of time, an agreement was reached on extending the effective licence period from three years to five years. But the Secretary said that discussion on matters relating to the scheme would be continued in order to achieve further relaxation. May I ask the Secretary which area will be further discussed? Will it include a request for lowering the licence fee in order to lower the cost?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): As I pointed out in the main reply, the JV licence holders are Hong Kong-Guangdong joint-venture enterprises. Just now Mr LAU Kong-wah asked, first, whether the fee could be lowered, and second, whether the market could be further opened up. For instance, drivers need not join the "licence

quota scheme" but obtain direct approval from the Mainland, and joint-venture is not required but sole proprietorship is allowed. Do we really need all this? At present, the authorities stipulate that each JV licence holders should operate at least 20 vehicles. Can the authorities lower the threshold? Is it feasible that the requirement be dispensed with? For the sole proprietors in Hong Kong, is it feasible that they are only required to pay a licence fee without the need to pay the "licence quota fee"? We have been discussing these issues with the Guangdong authorities. Currently, relevant parties are required to pay the licence fee every three years. After initial discussion, the Guangdong authorities have agreed to extend the licence period from three years to five years. In other words, these formalities have to be done every five years. Regarding the fee level and whether further opening up of the market is possible, as I have just said, we will continue to discuss these issues with the Guangdong authorities.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, companies in Hong Kong will certainly hope that the market can be further opened up. During the discussions, what justifications were given by the mainland authorities in their refusal to open up the market?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): It is mainly because of the desire to impose regulation on the part of the mainland authorities. Why are businesses required to be run in the form of joint venture by companies in Guangdong and Hong Kong? It is precisely because it will be easier for the Guangdong authorities to impose regulation if Guangdong or the mainland companies have a share. Besides, we have also discussed other issues under CEPA such as the feasibility of land transport services being operated by sole proprietors and the detailed arrangements involved in implementation. So, we still continue to discuss these issues.

MR LAU KONG-WAH (in Cantonese): *Madam President, although the "four-up-four-down" measure was relaxed on 1 January and has been implemented for only two months, may I ask whether statistics have been compiled in order to show whether traffic flow has been increased and cost reduced?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): As the Honourable Member has said, this measure has been implemented for less than two months and time is needed to allow adjustment. So, we will discuss the issue with the industry next month in order to review the impact of the relaxed measure on them. We will conduct a review in March.

PRESIDENT (in Cantonese): Ms Miriam LAU, last supplementary question.

MS MIRIAM LAU (in Cantonese): *Thank you, Madam President. Regarding the "four-up-four-down" measure, the industry generally considers that greater flexibility can be achieved after relaxation. But as to whether they will get freight business, it depends on whether orders are placed by cargo owners. According to cargo owners, it is not that they do not want the container trucks to travel more trips, but they are subject to the constraints imposed by the mainland departments because the office hours for accepting orders in the Mainland may not tally with their round-the-clock operation. In this regard, will the Government hold discussions with Guangdong Province and cargo owners again so that the operation can be made smoother and the trucks can really get freight business and enjoy the flexibility?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): I thank Ms Miriam LAU for her supplementary question. The answer is yes.

PRESIDENT (in Cantonese): Fifth question.

Application for Lease Modification of Hunghom Peninsula

5. **MR RONNY TONG** (in Cantonese): *Madam President, in its reply to me on 31 December last year, the Administration said that a lease modification to allow for redevelopment was in principle acceptable on the basis that if the scheme proposed accorded with the planning intention. However, if the developers of Hunghom Peninsula applied for a modification to allow for redevelopment, the Administration might consider rejecting the application. In this connection, will the Government inform this Council of:*

- (a) *the time when the Government was legally advised that it had the right to reject the application by the developers of Hunghom Peninsula for a lease modification to allow for redevelopment; if the advice was received before 5 July of last year, why did the Administration still write on that day to remind the developer that if any redevelopment of the lot did not accord with the Master Layout Plans and the Approved Landscaping Proposals, an application for lease modification had to be made to the District Lands Officer, Kowloon West; if the advice was received after 5th July, why had the Administration not sought legal advice earlier;*
- (b) *the time at which it was confirmed that the Administration had the right to reject the application from the developers of Hunghom Peninsula for a lease modification to allow for redevelopment; why did the Administration not inform the developer right away; and*
- (c) *the time when the Administration decided not to accept the developer's application for lease modification and the grounds for the decision?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese):
Madam President, all the leases under the Private Sector Participation Scheme (the Scheme) contain standard conditions to ensure that in case buildings constructed under the Scheme are demolished or redeveloped if needed in future, they are carried out in accordance with the lease conditions. The lease conditions of Hunghom Peninsula concerning demolition or redevelopment are no exception.

According to the lease of Hunghom Peninsula:

- (1) Special Condition (11)(a) provides that the lot shall not be developed or redeveloped except in accordance with the Lease Conditions, the Master Layout Plans and the Approved Landscaping Proposals, and no building which is not shown on the Master Layout Plans and the Approved Landscaping Proposals shall be constructed.

- (2) General Condition (7)(a) provides that the Purchaser shall maintain all buildings in accordance with the approved building plan without variation or modification thereto. General Condition (7)(b) stipulates that in the event of the demolition of any building then standing on the lot, the Purchaser shall replace the same either by:
- (i) building or buildings of the same type and of no less gross floor area; or
 - (ii) building or buildings of such type and value as shall be approved by the Director of Lands.

In the event of demolition, according to General Condition (7)(b), the Purchaser shall within the stipulated timeframe apply to the Director of Lands for consent to carry out redevelopment, and shall commence redevelopment work within the stipulated timeframe and complete the said redevelopment to the satisfaction of and within such time limit as laid down by the Director of Lands.

The Director of Lands has the authority to examine and approve applications for lease modification. Applications vary from case to case. Each application will have to be considered having regard to its details and the prevailing land policy. Hence, it is not possible to generalize on the outcome. As the Government indicated in the reply of 31 December 2004 to Mr Ronny TONG: "A lease modification to allow for redevelopment was, in principle, acceptable on the basis that if the scheme proposed accorded with the planning intention, it would have been entirely within land administration policy to have processed it. Subsequently, the Administration took the view that consideration should be given, in the event of an application from the developer for a modification to allow for redevelopment of Hunghom Peninsula, to not agreeing to such a modification."

Madam President, my reply to the three-part question is as follows:

- (a) The Director of Lands has the authority to examine and approve applications for lease modification. The Legal Advisory and

Conveyancing Office provides legal advice in respect of lease conditions. The need to seek legal advice from outside the Lands Department has not arisen. In the light of some press reports that the developers of Hunghom Peninsula had yet to take a final view on its redevelopment proposals, the Legal Advisory and Conveyancing Office sent a letter to the developers on 5 July 2004, mentioning that "should the developers wish to proceed with any redevelopment which does not accord with the Master Layout Plans or the Approved Landscaping Proposals, an application for lease modification should be made to the District Lands Officer, Kowloon West". It would only be prudent for the Government to do so. The letter does not constitute any agreement or otherwise to such an application on the part of the Government.

- (b) The Director of Lands has the authority to examine and approve applications for lease modification and to decide whether or not to agree to a lease modification. Therefore, there is no need to seek legal advice on this. Also, it does not bring into question a need to inform the developers.
- (c) For the sake of clarity, the Government has so far not received any application for lease modification from the developers of Hunghom Peninsula for carrying out redevelopment. Therefore, there is no question of the Government agreeing or not agreeing to a lease modification from the developers concerned.

MR RONNY TONG (in Cantonese): *Madam President, it is obvious that the Secretary understands the crux of my main question but he is evading it. Perhaps I should remind him of the latest development. When the Government and developers of Hunghom Peninsula were negotiating on the sale of Hunghom Peninsula, the local press reported extensively on the developers' intention to demolish Hunghom Peninsula on 6 February 2004, and by 11 February, the relevant news was even published. When the general public were debating the issue of demolition, the developers requested permission from the Government to change the use of the site for ordinary private development purpose. Since the developers had informed the Government clearly of its intention of demolishing Hunghom Peninsula, why did the Government not affirm the developers and the*

general public that the Government might not necessarily approve the demolition and why did it write to the developers on 5 July with some contradictory messages? This is my supplementary.

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, since it was not mentioned in the main question, perhaps I should clarify the developments in connection with the issue and itemize what we have done on each specific day. On 21 January 2004 (before the incident took place), that is, before the press reported that the developers had made the request, the Lands Department requested the developers to confirm and sign a letter relating to the amount of the regrant premium and conditions of lease modification which allowed Hung Hom Peninsula to be put on the market for public sale, but it did not include the redevelopment agreement. For that reason, the issue of demolition for redevelopment had not been brought up at that time.

On 26 January, the developers signed the letter, agreed to the modification and paid us the deposit of the required amount. The relevant agreement was signed and executed on 26 January, for that reason, no change could be made in that respect, and the rest was subsequent development.

By February, the developers were pondering whether they could use another means, but in fact, they had signed the agreement with the Government that no modification should be made, and the authorities had told the developers about that clearly. For that reason, besides making their ideas known in the press, they did not make any formal application.

By July 2004, we learnt from the press that the developers intended to do something. Hence, just as I explained in the main reply earlier, the authorities considered that it was the appropriate time to remind the developers that both sides had signed an agreement and it was binding. By December last year, Members should remember that the developers told the public that they would like to carry out demolition for redevelopment, but in fact they had not made any application to us. For that reason, we reminded them once again considering the announcement they had made, and that was the whole course of developments. Consequently, the developers returned the signed document to us to confirm their acceptance.

MR RONNY TONG (in Cantonese): *Madam President, the Secretary has not answered my supplementary. I did not ask him about the whole course of developments. The thrust of my question was, in February last year, the Government knew clearly that the developers intended to demolish Hunghom Peninsula, but it was not until December last year that the Government stated that it might not necessarily approve the demolition application. May I ask why the Government did not spell out its view clearly to members of the public and the developers during that 10 months' time? This is my supplementary, and I have been pursuing this point all along.*

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, I do not have much to add. In February last year, the developers told the press of their intention, but they had not filed a formal application to us.

MR CHAN KAM-LAM (in Cantonese): *Madam President, the Secretary explained in the main reply that it was needless to seek outside legal advice on the issue. May I ask the Secretary whether the issue to which the Secretary referred was about the redevelopment, or he was referring to the fact that no outside legal advice would be needed on the handling of the entire Hunghom Peninsula issue? At that time, the press reported that the Government had sought the legal opinion of a counsel of this Council on the Hunghom Peninsula issue. If it had sought such opinion, had the Government ever considered that it would cause any conflict of interest?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, Members, please take a look at part (a) of the main question, it was a question pinpointing at "the time when the Government was legally advised that it had the right to reject the application by the developers of Hunghom Peninsula for a lease modification to allow for redevelopment", it was solely about the redevelopment, and I have given my corresponding reply on this point earlier. Mr CHAN Kam-lam's supplementary was about how the Government dealt with the Hunghom Peninsula incident before the redevelopment idea was brought up, with regard to this point, we had sought legal advice on that.

PRESIDENT (in Cantonese): Mr Albert CHENG.

(Mr CHAN Kam-lam raised his hand to indicate a wish to speak)

PRESIDENT (in Cantonese): I am sorry, Mr CHENG. Mr CHAN, has your supplementary not been answered?

MR CHAN KAM-LAM (in Cantonese): *Madam President, yes. The Secretary has not answered the thrust of my supplementary, that is, why has he not considered the issue of employing the counsel, who is also a Member of this Council, would cause a conflict of interest with this counsel's capacity as a Legislative Council Member?*

PRESIDENT (in Cantonese): I am sorry, Mr CHAN kam-lam, I consider that the Secretary has given his explanation and I accept his explanation. This supplementary is about the Government's right to reject the redevelopment application, but the thing mentioned in your supplementary took place well before that, therefore it cannot be considered part of your supplementary. You may raise another supplementary later.

MR ALBERT CHENG (in Cantonese): *Madam President, the way in which the Government has dealt with the Hunghom Peninsula issue gave the public an impression that the Government was selling its assets dirt-cheap and it might involve transfer of benefits. Subsequently, the Government gave the developers the green light but warded off all questions in the Legislative Council. Despite the developers having given up the plan of demolishing Hunghom Peninsula under public pressure, members of the public still have the right to know the truth and the role of the Government in this incident. Nevertheless, in the past few months, despite that I have been asking the Government to provide relevant papers of Hunghom Peninsula and the Secretary also pledged to co-operate with us in the meetings of the relevant panel, to date, I am unable to obtain 12 relevant papers. I wish to follow up Mr Ronny TONG's question. When will the Government provide the papers requested by us? Up to today, I am still short of 12 papers. If the Secretary wishes to know what papers I am referring to, I can show him the list as I have it at hand.*

PRESIDENT (in Cantonese): Mr Albert CHENG, please sit down first. The main question raised by Mr Ronny TONG today is about the developers' application for a lease modification to allow for redevelopment, I do not know whether the papers you ask for are relevant to this. For that reason, I will instruct the Secretary that he only needs to reply according to the scope of the main question. Secretary, please.

MR ALBERT CHENG (in Cantonese): *Madam President, they bear relevance, the papers are relevant.*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, in fact we have furnished Members with 90% of the papers requested by them, with regard to the remaining ones, we have to exercise prudence to examine whether they are internal correspondence or documents or minutes of the Executive Council. Those papers are not necessarily relevant to today's question, as all the papers relevant to today's question have been provided to Mr Ronny TONG. Precisely because we have provided Members with these papers that Members may raise today's oral question.

MR JAMES TO (in Cantonese): *Madam President, I wish to follow up Mr Ronny TONG's question. The developers convened a press conference subsequently and said they would demolish Hunghom Peninsula, but the Secretary explained in part (c) of the main reply that the Government had not received any application from the developers. Nevertheless, when the developers indicated their intention to carry out the demolition, according to part (b) of the Secretary's main reply, although the Secretary said there was no need to seek legal advice, had the Government received internal legal advice that under certain circumstance the Government has the right to reject or the Government may reject according to the lease conditions? If legal advice had been sought at that time, why did the Government give the public the impression that its stance was weak after the developers had held the press conference, and the Government even failed to tell the public that it had the right to reject the application and could only reject the application after the developers had made the application? Given the Secretary has such authority to reject certain*

application under specific circumstances, why has the Secretary not stated that he has such authority? May I ask the Secretary whether he knew at that moment that he might reject the application under specific circumstances? If not, why must the Secretary seek legal advice as to under what specific circumstances an application could be rejected at such a very late stage?

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, I have explained very clearly in my main reply that the lease conditions exist all the time and they are standard conditions, and all the leases under the Scheme carry the same standard conditions. Since everybody knows the conditions, thus it is unnecessary for the authorities to seek additional legal advice to further clarify the conditions. The problem was that the situation had not reached such a stage that we had to make a decision. I have explained earlier that the developers had not filed a formal application, thus we did not have to make a decision, that is, I considered that we did not have to state what we should do under what circumstance. I have explained in my main reply that each application will have to be considered having regard to its details and the prevailing situation. Since applications varied from case to case, it was not possible to generalize on the outcome and state that certain application should be dealt with in a specific way and others should not. In this case, according to the circumstances at that time, the need did not arise as the developers had not made an application. Members should bear in mind that the developers unilaterally announced their intention to deal with the project in that way in December, but they eventually overrode their own proclamation. For that reason, since the developers had not filed an application, we therefore needed not make such a decision.

PRESIDENT (in Cantonese): We have spent more than 19 minutes on this question

MR JAMES TO (in Cantonese): *Madam President*

PRESIDENT (in Cantonese): Mr James TO, has your supplementary not been answered?

MR JAMES TO (in Cantonese): *Madam President, I do not know if Secretary Michael SUEN failed to understand my supplementary or whatsoever, for the question has nothing to do with seeking legal advice on the relevant conditions. The legal advice the authorities needed should be on the circumstances under which an approval or objection should be made, in order to deal with the possible announcement to be made by the developers relating to the fact that they might make an application, and to give an explanation to members of the public and Members during the question session. Has the Government sought specific legal advice on what circumstances an objection could be made?*

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, I have nothing to add.

PRESIDENT (in Cantonese): We have spent more than 19 minutes on this question. Last supplementary.

MS MARGARET NG (in Cantonese): *Madam President, just now in the Secretary's reply to Mr Ronny TONG's supplementary, he explained that it had been stated on 21 January that there would be no modification, thus it was unnecessary to bring it up. However, on 6 February last year, the press had widely reported that the developers would demolish Hunghom Peninsula and the developers had written to the Government on 11 February to state their intention. After this series of incidents, why did it take the Government so long to make the clarification on 5 July? Something took place after January, why did the Government not make the clarification? How can the Secretary justify such action?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, Ms Margaret NG missed the incident took place on 26 January. I have explained earlier that the developers signed the relevant

documents and returned them to us and paid the deposit. For that reason, lease modification was completed. Although they expressed a wish to further modify other provisions, as we had signed an agreement that the lease modification had been completed, we therefore wrote to them and stated that further modification would be out of the question, because we had already agreed upon what we have to do on 26 January. In view of this, it did not bring into question a need to make the clarification.

MS MARGARET NG (in Cantonese): *Madam President, the Secretary has not answered my supplementary. My question is: After 6 February, the press had widely reported on the incident and the developers had written to the Government on 11 February, for that reason, the incident that took place in a month earlier could not mean an end to the entire issue. Then, when the February incident took place, why did the Government not make the clarification right away and why did it wait until July? This is my question.*

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Yes, I consider that I have to further explicate the matter and explain it once again. I do not have the letter at hand, but with regard to the enquiry letter of the developers, we replied that it would be out of the question, thus the matter came to a close, and nothing happened afterwards. Then in July, we learnt from the press of the matter, thus we wrote to remind the developers once again. For that reason, they were two separate incidents and there was no connection between them.

PRESIDENT (in Cantonese): Sixth question.

Public Hospital Services and Fees

6. **DR YEUNG SUM** (in Cantonese): *Madam President, regarding public hospital services and fees, will the Government inform this Council:*

- (a) *whether there has been a drop in the number of attendances at the accident and emergency (A&E) departments which were classified as non-urgent cases since the introduction of A&E charges in November 2002, and of the progress and anticipated completion time of the review of A&E charges;*
- (b) *of the fees of public hospital services which are being considered for upward adjustments and the time when the relevant proposals will be announced; and*
- (c) *whether it plans to increase public hospital fees to alleviate the financial pressures on the Hospital Authority (HA) before the implementation of long-term health care financing schemes; if so, of the required level of fee increase in order to enable the HA to attain a break-even?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese):
Madam President,

(a) and (b)

Since 29 November 2002, the HA has introduced a charge for its A&E services. In the 12 months before the introduction of this charge (that is, from December 2001 to November 2002), there were 1 714 651 attendances that were classified as non-urgent cases. The corresponding figures for the 12 months immediately after the fee introduction and the 12 months that follow are 1 294 206 and 1 385 281, representing a drop of 24.5% and 19.2% respectively. Of course, apart from the level of charges, the utilization of A&E services is also affected by other factors, for example, there was the SARS outbreak in the spring of 2003, and thus the number of patients using the A&E services during that four to five months was particularly low.

We are conducting a new round of review of public health care service charges with a view to targeting government subsidies to patients and services most in need, rectifying misconceptions and improper use of services, as well as redressing the imbalance between public and private services.

The review of fee restructuring will cover a range of service areas including A&E, in-patient, general out-patient, specialist out-patient and drug prescriptions. Two different charges will apply to eligible and non-eligible persons respectively for each service category. In drawing up specific fee restructuring proposals, we will also examine the existing fee waiver mechanism for public health care services to ensure that adequate services remain accessible to persons in economic hardship who are non-CSSA recipients (including low-income groups, chronically ill and poor elderly patients) and CSSA recipients.

The Government will first conduct in detail an affordability study on the fee revision to ensure that the new charges to be introduced are affordable to the public. At this juncture, we do not have an implementation timetable.

- (c) Due to the ageing population, advancements in medical technology and growing public expectations for health care services, medical costs in Hong Kong have been on the rise. In face of these challenges, we must identify workable long-term health care financing options (such as insurance and savings schemes) to ensure that our health care system is financially sustainable over the long run.

This pursuit of long-term financing options involves, among others, a substantial amount of research, consultation, public deliberation and consensus building. The actual implementation process may also entail complex administrative and legislative procedures. It is therefore not a task that can be completed in the short term. To prevent the imbalance between private and public health care systems from deteriorating, we consider it necessary to restructure the fees for public health care services first.

As regards the financial strains experienced by the HA, we believe the problem should be tackled by cost containment and identification of new revenues. In view of the heavy subsidization for public health care services, fee adjustment alone cannot ease the HA's budget deficit. The Government will consider different funding mechanisms to help the HA make ends meet.

DR YEUNG SUM (in Cantonese): *Madam President, in the second paragraph of the main reply, the Secretary pointed out that "we are conducting a new round of review of public health care service charges with a view to targeting government subsidies to patients and services most in need"; in the second last paragraph, he also pointed out that "to prevent the imbalance between private and public health care systems from deteriorating, we consider it necessary to restructure the fees for public health care services first." Madam President, these two paragraphs worry me. I know that the HA is facing intense financial pressure. According to the Secretary, the current round of review of public health care service charges will enable public money to be directed to patients most in need. However, many in Hong Kong belong to the lower-middle class. They belong neither to the higher-middle class nor the grassroots. Lower-middle class are they. As such, has the Secretary considered whether these people can turn to the private sector for the required services after the adjustment of charges, and whether this will put the lower-middle class under enormous pressure in living?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Mr YEUNG, as I have said in the main reply, we will also review the existing fee waiver mechanism, which may address the need of some of the middle class with lower income. If they encounter financial difficulties or illnesses, in particular chronic diseases, they will receive proper care. I have mentioned that four core services of the HA should be maintained and enhanced, but still there are many other services that help the majority of the public. At present, the provision of in-patient services accounts for 95% of the workload of the HA. Despite a slight reduction of such services, the HA still has to cater for the demand of over 90% of the public, and that would include the majority of the middle class in Hong Kong. Though a small number of people may be driven off to private services, the majority of the middle class will continue to use the services provided by the HA. I believe we are capable of addressing this issue.

MR LI KWOK-YING (in Cantonese): *Madam President, when the Secretary first assumed office, he mentioned that our health care framework was suffering from a cancer and should be treated as soon as possible. The first prescription he recommended is an increase in health care service charges. The impact of the increase has induced much discussion in the community. We are most*

concerned that this measure will increase the burden of persons in financial difficulty who are non-CSSA recipients, in particular the chronically ill mentioned earlier. If charges are increased, charges for in-patient and A&E services may first be raised. However, just now, as you said

PRESIDENT (in Cantonese): Mr LI, please state your supplementary question direct.

MR LI KWOK-YING (in Cantonese): *It is said that the review would cover service areas like A&E, in-patient, general out-patient, specialist out-patient and drug prescription; as services in these five areas are needed by the chronically ill, they are not facing an increase of a single type of charges but an across-the-board increase indeed. How can the authorities ensure that persons in financial difficulty who are non-CSSA recipients can cope with the financial pressure and burden? Are there any specific suggestions?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Mr LI, as I said just now, we would assess the affordability of patients on two factors: first, their financial capacity; second, the disease they are suffering from. As I said earlier, if they are chronically ill and require continuous consultation and medication over a long period of time, special arrangement will certainly be made. In view of this, we are prepared to conduct a study in this respect, so as to ensure that these patients can afford the charges incurred.

I have to correct a notion you mentioned just now, for I have never said that our health care system is suffering from a cancer, I just said that it is at the pre-malignant stage of cancer. We must differentiate the two. I know that some Members cannot differentiate the pre-malignant stage of cancer from the early stage of cancer, thinking that pre-malignant stage means the same as early stage. In fact, the early stage of cancer is different with the pre-malignant stage. Therefore, I believe we still have the time to hold discussions on the issue, and hope that arrangement will be made only after a consensus has been reached. I hope Members will understand that the current situation cannot be compared to that of suffering from a cancer that requires immediate removal at this stage.

PRESIDENT (in Cantonese): Since there are seven Members waiting to raise questions, will Members make their questions as concise as possible.

MR LEE CHEUK-YAN (in Cantonese): *I hope the Secretary will understand that Hong Kong has nothing to win acclaim, but our public health care system does give taxpayers a reason to applaud. Though services for the elderly still draw many criticisms, health care services are highly praised overall. I hope the Secretary will not allow this image to be tarnished by the increase in charges, for the increase is applied across the board. The Secretary said that affordability of the public for the overall increase would be studied. May I ask the Secretary how their affordability will be assessed? If they fall ill, they have no choice but to pay the charges. May I ask the Secretary how he draws his line in conducting the relevant studies? How will the affordability of the public be assessed?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I have to thank Mr LEE for his question. In the past few years, the Health, Welfare and Food Bureau has conducted a number of studies and commissioned consultancy studies. We have collected figures on the overall affordability and the willingness to pay. We are now reviewing previous studies *vis-a-vis* the present situation. Besides, we must at least make some sensible decisions, deciding how government resources should be allocated. If we want to help the impoverished and the sick, should our resources be directed to primary health care, in-patient health care or specialist out-patient services? Or should we render assistance only when their need arise, when they have to receive surgery in hospitals, consult the A&E department or become severely disabled? I believe we should review these areas. Moreover, after explaining the issue, we have to conduct studies in respect of charge adjustment, and that takes time to complete. However, I have to stress that if charges are not adjusted, the problem of imbalance between the private and public health care systems will remain unsolved. Thus, this step should not be delayed for too long and left pending. We will explain to the public and the Legislative Council at an appropriate time.

MS EMILY LAU (in Cantonese): *The Secretary said that health care charges should be reviewed, but in fact, health care financing is the most pressing problem we have to address, a solution to which cannot be found within a short term. The Secretary announced the increase in charges recently, and added that the charge might be as high as \$500. Madam President, you may recall the Secretary saying in a debate that he had received calls from his friends querying why he would say so for he was not that kind of person. What a tremendous shock. Madam President, the Secretary did not mention consultation, but when he gave his reply to Mr LEE Cheuk-yan just now, he said that the Legislative Council would be consulted. May I ask the Secretary what kind of comprehensive system has been put in place to ensure that the Secretary may consult the public and the Legislative Council, so that new charges will be introduced only after the right balance has been found?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Thank you, Ms LAU. I think that after I proposed the increase in charges, much public discussion and social criticisms have been aroused in the past few months. In the near future, I will release more information to let the public know more about the situation. I hope that the public will understand the need for increase in charges and the rationale for doing so. I hope this will at least promote more discussion in society. I will also submit to the Panel on Health Services the procedures involved and our proposals. It is hoped that consultation with different sectors, in particular patients' concern groups and those concerned about the issue, will be conducted through various channels. I very much hope that after a period of time, a consensus can be reached, so that we will know how the issue should be handled. Meanwhile, no timetable has been laid down. However, I consider this the first step to take.

Health care financing is a far more complicated issue, for it will not only have an impact on the several years to come but also our way forward, the targets we aim to achieve on a longer term. Therefore, we have to study the impact of different financing options. This is not simply an increase in charges. I think it is necessary to devote more time to studying the issue. I will establish a health care services developing committee next month, that is March, to conduct a long-term study. I plan to announce the first proposal by the end of this year, so that the public may debate and review the proposal.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, my supplementary question is related to the Secretary's reply to part (c) of Dr YEUNG Sum's question, also an issue about which many Members have asked and expressed concern. In the second last paragraph of this part, the Secretary said that the discussion on financing option requires a long time, and thus considered that charges of public health care services must be adjusted first. The Secretary said earlier that options should be considered in their entirety, then may I ask whether the provision of a comprehensive safety net will be considered before any other actions are taken? At present, apart from CSSA recipients, what others, elderly who are not on CSSA or some chronically ill of all ages who are not on CSSA, can do? As the Secretary mentioned charges, what is the level of charges? These are issues that we are all concerned. May I ask the Secretary, from now until the end of this year when the proposal is released, whether consultation will be conducted in phases?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I would like to add a few words. The issues I mentioned earlier are work we have to undertake at different stages. Therefore, the safety net issue will certainly be taken heed of when charges are adjusted. As I said just now, we feel that the existing safety net may not be able to take care of the needs of some patients upon the charge adjustment, so we will identify some ways to help the chronically ill to afford the relevant charges, and set the charges at an acceptable level. The same arrangement applies to patients who need hospitalization. If patients need only be hospitalized for a few days, I believe most of them will be able to afford the additional charges involved. However, if patients, unfortunately, need hospitalization for a long period of time, say several weeks or several months, we must put in place some measures to alleviate their burden. We are now conducting various studies in this respect to examine how the level should be set. As I said earlier, we will definitely explain the procedures and level set in detail to the Panel on Health Services. I hope Members will remain patient, for the information involved is in no way simple, which cannot be released hastily. Even if the information is released, this must be accompanied with clear explanation by us.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. I asked the Secretary whether phased consultation would be considered at this stage, for the proposal is indeed a de facto health care financing.*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Information will certainly be released in phases and comments from the public will be collected. However, I do not agree that this is a *de facto* financing means. Financing schemes, I think, should be considered as a whole. We will draw the public's attention to the problem of ageing population later, for the issue will have substantial impact on our financing proposals. There is no way that a decision can be made in a short period of time. I, thus, consider financing a more far-reaching and complicated issue. On the other hand, we do not want to see the financing issue standing in the way of address the prevalent imbalance between the private and public health care systems, so I think these issues have to be dealt with separately, one after another. This involves the so-called concept of buying time, enabling us to make use of this period of time to put in place a financing scheme to solve the long-term problem. I hope Members can all understand this step.

DR KWOK KA-KI (in Cantonese): *Madam President, I understand that owing to the high rate of subsidization of the existing services, the Secretary is now examining possible changes to the charging scheme. May I ask the Secretary about the details of the affordability study? I notice that many plans proposed by the Secretary are based on this study, may I ask the Secretary how the study will be conducted? When will the Legislative Council and its panels be informed of the initial findings or conclusion of the study, so that we may know what will be done in the following phase?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I roughly estimate that the charge adjustment proposal will be submitted to the Panel on Health Services of the Legislative Council in the next two to three months.

DR KWOK KA-KI (in Cantonese): *In other words, the findings of the study will be submitted to us together with the proposal.*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Yes. After studying the previous and updated data, we do hope to submit them together with the relevant papers for Members' review.

PRESIDENT (in Cantonese): We have spent more than 20 minutes on this question. Last supplementary question.

DR RAYMOND HO (in Cantonese): *Madam President, in the last paragraph of the main reply, the Secretary said that different funding mechanisms would be considered to help the HA to make ends meet, and that the problem might be tackled by cost containment and identification of new revenues. At present, public health care services account for 94% of the overall services provided. May I ask the Secretary whether consideration will be given to amending this indicator; if so, what will the amended indicator be? Will he also consider adjusting the existing regional management system?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): At present, the HA is managed by the Hospital Authority Board, I do not involve myself too much in the internal affairs of the HA. We hope that the HA will come up with a strategy capable of coping with both its human resource management and financial problems. We will also assist the HA in reviewing its funding mechanism together with the Government, so as to ensure its sustainability. This is particularly important for we see that the HA may still be in the red in the next couple of years. Therefore, next year, in particular from the year 2006-07 onwards, we will have to review the existing funding mechanism. Funding for the year 2005-06 was decided last year, which was arranged by the former Secretary, Dr YEOH Eng-kiong; I have not altered any part of the arrangement. As for the arrangement for 2006-07 and beyond, I

have to spend some time to understand the need of the HA and tie in with the financial position of the Government before making any decision.

PRESIDENT (in Cantonese): Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS

Consultancy Studies on Administrative Management

7. **MR PATRICK LAU** (in Chinese): *Madam President, regarding the Government's commissioning of consultancy studies on administrative management, will the Government inform this Council:*

- (a) *of the number of consultancy studies commissioned by each Policy Bureau in each of the past seven years, as well as the costs involved and the duration and findings of each study; and*
- (b) *whether it has any established mechanism for selecting consultancy firms to conduct these studies; if so, of the details of the mechanism, including the weightings given to tender prices and other considerations; if not, the way by which it selects consultancy firms?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): Madam President,

- (a) Consultancy studies on administrative management refer to those consultancies that aim at improving the management efficiency of the Civil Service and individual bureaux/departments such as studies on human resources management and internal departmental management. Under the existing procurement procedure, Controlling Officers can, in accordance with the Stores and Procurement Regulations, approve administrative management consultancies with a value not exceeding of \$1.3 million. For

those consultancy services exceeding \$1.3 million, Controlling Officers are required to seek the endorsement of the Central Consultants Selection Board (CCSB) for the appointment of the consultants. We do not have readily available information on consultancies approved by the Controlling Officers. As for consultancy services endorsed by the CCSB, we have consulted bureaux/departments concerned and consider that there are a total of nine studies which fall under the definition of administrative management consultancies during the period from 1 January 1998 to 31 December 2004. The study area, costs, duration and the findings of these consultancy studies are at the Annex.

- (b) The Government has an established mechanism for the selection and appointment of consulting firm for the provision of consultancy services. The policy intention is to allow the Government to tap various types of expertise not available in the Government in a timely manner.

The procurement of consultancy services is guided by the Government's procurement principles of value for money, open and fair competition and accountability. In engaging consulting firms for carrying out administrative management consultancies, government departments are required to follow the consultants selection procedures set out in the Stores and Procurement Regulations.

Regardless of the value of the service contract, Controlling Officers are required under the existing procedure to seek policy support from the relevant bureau of the proposal beforehand, confirm with the Efficiency Unit (EU) on whether the EU can undertake the assignment with their internal resources, and to secure funds before initiating the consultant selection process. If the value of the management consultancy service exceeds \$1.3 million, the appointment of the consulting firm requires the endorsement of the CCSB.

The CCSB adopts a two-stage approval process. Stage 1 is to endorse the recommended list of shortlisted consulting firms for the purpose of inviting proposals and Stage 2 is to endorse the recommendation of the appointment of the consulting firm.

Before seeking the Stage 1 approval, procuring departments are required to compile a long list of firms by reference to the list of general management consultants maintained by the EU, for invitation for an expression of interest (EOI) to provide the consultancy service. They are required to shortlist the firms submitting the EOI based on a set of predetermined shortlisting criteria and seek the endorsement of the CCSB.

After obtaining the Stage 1 approval of the CCSB, the procuring departments will invite the shortlisted firms to submit proposals. Consulting firms are required to submit the technical proposal and fee proposal in two separate sealed envelopes. Normally the weight for fee proposals will not exceed 40%. As technical proposal accounts for over half of the weight, consulting firm with a lower fee proposal may not necessarily be selected. To reflect the importance attached to quality and to allow an unbiased assessment of the qualitative aspects of the proposals, the technical proposals are assessed first using predetermined marking scheme and the technical bids are ranked in order of merit. Only bids which are assessed to be technically competent would be considered further. After the technical bids have been ranked, the fee proposals from bidders are opened. On the basis of a predetermined system of evaluation and weighting, the fee assessments are then combined with the technical assessments to determine the winning bid. Normally, the consultant who attains the highest combined technical/fee score is recommended for appointment. Upon completion of the evaluation of the proposals, procuring departments shall seek the CCSB's approval for appointment of the recommended consulting firm for the consultancy service.

**Administrative Management Consultancies approved by the CSSB
during the period from 1998 to 2004**

<i>Year</i>		<i>Bureau</i>	<i>Study Subject</i>	<i>Contract Period (in months)</i>	<i>Actual Consultancy Fee (\$)</i>	<i>Findings</i>
1998	1.	CSB	Consultancy Service on Human Resource Management (HRM)	12	3,213,000	The objective of commissioning the consultant was to seek professional advice and assistance on the development of HRM in the Civil Service and offer consultancy support to individual departments in their HRM development. The consultant offered general advice to the CSB on the formulation and implementation of initiatives at the central level with a view to strengthening HRM in the Civil Service. They also contributed ideas to various CSB publications on performance management and HRM-related issues. In addition, the consultant assisted a number of departments with implementing HRM initiatives, which included developing HRM strategies and implementation of HRM plan, organizing various workshops and focus group meeting on HRM-related issues, developing competency-based performance management system and formulating performance management proposals.

<i>Year</i>		<i>Bureau</i>	<i>Study Subject</i>	<i>Contract Period (in months)</i>	<i>Actual Consultancy Fee (\$)</i>	<i>Findings</i>
1998 Cont'd	2.	EABFU/ FS's Office	Consultancy Service on a Departmental Business Study of Planning Department	6	4,790,000	Implemented. Enhanced public consultation and involvement, dissemination of planning information and guidelines, streamlined processing of applications, and introduced other improvement measures to make the departmental operations more efficient and business-friendly.
1999	No relevant consultancy approved					
2000	No relevant consultancy approved					
2001	1.	FSB/ FSTB	Consultancy Study to Review the Role of the Official Receiver	16	4,500,000	The study has reviewed the roles of the Official Receiver's Office (ORO) in the provision of insolvency administration services, and changes that may need to be made to its present <i>modus operandi</i> against the future roles it should play. In short, the study has found that there is no reason to change the general areas of the services provided by the ORO. Other key recommendations include outsourcing the administration of more personal bankruptcy cases and stepping up the enforcement function of the ORO. The relevant recommendations are being followed up. For instance, the Bankruptcy (Amendment) Bill 2004 was introduced into the Legislative Council in October 2004 to enable the ORO to outsource summary bankruptcy cases.

<i>Year</i>		<i>Bureau</i>	<i>Study Subject</i>	<i>Contract Period (in months)</i>	<i>Actual Consultancy Fee (\$)</i>	<i>Findings</i>
2001 Cont'd	2.	CSB	Pilot Scheme on Team-based Performance Rewards in the Civil Service	31	3,786,000	<p>The pilot scheme was launched with the objective of testing out the feasibility and practicability of introducing performance-based rewards in the Civil Service. In the light of the experience and findings of the pilot scheme, the consultant considered that team-based performance rewards scheme would be a potentially useful additional performance management tool for adoption within the Civil Service. However, the success of any such scheme would depend critically on the readiness of departments in terms of, among others, commitment of resources and buy-in among staff and departmental management. Furthermore, many practical issues would need to be addressed in making a team-based performance rewards scheme effective, including establishing a robust performance measurement infrastructure and creating a strong results-focused performance culture among staff. It will take time for departments to satisfactorily address these issues.</p> <p>In July 2004, we issued an information note on the outcome of the pilot scheme to the Legislative Council Panel on Public Service.</p> <p>The introduction of any performance-based rewards in the Civil Service requires careful consideration of many complex issues including the resource implications. As a matter of priority, we are focusing on the development of an improved civil service pay adjustment mechanism. Thereafter, we shall, in the broader context of modernizing the civil service pay system, further consider the feasibility and desirability of introducing performance pay in the Civil Service.</p>

<i>Year</i>		<i>Bureau</i>	<i>Study Subject</i>	<i>Contract Period (in months)</i>	<i>Actual Consultancy Fee (\$)</i>	<i>Findings</i>
2001 Cont'd	3.	EU/CS's Office	Consultancy Support for Efficiency Unit — Business Review of Architectural Services Department (ArchSD)'s Function	5	2,893,525	Following the Business Review study in 2001, the ArchSD has been carrying out a Re-engineering Programme since early 2002. Under the Programme, the ArchSD would focus more on its strategic role as the architectural corporate advisor to the Government while the bulk of its new projects and maintenance activities would be progressively outsourced to the private sector and devolved to user departments or subvented organizations. Up to January 2005, over 60% of capital works building projects and 100% of minor maintenance works' co-ordination and reporting functions have already been outsourced.
	4.	EU/CS's Office	Consultancy Support for Efficiency Unit — Business Review of the Government Laboratory	5	1,357,900	The department is considering the recommendations in the context of other reform options.
2002	1.	EABFU/FS's Office	Consultancy on a Departmental Business Study for Environmental Protection Department	6	2,480,000	Implementation in progress. Implemented items have enhanced enforcement of environmental protection standards, improved Environmental Impact Assessment and Environmental Monitoring and Auditing, and communications with external stakeholders and introduced other improvement measures to make the departmental operations more efficient and business-friendly.
	2.	EABFU/FS's Office	Consultancy on a Departmental Business Study for Transport Department	15	1,978,750	Implementation in progress. Implemented items include one-stop vehicle type approval service, electronic information on route development plan from franchised bus operators, effective setting up of pedestrian schemes, performance-based contracts and other improvement measures to make the departmental operations more efficient and business-friendly.

<i>Year</i>		<i>Bureau</i>	<i>Study Subject</i>	<i>Contract Period (in months)</i>	<i>Actual Consultancy Fee (\$)</i>	<i>Findings</i>
2002 Cont'd	3.	OGCIO	Consultancy Service to Implement Changes in the Information Technology Services Department	12	4,573,500	The findings/recommendations in the study had been fully implemented. They helped enhance the effectiveness and efficiency of the Office of the Government Chief Information Officer (OGCIO) (formerly the Information Technology Services Department (ITSD)). As at the end of 2004, 53 Information Technology Management Units (ITMUs) have been formed, covering 63 bureaux/departments (B/Ds) to enable the latter to take ownership of IT. The OGCIO was established by merging the ITSD with the IT-related divisions of the Communications and Technology Branch of the Commerce, Industry and Technology Bureau to form a single and dynamic organization to perform a cross-agency leadership role in driving e-government and building the community into an information economy. The reorganization eliminated the overlapping of functions, and facilitated better and more flexible deployment of resources. The size of the organization has been reduced by 20% as a result of the organizational changes.
2003	No relevant consultancy approved					
2004	No relevant consultancy approved					

Remarks: CSB – Civil Service Bureau
EADFU/FS's Office – Economic Analysis and Business Facilitation Unit/Financial Secretary's Office
FSB/FSTB – Financial Services Branch/Financial Services and the Treasury Bureau
EU/CS's Office – Efficiency Unit/Chief Secretary for Administration's Office
OGCIO – Office of the Government Chief Information Officer

Teacher Training Courses

8. **MR CHEUNG MAN-KWONG** (in Chinese): *Madam President, will the Government inform this Council whether it is aware of the following about various public-funded post-secondary institutions:*

- (a) *the number of places in teacher training courses provided or to be provided each year between this school year and the 2007-08 school year for pre-service and in-service teachers respectively, with a breakdown by:*
 - (i) *whether the courses are/will be provided for teachers of secondary schools, primary schools, kindergartens (or child care centres) respectively;*
 - (ii) *the qualifications obtained upon completion of the courses (such as Bachelor's Degrees, Post-graduate Diploma in Education or Certificate in Education (Early Childhood Education));*
 - (iii) *the number of places of refresher courses for in-service teachers, other than those set out in item (ii) above; and*
 - (iv) *the modes of attendance (such as full-time, part-time or bridging courses); and*
- (b) *the rationale adopted for determining the number of places for the above courses each year?*

SECRETARY FOR EDUCATION AND MANPOWER (in Chinese): Madam President,

- (a) The number of approved student intake places to teacher education programmes at secondary and primary levels as funded by the University Grants Committee (UGC), counted in full-time

equivalent (fte) term, from 2004-05 to 2007-08 academic years are set out in the table at Annex A.

The number of student intake places to teacher education programmes for early childhood education as funded by the UGC and the Vocational Training Council (VTC), expressed in headcounts (hc) term, from 2004-05 to 2007-08 academic years are set out in the table at Annex B.

The figures for 2005-06 to 2007-08 academic years are subject to the funding approval from the Legislative Council on the overall funding to the UGC-funded institutions during the 2005-06 to 2007-08 triennium.

- (b) The determination of the number of pre-service training places in each academic year is based primarily on the projected supply and demand of teachers in the relevant key learning area/school level, taking into account the estimated wastage of existing teachers, creation of new posts as necessitated by new policy initiatives and demand for teachers in the respective key learning areas. The determination of the number of in-service places is based on the number of untrained serving teachers in the respective school level, taking into account the estimated number of new teachers who enter the profession without teacher training each year as well as the Government's commitment to upgrade teachers' qualification and professionalism. As regards training places in the pre-primary sector, the Government has pledged to provide adequate subsidized training places to achieve its policy target of upgrading kindergarten teachers' and principals' qualification. The number of training places allocated may vary according to the progress of the policy targets. Hence, the in-service Qualified Kindergarten Teacher training places will no longer be in need following the achievement of the set policy target for kindergarten teachers in 2004-05 school year; and the number of in-service Certificate in Early Childhood Education training places will be reduced upon the completion of the set policy target for kindergarten principals by 2005-06 school year.

Annex A

Number of Intake Places to UGC-funded Institutions Offering Secondary and Primary Teacher Education Programmes from 2004-05 to 2007-08 Academic Years

	<i>Level</i>	<i>Mode</i>	<i>2004-05</i>	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>
			<i>(numbers in full time equivalent)</i>			
Pre-Service						
Level of Study (Qualification)						
Taught Postgraduate ¹ (PGDE/PCEd/Diploma)*						
	Secondary	Full-time	699	600	524	360
	Primary	Full-time	138	130	130	130
Undergraduate (Bachelor)						
	Secondary	Full-time	402	375	349	349
	Primary	Full-time	279	351	377	377
Sub-total			1 518	1 456	1 380	1 216
In-Service						
Level of Study (Qualification)						
Taught Postgraduate ¹ (PGDE/PCEd/Diploma)*						
	Secondary	Part-time	480	580	580	600
	Primary	Part-time	136	150	150	150
Undergraduate (Bachelor of Education)						
	Secondary	Part-time	117	111	111	111
	Primary	Part-time	183	138	138	138
	Others	Part-time	45	45	45	45
Sub-total			961	1 024	1 024	1 044
Total			2 479	2 480	2 404	2 260
Professional Upgrading Courses ²	Secondary	Part-time	440	350	350	350
	Primary					

* PGDE/PCEd: Postgraduate Diploma in Education/Postgraduate Certificate in Education.

Diploma: 2+ 2 Diploma in Education (offered by the Hong Kong Baptist University)

1. - "Taught Postgraduate" includes postgraduate diploma/certificate in education/diploma in education programmes only, which prepare a student to be qualified as a teacher in Hong Kong. It does not include various Master programmes.
 - The above figures do not include the additional government-funded places during 2001-02 to 2004-05 academic years aimed to meet demand for subject and professionally trained English teachers. The approved intake for 2004-05 academic year is 208 fte and 32.5 fte respectively for full-time and part-time programmes, all at taught postgraduate level. These places were provided in addition to the approved intake figures as set out in the table above and no additional places will be provided from 2005-06 onwards.
2. Professional Upgrading Courses are offered to in-service teachers to serve refresher and/or skills/knowledge enhancement purposes. These include courses on languages, mathematics, education innovation, technical education and special education needs.

Annex B

Number of Intake Places on Early Childhood Teacher Education from 2004-05 to 2007-08 Academic Years (including both UGC-funded and VTC-funded Programmes)

<i>Early Childhood Education</i>	<i>Mode</i>	<i>2004-05</i>	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>
		<i>(numbers in headcount)</i>			
Pre-Service					
Level of Study (Qualification)					
Sub-degree (Qualified Kindergarten Teacher)	Full-time	150	150	150	150
Sub-degree (Certificate in Early Childhood Education)	Full-time	180	180	180	180
In-Service					
Level of Study (Qualification)					
Undergraduate (Bachelor in Early Childhood Education)	Part-time	45	60	60	60
Sub-degree (Qualified Kindergarten Teacher)	Part-time	244	0	0	0
Sub-degree (Certificate in Early Childhood Education)	Part-time	464	245	245	245
Total		1 083	635	635	635

Anti-rodent Works

9. **MRS SOPHIE LEUNG** (in Chinese): *Madam President, recently, several members of the public have told me that large rodents had been spotted on the busy streets and near the sewers in Central. However, the rodent infestation rates had decreased gradually from 16% in 2000 to 4.3% between January and June in 2004, while the numbers of captured and poisoned rodents had decreased gradually from 57 639 in 2000 to 40 342 in 2003. In this connection, will the Government inform this Council:*

- (a) whether it has assessed if the above statistics accurately reveal the real situation and severity of rodent infestation in the territory; if the assessment result is in the affirmative, of the relevant figures by districts; if the result is in the negative; of the mitigation measures;*
- (b) whether it has evaluated the economic losses caused by rodent infestation every year;*
- (c) how it decides the scope of anti-rodent work, including whether it has regularly assessed the number of rodents in the territory and the anticipated number of rodents bred; and whether it has made reference to the anti-rodent measures taken in other places; if it has not, of the reasons for that; and*
- (d) how it evaluates the effectiveness of anti-rodent work, as well as the evaluation results, and whether it will step up anti-rodent efforts?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Chinese):
Madam President,

- (a) Based on the percentage of bait consumed by rodents, the rodent infestation rate is a scientific and objective approach to determine the degree of rodent infestation in the area of interest. It helps to identify rodent infestation black spots for swift action to be taken against proliferation of the rodent population. The rodent infestation rate of the territory has decreased gradually from 16% in

2000 to 4.1% in 2004, indicating that the overall rodent infestation has improved. However, it should be noted that the rodent infestation rate varies in different locations. For example, the infestation rate in Queens Road Central in Central and Western was 8.3% in 2004, while that in Hollywood Road and the Third Street of the same District was only 0.9% and 1.7% respectively. After obtaining the respective information, we have already stepped up anti-rodent efforts in those areas with higher rodent infestation rates.

- (b) The anti-rodent efforts of the Food and Environmental Hygiene Department (FEHD) mainly focus on minimizing the impact of rodent infestation on public health and the citizens, and prevention and control of rodent borne diseases. We have not evaluated the economic losses caused by rodent infestation.
- (c) It is not a common practice to assess the number of rodents in a territory as the assessment is likely to be inaccurate and does not provide a reliable indicator to the potential rodent impact on public health. In line with accepted international practice, we make reference to the rodent infestation rate which measures the percentage of bait consumed by rodents to prevent and control rodent infestation. Many studies reveal that rodents are highly prolific animals, hence it is of prime importance that rodent infestation be expeditiously contained. The FEHD makes reference to the surveillance and control measures as advised by the World Health Organization and adopted by other countries to control the rodent problem.
- (d) To assess and monitor the rodent infestation in Hong Kong, the FEHD takes reference from the rodent infestation rate, as well as the number of rodents being captured or poisoned, the number of rodent infestation complaints received and the inspection results by the pest control staff. Taking into account all relevant information and after assessing the overall situation, the FEHD will enhance the disinfestations efforts in areas where rodent problems are more serious, such as certain places in Wan Chai, Yau Ma Tei and Mong Kok.

Credit Database

10. **MR SIN CHUNG-KAI** (in Chinese): *Madam President, it has been reported that financial institutions will, upon receipt of the applications for loans or credit cards by the public, refer to their information in a credit database. However, the more frequently a person's credit data in the database are checked by financial institutions, the lower the person's credit rating will be given. Furthermore, some members of the public have complained to me that although they have repaid their loans, their credit ratings have declined. Their future loan applications may thus be affected. In this regard, will the Government inform this Council whether:*

- (a) it will draw up a mechanism for members of the public to raise objection to their credit ratings in the above credit database;*
- (b) it will require the relevant credit rating agency to make public its rating criteria; and*
- (c) it will draw up a mechanism to encourage more competition in the market of credit database so that members of the public can submit their credit ratings from another agency to the financial institutions processing their loan applications, in order to avoid rejection of applications due to unjustified credit ratings?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): Madam President, the consumer credit reference agency (CRA) in Hong Kong was first established in the 1980s by financial institutions to enable its shareholders and members to share negative consumer credit data. In response to the financial industry's proposal, and after thorough consideration of comments received from public consultation and other channels, the Privacy Commissioner for Personal Data approved the revised Code of Practice on Consumer Credit Data (the Code) in 2003. The revised Code allows credit providers and CRAs to share a wider range of consumer credit data. This arrangement facilitates better credit risk management of credit providers and contributes towards alleviating the problems of personal indebtedness and bankruptcy. On the other hand, consumer credit data helps credit providers make faster and more objective decisions, and makes it comparatively easier for those with a good credit record to obtain new credit or better terms.

The existing CRA in Hong Kong has established a credit scoring mechanism based on the information in its database. This mechanism applies statistical methods of using past credit record, especially account delinquency data, to compute a credit score for each credit applicant. The score reflects the probability of the applicant filing a bankruptcy petition. Such credit scoring mechanism is commonly used in other international financial centres.

As regards the three specific questions of Mr SIN, our responses are as follows:

- (a) According to the Code issued by the Privacy Commissioner for Personal Data, banks and other credit providers may access consumer credit data held by the CRA for reference in considering whether to grant credit facilities to individuals. The data is gathered by the CRA from a variety of sources such as banks, finance companies, credit card companies and public information. The Code requires credit providers to ensure the accuracy of the data they provide to the CRA, and to update the data regularly.

A credit score is a fluid number that will change, as credit data changes. If a consumer considers that his credit score has been miscalculated due to inaccurate data in the CRA's database, he may, in accordance with the Code, file a data access and correction request with the CRA for revaluation of the credit score with accurate information.

It should be noted that a credit score given to an individual is merely the assessment of the CRA for credit providers' reference. Credit providers make decisions according to their own credit assessment mechanism.

- (b) The CRA provides information relating to credit scoring on its website. According to the website, a credit score is calculated using credit report data including account delinquency data, credit enquiry, historical credit data and public record data (such as bankruptcy petition). A credit score can be regarded as a statistical method to interpret the contents of a credit report.

- (c) Neither any existing policy nor the Code restricts the number of CRAs in the market. The provision of consumer credit data services is determined by market demand.

As mentioned above, the credit score provided by the CRA is only one piece of information made reference by credit providers in their credit assessment process. The same credit applicant with the same credit score may be "rejected" by one credit provider, but "accepted" by another. Whether to approve a credit application is a commercial decision made by an individual credit provider according to its own assessment policy.

Mentally-handicapped Children Being Sexually Abused

11. **DR KWOK KA-KI** (in Chinese): *Madam President, I have learnt that when dealing with cases of suspected sexual abuse of mentally-handicapped children, the police must obtain written consent from the victims' parents before they can arrange for physical examination of the victims. In this connection, will the Government inform this Council:*

- (a) *how the authorities handle cases in which the suspects are the parents of the victims and who do not agree to allow the victims to receive physical examination;*
- (b) *whether the authorities will consider authorizing certain social welfare agencies or the Guardianship Board to give written consent to physical examination in respect of the cases in which the suspects are parents of the victims; if not, of the reasons for that and other solutions; and*
- (c) *whether front-line health care staff have been provided with specific guidelines on handling the abovementioned cases?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Chinese): Madam President, for (a) and (b), I will give a consolidated reply to both parts of the question as they are interrelated.

In handling child abuse (including sexual abuse) cases, the principle of the Administration is to serve the best interests of the child. Under this principle, although the views of the parents will be respected and considered, their right to give consent to medical treatment for their child is not absolute, but subject to the best interests of the child.

Generally speaking, in the case where an abused child (irrespective of whether the child is mentally-handicapped or has been sexually abused) is in need of urgent treatment but his/her parents/guardians do not consent to his/her admission to hospital for examination, police officers in the rank of Station Sergeant or above, or any other person authorized in writing by the Director of Social Welfare, may take the child to a hospital pursuant to section 34F of the Protection of Children and Juveniles Ordinance (Cap. 213). The child may be kept by the Director of Social Welfare in that hospital for so long as the attendance of the child at that hospital is necessary for the purpose of medical attention or treatment.

If the abused child is in life-threatening situation or in critical condition and must receive immediate medical examination or treatment, the attending doctor can exercise discretion in such a life or death situation without first obtaining consent from the parties concerned.

If the suspect is the father/mother/guardian of the victim and he/she insists on not allowing the forensic pathologist to examine the victim, and in cases that the victim is not capable of giving his/her consent, then the concerned staff (such as a social worker of the Social Welfare Department) will continue to explain the importance of arranging the victim to receive physical examination to the other side not suspected to be involved in the sexual abuse, so as to obtain his/her consent for the child's examination.

Under exceptional circumstances where in the end the parents/guardians still refuse to allow the child to undergo medical examination, the social worker of the Social Welfare Department may, in accordance with the powers conferred by section 34(1) of the Protection of Children and Juveniles Ordinance (Cap. 213),

apply to the Court for assumption of legal guardianship of the child by the Director of Social Welfare, having regard to the thorough considerations given to the needs of the case by the relevant medical practitioner (including the forensic pathologist), the social worker of the Social Welfare Department and the police. Upon approval of the application, the Director of Social Welfare may authorize arrangement for a forensic pathologist to perform the necessary examination of the child. Alternatively, the Director of Social Welfare may cause a notice to be served on the person having custody or control of the child requiring that person to produce the child for an assessment by a medical practitioner of the way in which he/she has been treated under section 45A (1) of the Protection of Children and Juveniles Ordinance (Cap. 213).

- (c) "The Procedures for Handling Child Abuse Cases" provides front-line staff (including medical personnel) with specific guidelines on handling cases involving child abuse (including sexual abuse).

URA's Arrangements for Selling Redevelopment Properties

12. **MR MA LIK** (in Chinese): *Madam President, it has been reported that the Urban Renewal Authority (URA) had commenced the private sale of the residential units of a property redevelopment project in Kennedy Town before putting them on public sale recently. The arrangement was criticized by some members of the public as chaotic, unfair and lacking in transparency. In this connection, will the Government inform this Council whether it knows:*

- (a) *the URA's arrangements for selling redevelopment properties in the past and the principles it followed;*
- (b) *how the sale arrangement for projects jointly developed by the URA and private developers compares to that for the URA's own projects, and whether the URA has assessed if the sale arrangement for these joint projects is reasonable and in line with the principles for the operation of public organizations, that is, being open, transparent and accountable to the public, if it has, of the assessment results; and*

- (c) *whether the URA will require that the residential units of property redevelopment projects participated by the URA should all be sold in an open and transparent manner in future; if it will not, the reasons for that?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Chinese): Madam President, the role of the Government is to formulate and co-ordinate the overall urban renewal policy and to monitor the implementation of the urban renewal programme. The Urban Renewal Authority (URA) is an independent statutory body set up under the Urban Renewal Authority Ordinance (URAO) to undertake urban renewal. The URA Board is empowered to determine its own operational matters, including the sale arrangements of redevelopment properties with its joint venture partners.

We understand that the URA and its joint venture partner have recently put the redevelopment properties of the Kennedy Town project to sale through both internal and public sales. On the day when the internal sale buyers selected the flats and completed the purchase procedures, there were jostles among some of the prospective buyers but the situation was quickly brought under control. During the ensuing public sale, a registration-and-ballot mechanism was adopted and the sale was conducted in a smooth and orderly manner.

Regarding the three-part question asked by the Honourable MA Lik, we have sought clarifications from the URA and our reply is as follows:

- (a) When putting redevelopment properties to sale in the open market, the URA and its joint venture partners have to comply with the relevant government rules and regulations as well as follow the prevailing market practices and mode of operation. Before making the relevant decision, the URA has to carefully consider various important factors, including the following:
- (i) as the URA is funded by public money, the URAO stipulates that the URA shall exercise due care and diligence in the handling of its finances, and

- (ii) when marketing its redevelopment properties, the URA and its joint venture partners have to face open competition in the property market, no different from any other private developer.

Generally speaking, the URA's redevelopment properties are put to sale through internal and public sales.

- (b) Since its establishment in 2001, the URA has generally taken the approach of working with joint venture partners in redeveloping and selling redevelopment properties. The mode of sale adopted by the URA and its joint venture partners has largely followed the prevailing market practices (that is, through internal and public sales). The arrangements must also be in compliance with the relevant government rules and regulations. These practices are reasonable and are generally well-known to and accepted by the public.
- (c) In future, the URA will continue to abide by the relevant government rules and regulations and follow the mode of operation adopted by the open property market when determining its sale arrangements.

Health Assessment and Medical Services for Elderly Persons

13. **DR JOSEPH LEE** (in Chinese): *Madam President, regarding health assessment and medical services for the elderly persons, will the Government inform this Council:*

- (a) *whether it will make plans as early as possible to introduce services on eyesight and hearing protection as well as dental health for the elderly;*
- (b) *whether it has plans to provide annual comprehensive health assessments for the elderly; if it will, of the details; if not, the reasons for that; and*

- (c) *of the measures to ensure that elderly patients in public hospitals have the right to make an informed choice of drugs upon the introduction of a Standard Drug Formulary by the Hospital Authority (HA), and that they will not be deprived of drugs outside the drug formulary for lack of financial means?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Chinese): Madam President, the Government of the Hong Kong Special Administrative Region places great emphasis on the health of the elderly. Through the Department of Health (DH) and the HA, the Government has been providing the elderly with health education, health assessments (including body checks), health and medical care, prevention of diseases, and services promoting healthy living. It is estimated that about \$14 billion was spent on public health care services for the elderly in 2003-04.

Public resources should be used effectively in providing patients with medical services. Elderly patients who are recipients of the Comprehensive Social Security Assistance (CSSA) are waived medical charges for public health care services. Elderly patients who have financial difficulties but are not CSSA recipients can apply for a medical fee waiver, either one-off or valid for a period of time.

Our replies to the specific questions raised by Dr the Honourable Joseph LEE are as below:

- (a) The DH regularly carries out health education in the community. Elderly are provided with information on eye protection, in particular the early symptoms of common eye diseases, so that they will be alert to eye diseases and may seek early treatment. Moreover, the 18 Elderly Health Centres (EHCs) of the DH located throughout the territory regularly conduct eye checks for elderly members, providing treatment to them or referring them to the specialist out-patient clinics for treatment.

The EHCs also conduct regular ear checks for elderly members and provide treatment and advice to those with hearing problems, or refer them to the specialist out-patient clinics. Where necessary, elderly CSSA recipients can apply to the Social Welfare Department (SWD) for special grants to purchase hearing aid.

The DH's Oral Health Education Unit has been actively promoting oral hygiene among the elderly and the general public. There are 11 dental clinics run by the DH which provide the elderly and the general public with emergency dental treatment free of charge. In addition, there are seven dental clinics in public hospitals which provide specialist dental care services to individuals with special oral health care needs (including the elderly). Where necessary, elderly CSSA recipients will be given special grants to cover dental treatment charges. In 2003-04, the SWD spent about \$8 million on providing elderly CSSA recipients with special grants to cover dental treatment charges.

The Government will keep in view the medical needs of the elderly, and provide them with appropriate services through various means.

- (b) The 18 EHCs provide integrative primary health care to elderly members, including comprehensive annual health assessment. In 2004-05, more than 40 000 elders received health assessments in the EHCs. Also, the DH is collaborating with various elderly centres, to train them to use the health assessment tool to conduct health assessments for their elderly members under a trial scheme.

However, regular body checks do not guarantee that all hidden illnesses can be identified. Therefore we keep reminding the elders that they should seek medical consultation when they are not feeling well. Also, we will continue to strengthen the geriatric training of public and private family doctors and community doctors, so that more elders will be able to receive comprehensive primary health care.

- (c) In accordance with the normal process in clinical management in public hospitals, clinicians will explain to the patients their treatment options (including drug therapy), which are determined on the basis of the patients' clinical indications. This practice will continue after the introduction of a Standard Drug Formulary by the HA.

A handful of drugs outside the Standard Drug Formulary are proven to be of significant benefits but extremely expensive for the HA to

provide as part of its subsidized service. They are usually new drugs for treating advanced stages of diseases and are beyond existing modalities of standard treatment. To make efficient use of the finite public resources and maximize the benefits of medical care to the public, patients requiring treatment involving these expensive drugs and can afford to pay will have to bear the charges under the targeted subsidy principle. However, patients who have difficulties in paying for the drugs may seek financial assistance under the Samaritan Fund. Depending on their financial situation, individuals may receive a partial or full subsidy on their drug expenses.

Other drugs outside the Standard Drug Formulary can be divided into three main groups, namely (i) drugs with preliminary medical evidence only; (ii) drugs with marginal benefits over available alternatives but at significantly higher costs; and (iii) life style drugs. Since the therapeutic objectives of these drugs fall outside the scope of public medical services, patients who choose to use these drugs will be required to purchase them at their own expenses.

Inclusion of Statutory and Public Bodies in Pensions Legislation

14. **MR TAM YIU-CHUNG** (in Chinese): *Madam President, under the pensions legislation, a retired civil servant's pension may be suspended if he is employed in a subvented organization determined to be public service under the relevant legislation. However, the list of such subvented organizations has not been updated since February 1997. In this connection, will the Government inform this Council:*

- (a) whether it knows the statutory bodies which have been established after February 1997;*
- (b) whether it knows the respective numbers of retired civil servants on pensionable terms who are currently employed in the statutory bodies mentioned in (a) and in public bodies which are not included in the relevant list;*
- (c) of the criteria for determining whether a statutory or public body should be included in the relevant list; and*

- (d) *whether it has regularly reviewed if it is necessary to include the newly established statutory or public bodies in the relevant list, so that the Administration may suspend the payment of pensions to those retired civil servants who take up employment in organizations newly added to the list; if it has, of the reasons for not updating the list since February 1997; if it has not, the reasons for that?*

SECRETARY FOR THE CIVIL SERVICE (in Chinese): Madam President, under section 11 of the Pensions Ordinance and section 26 of the Pension Benefits Ordinance, the Chief Executive may exercise discretionary power to suspend the monthly pension of a retired civil servant for the period when he is appointed to service in a subvented organization which is determined to be public service for the purpose of pension suspension. At present, there are 16 subvented organizations which are subject to the pension legislation in this regard (please see Annex A). The rationale for the above requirement is that, from the public finance angle, it would not be appropriate to grant a monthly pension and a monthly salary concurrently to the retirees concerned out of the public purse under normal circumstances.

My reply to the individual parts of the question is as follows:

- (a) Since February 1997, a total of eight statutory organizations which employ their own employees have been established (please see Annex B).
- (b) The Administration does not collect information on pensioners working in the organizations mentioned in (a) above, or in other subvented organizations not on the list of organizations gazetted as public service for the purpose of pension suspension as mentioned earlier.
- (c) When determining whether a subvented organization should be gazetted as public service for the purpose of pension suspension, the Administration takes into account various factors including the source of funding of the organization (for example, the mode and level of government subvention to the organization) and the mode of operation of the organization (for example, whether it operates on prudent commercial principle).

- (d) In June 1997, in its Report No. 28, the Legislative Council Public Accounts Committee (PAC) requested the Administration to review the policy and arrangement for determining publicly-funded organizations as public service for the purpose of pension suspension. One of the observations made by the PAC on that occasion was that if it was considered appropriate for retired civil servants to apply their past work experience to continue serving the community by working in subvented organizations, the policy of pension suspension might have placed these organizations in a disadvantageous position when recruiting retired civil servants with suitable working experience.

The Administration subsequently reported to the PAC in October 2000 that the Civil Service Bureau had completed a review of the existing policy on suspension of the monthly pensions of retired civil servants. The review took into account the rationale and objective of the policy and evaluated a number of options to modify the current policy and the likely implications.

The review findings revealed substantial difficulties in taking forward alternative arrangements given the inherently conflicting considerations of recognizing pension as an earned entitlement and the practical problems arising from the concurrent payment of salary and pension out of the public purse for those pensioners who remained to serve in the public service. The existing pension suspension arrangement had the advantage of being long established and clearly known by civil servants and the public. We therefore decided to maintain the existing arrangement for pension suspension.

Against the above background, the Administration has not revised the list of organizations determined as public service for the purpose of pension suspension since 1997.

Annex A

**Organizations and Institutions Determined as Public Service
for Pension Suspension Purpose**

1. Hospital Authority
2. City University of Hong Kong
3. Hong Kong Baptist University
4. The Hong Kong Polytechnic University
5. Lingnan University
6. The Chinese University of Hong Kong
7. The Hong Kong University of Science and Technology
8. University of Hong Kong
9. Vocational Training Council
10. Hong Kong Housing Authority
11. Hong Kong Monetary Authority
12. The Hong Kong Institute of Education
13. The Legislative Council Commission
14. Office of The Ombudsman
15. Equal Opportunities Commission
16. Office of the Privacy Commissioner for Personal Data

Annex B

Statutory Bodies with Employed Staff Established after February 1997

<i>Statutory Body</i>	<i>Date of Establishment</i>
Estate Agents Authority	November 1997
Social Workers Registration Board	January 1998
Mandatory Provident Fund Schemes Authority	September 1998
Guardianship Board	February 1999
Housing Managers Registration Board	April 2000
Hong Kong Tourism Board	April 2001
The Hong Kong Science and Technology Parks Corporation	May 2001
Urban Renewal Authority	May 2001

Mainland Enterprises Investing and Setting up Businesses in Hong Kong

15. **MR ABRAHAM SHEK** (in Chinese): *Madam President, since the implementation, by the State Ministry of Commerce (MOC) and the Hong Kong and Macao Affairs Office of the State Council at the end of August last year, of the new investment facilitation policy for mainland enterprises to invest in the Hong Kong and the Macao Special Administrative Regions, mainland enterprises may apply for investing and setting up businesses in Hong Kong. In this connection, will the Government inform this Council:*

- (a) of the number of mainland enterprises which have come to invest and set up businesses in Hong Kong since the implementation of the above policy, and the major trades in which these businesses are engaged as well as the amounts of investment involved;*
- (b) of the specific measures taken by the Hong Kong authorities to actively publicize and promote in the Mainland the investment environment and the advantages of investing in Hong Kong, so as to attract mainland enterprises to invest in Hong Kong; for instance, whether investment promotion activities will be organized in various major cities in the Mainland; and*
- (c) whether the Hong Kong authorities have taken any measures to facilitate mainland enterprises to invest and set up businesses in Hong Kong, such as offering concessions to these enterprises; if so, of the details; if not, the reasons for that?*

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Chinese): Madam President,

- (a) According to the MOC, between end-August 2004 when the new investment facilitation policy for mainland enterprises to invest in the Hong Kong and the Macao Special Administrative Regions (the new facilitation policy) was implemented and end-December 2004, a total of 68 mainland enterprises or 42.5% of the total number for the year were granted approval for coming to invest in Hong Kong, and the amount of investment was US\$470 million or 48.9% of the total amount for the year. The major areas of economic activities

involved included trade, consultancy service, research and development, tourism, entertainment, transport and contract works.

- (b) In line with the national strategy of "going out", Invest Hong Kong (InvestHK) has been actively promoting our investment environment and advantages in the Mainland through the following activities:
- (i) sending expert teams to visit mainland enterprises on a proactive basis to promote the advantages of Hong Kong's business environment;
 - (ii) partnering with the MOC, relevant provincial or municipal authorities, and business and trade associations to organize "Hong Kong Investment Environment Seminar" in various mainland provinces and cities; and
 - (iii) arranging mainland enterprises to visit Hong Kong and participate in activities showcasing Hong Kong's investment environment, such as seminars on the local business environment, visits to infrastructural facilities and meetings with relevant business organizations.

In 2004, InvestHK organized 23 Hong Kong Investment Environment Seminars in 13 mainland cities and received 22 visiting mainland investment delegations.

In addition, with the implementation of the new facilitation policy, relevant government departments and the Hong Kong Trade Development Council (TDC) have stepped up promotional efforts to attract mainland enterprises to invest here and have offered an even more comprehensive range of business facilitation services and assistance, including:

- (i) regular and large-scale "Hong Kong Week" functions organized jointly by the Office of the Government of the Hong Kong Special Administrative Region in Beijing and relevant departments of the Government of the Hong Kong Special Administrative Region in various mainland provinces and cities. These functions aim to promote Hong Kong's

many advantages, strengthen ties and co-operation with the Mainland, as well as attract mainland enterprises to invest here. The "Hong Kong Investment Environment Seminar" is also an integral part of the "Hong Kong Week" function.

- (ii) efforts to encourage mainland enterprises to come to Hong Kong to do business by the TDC through conducting research on mainland enterprises' needs for business and trade services in Hong Kong, providing information on doing business in Hong Kong to mainland enterprises and stepping up publicity.
- (c) Hong Kong upholds the principle of free economy. Our laws relating to investment are fair, open and highly transparent, providing a level playing field for all foreign, mainland and local enterprises. Mainland enterprises choose to invest in Hong Kong and consider Hong Kong their springboard to the world because of the various advantages we offer in business operation. These include Hong Kong's position as an international financial centre, our independent judicial system, free flow of information and capital, simple tax system and low taxes. On top of these, the Government has spared no efforts to improve our business environment, ensuring that Hong Kong remains one of the best places to do business in the world.

In addition, in order to assist mainland enterprises in investing in Hong Kong, InvestHK has launched the Invest Hong Kong One-Stop Service in September 2004 which provides:

- (i) a toll-free hotline (800 988 1000) in the Mainland for enquiries from mainland investors about investing in Hong Kong;
- (ii) an investment service centre staffed by experts from InvestHK offering information and advice to mainland investors on matters relating to investing in Hong Kong;
- (iii) an "Invest Hong Kong Guidebook" tailor-made for mainland investors, highlighting information they need to know about investing in Hong Kong, including procedures for setting up

business operations in Hong Kong, funding schemes, visa requirements, taxation, and so on; and

- (iv) a "Step-by-step Guide", jointly compiled by InvestHK and the MOC for the first time, setting out the procedures in the Mainland for their enterprises to apply for investing in Hong Kong, as well as key notes on the approval procedures in both the Mainland and Hong Kong and the documentation requirements.

Merger of KCRC and MTRCL

16. **MR KWONG CHI-KIN** (in Chinese): *Madam President, regarding the study on the merger of Kowloon-Canton Railway Corporation (KCRC) and MTR Corporation Limited (MTRCL), will the Government inform this Council:*

- (a) *of the government departments and public organizations responsible for drawing up the timetable for the merger, and whether specific merger timetable has been drawn up; if so, of the details; if not, the anticipated date of announcing the timetable;*
- (b) *whether staff of various grades and ranks in different departments of the two railway corporations will be consulted before the authorities decide on the mode of the merger; if so, of the details and timetable of the consultation; if not, the reasons for that;*
- (c) *of the details of the options for the mode of merger, and whether public consultation on the proposed options will be conducted; if not, the reasons for that;*
- (d) *whether any study on the modes and effectiveness of mergers of overseas railway corporations has been carried out; if so, of the details and results of the study; if not, the reasons for that; and,*
- (e) *whether it has assessed the social and economic impacts of the merger, especially the impact of the merger progress on the construction of the new Sha Tin to Central Link (SCL), West Hong Kong Island Line and South Hong Kong Island Line; if so, of the assessment results; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT TRANSPORT AND WORKS (in Chinese): Madam President, the Financial Services and the Treasury Bureau and the Environment, Transport and Works Bureau are discussing with the two railway corporations the content and recommendations of their joint merger report. The two Bureaux are also discussing with the MTRCL the terms of the transaction, which have to strike a balance between public interest on the one hand against the interest of minority shareholders of MTRCL on the other.

In the course of their discussion on the feasibility of the possible merger, the two corporations have enhanced communication with their staff. They have opened up channels to listen to the concerns and views of their staff and from time to time held meetings with the staff representatives. The two corporations have advised us that if the merger were to proceed, they would conduct further studies on post-merger staffing arrangements and would consult their staff on the relevant issues.

Both the MTRCL which is a listed company, and the KCRC which is solely owned by the Government, operate on prudent commercial principles. The mode of railway operation in Hong Kong differs considerably from that of overseas. Whilst there is no overseas example of merger of railway corporations which provide mainly passenger rail services at comparable scale as the case in Hong Kong, the financial advisers of the Government would draw from experience in overseas railways (for example, the operations and financial arrangements, and so on) in tendering their advice to the Government on the possible merger of MTRCL and KCRC.

The Administration has conducted a preliminary study before we invited the two corporations to start discussion on a possible merger. Based on findings of the study, we believe that a merger of the two corporations should be able to improve the overall efficiency of the two railways systems taken together, through achieving larger economies of scale in the operations, attaining synergy through better interface and streamlining between the two systems, reducing overlaps in services provision and resources usage, and economizing on overheads at the corporate activity and internal management levels.

We are now considering the possible structure of a merger of the two railway corporations. No decision has been made yet. We would report to the Legislative Council our deliberation on the way forward in detail and would

welcome and consider views from the public and stakeholders on this matter. In view of the complexity and wide implications of the possible rail merger, we are not able to set an implementation timetable at this stage.

As for the construction of the SCL, the Administration has been all along proceeding the planning works which includes the conclusion of the interchange arrangements. The Administration has set out that early resolution of the interchange arrangements of the SCL by the two corporations is one of the key parameters for their negotiation of a possible merger. At present, we are examining the proposal submitted by the KCRC and the recommendations on the SCL project proposed by the MTRCL and the KCRC in their joint report. As we need to study further the SCL scheme in such matters as the alignment, the Administration has yet to decide on the implementation timetable for the SCL. Turning to the West Hong Kong Island Line and South Hong Kong Island Line, we are independently examining the proposals submitted by the MTRCL. Our work in this aspect bears no relations to the merger study.

Care for Abandoned Children

17. **MR JASPER TSANG** (in Chinese): *Madam President, it has been reported that around 1 300 abandoned children were living in residential child care institutions or with foster families in each of the past two years. The Government has recently indicated that some residential child care institution placements would be replaced by foster care placements. In this connection, will the Government inform this Council:*

- (a) *of the number of children in the past three years who were neither looked after by their families nor accepted by residential child care institutions, and the reasons for not accepting these children;*
- (b) *of the unit costs of residential child care institutions and of foster families, and the major expenses (such as staff remuneration) included in such costs; and*
- (c) *whether replacing some residential child care institution placements by foster care placements will increase the number of children who are benefited; if so, of the estimated rate of increase each year?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Chinese):
Madam President,

- (a) The Social Welfare Department (SWD) has always placed the well-being of children, including orphans and abandoned children, high on its agenda, and would strive to provide them with all appropriate services. If children are in need of residential care service because their parents cannot look after them temporarily, or due to other family problems such as being abandoned by their families or in the case of child abuse, social workers will arrange for them the appropriate residential child care service, including foster care placements, or placements in small group homes/residential child care institutions or boys'/girls' homes, and so on, depending on their individual and family circumstances. If a child has to be placed on a waiting list, social workers will discuss with his/her parents on the transitional child care arrangement such as entrusting the child to the care of relatives during the waiting period. For children in pressing need of residential care service (that is, in need of immediate residential placement), social workers may arrange for them to live in emergency foster care families, children's reception centres or places of refuge. According to the record of the central referral system for residential child care service and the central co-ordinating referral mechanism for studying in schools for social development/staying in residential child care institutions, no children who lacked family care were deprived of residential child care service in the past three years, and about 1 000 children are given residential care placements each year.
- (b) Under the 2004-05 approved budget, the unit cost of foster care service is \$8,525 per month, covering maintenance grant for foster care, incentive payment for foster care parents, operation cost of the organization concerned, staff remuneration, and so on. The unit costs for small group homes and residential child care institutions are \$12,413 and \$11,132 per month respectively, including the child's monthly living expenses, operation cost of the organization concerned, staff remuneration, and so on.

- (c) As home care rather than residential care has been found to be more effective in addressing the needs of the children, the SWD has been actively developing foster care services in recent years to enable the children to grow up in a more suitable and flexible non-institutional environment. On top of this, in order to optimize the usage of existing resources on residential child care service, the SWD has also worked jointly with non-governmental organizations to carry out service re-engineering by reducing in stages the number of places in some of the residential child care institutions/small group homes (such as the residential nurseries with relatively low enrolment rate). At the same time, the number of foster care places is increased to address the needs of the children and enhance service effectiveness, in order to benefit more children. In this financial year, the total number of residential child care places to date has increased from 3 305 to 3 314 as a result of service re-engineering. In the next financial year, the SWD will continue to explore the feasibility of service re-engineering and the rate of increase in placements is to be confirmed.

Standard Drug Formulary

18. **DR FERNANDO CHEUNG** (in Chinese): *Madam President, regarding the introduction of a Standard Drug Formulary proposed by the Hospital Authority (HA), will the Government inform this Council of:*

- (a) *the number of types of prescription drugs currently paid for by patients at standard fees and charges which will not be included in the future Formulary, together with a breakdown by the classification below, as well as the diseases to be treated by each type of drug:*
- (i) *drugs which have been proven to be of significant benefits but are extremely expensive;*

- (ii) drugs whose efficacy have only been preliminarily verified;*
 - (iii) drugs which have marginal benefits over available alternatives but are at significantly higher costs; and*
 - (iv) drugs for the satisfaction of life-style purpose; and*
- (b) the estimated annual number of public hospital patients who have to purchase drugs at their own expenses as a result of the introduction of the Formulary and the total amount of additional expenses to be incurred by them?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Chinese):
Madam President,

- (a) To cater for advances in technology, there is an existing mechanism within the HA for the introduction and withdrawal of drugs for use in public hospitals and clinics. Factors that are taken into account include scientific evidence, availability of alternatives, accumulation of clinical evidence, cost-effectiveness and price competition for drugs of similar efficacy.

The draft Standard Drug Formulary made public by the HA on 18 February contains a total of 1 273 different drugs. Of the drugs that are currently available to patients at the standard fees and charges, 32 of them are excluded from the draft Standard Drug Formulary. These drugs can be broken down into two categories, namely drugs with marginal benefits over existing alternatives but at a significantly higher cost, and lifestyle drugs, as shown in the tables below:

Drugs with marginal benefits over existing alternatives but at a significantly higher cost

<i>Drug Type</i>	<i>Drug Entity</i>	<i>Number of Alternatives Available within the Standard Drug Formulary</i>
Drugs for hypertension	- Cilazapril - Quinapril - Isradipine - Nitrendipine SR	31
Anti-platelet drugs	- Ticlopidine	3
Statins	- Pravastatin - Lovastatin	4
Respiratory drugs	- Cromoglycate - Procaterol	8
Fibrates	- Bezafibrate - Omega-3-marine triglycerides - Nicotinic Acid - Alpha tocopherol nicotinate	4
Antihistamine	- Acrivastine - Azatadine	13
Non-steroidal Anti-inflammatory drugs and Drugs for Osteoarthritis	- Glucosamine Sulphate - Diclofenac and Misoprostol - Ketoprofen SR - Proglumaetacin - Tenoxicam	12
Drugs for Soft tissue inflammation	- Hyaluronidase	1
Topical analgesic	- Diclofenac - Piroxicam - Rubesal	1

Life Style Drugs

<i>Drug Type</i>	<i>Drug Entity</i>
Hormonal replacement Therapy	- Tibolone - Raloxifene
Drugs for In-vitro-fertilization	- Chorionic Gonadotrophin - Follitropin Alfa - Follitropin Beta - Pergonal
Emollient bath	- Oilatum - Keri

- (b) Since effective alternative drugs are available in the Standard Drug Formulary, it is not possible to estimate the number of public hospital patients who would purchase drugs at their own expenses after the introduction of the Standard Drug Formulary, or the amount of additional expenditure that would be incurred by these patients. In addition, it is difficult to predict how patients would make their choices, for instance on lifestyle drugs which are mainly optional items.

Drug Subsidy

19. **MISS CHAN YUEN-HAN** (in Chinese): *Madam President, it has been reported that "Glivec" for the treatment of Gastrointestinal Stromal Tumour (GIST) and Chronic Myeloid Leukaemia (CML) has been classified by the Hospital Authority (HA) as first-line drug, and patients who have to take the drug and have financial difficulties will be referred to apply for drug subsidy from the Samaritan Fund. However, the HA has not yet released details of the subsidy scheme. In this connection, will the Government inform this Council whether it knows:*

- (a) *when the HA intends to release the details of the above scheme;*
- (b) *as "Glivec" is very expensive and the existing eligibility criteria of the Samaritan Fund are not reasonable to patients applying for drug subsidy from the Fund, whether the HA will revise the eligibility criteria of the Fund when drawing up the details of the scheme, so*

that more patients who have to take the drug can receive drug subsidy; and

- (c) *if the HA has switched from its previous policy of bearing most of the expenses for first-line drugs to arranging for the expenses of the existing and new first-line drugs to be subsidized by charity funds, and to conducting income and asset tests on the subsidy applicants?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Chinese):
Madam President,

- (a) The HA announced on 18 January 2005 that commencing from 20 January 2005, public hospitals would prescribe Imatinib (Glivec) for patients with GIST, and as first-line treatment for CML, in accordance with the patients' clinical indications. Glivec belongs to a small group of drugs that are proven to be of significant benefits but extremely expensive for the HA to provide as part of its subsidized service. Drugs within this group are new and usually only indicated in advanced stages of diseases and beyond currently available standard modalities of treatment. In order to ensure the rational use of finite public resources and to maximize the health benefits to the public as a whole, patients requiring this expensive drug and can afford to pay will have to shoulder the drug cost themselves under the targeted subsidy principle. Patients who have difficulties in meeting the expenses may apply for assistance under the Samaritan Fund, which is an existing scheme to provide public hospital patients with a safety net. Depending on the patients' individual financial situation, they may receive a partial subsidy or even full reimbursement for their expenses on these drugs.
- (b) Applications for assistance under the Samaritan Fund are assessed by Medical Social Workers, who will make a comprehensive assessment of the patients' eligibility for assistance. Factors of consideration include the patients' family income and the actual cost of the required medical item. The Medical Social Workers would also exercise discretion in determining eligibility, taking into account special social factors and the circumstances of the patients' family.

The existing assessment criteria for Samaritan Fund have been working well for patients requiring Glivec. Before 20 January 2005, patients requiring this drug as second line treatment for CML were already eligible to apply for assistance under the Samaritan Fund. Up to the end of 2004, a total of 56 public hospital patients who required Glivec as second line treatment for CML have received/have been receiving assistance under the Fund. An additional 19 patients received assistance from another charitable fund administered by the HA under the same assessment criteria. The overall level of financial assistance for these 75 patients is over 95%. In the HA's knowledge, only about 20 public hospital patients requiring Glivec as second line treatment for CML had shouldered the full cost of the drug themselves during the same time period.

- (c) In developing the drug utilization and payment policy, the HA has always been guided by the principle that public resources should be utilized for the maximum benefit for the public as a whole and that all patients should be given equitable access to effective drug therapy. Other core values upheld by the HA include evidence-based medical practice, rational use of public resources, targeted subsidy and opportunity cost considerations, and facilitation of patient's choice. The financial arrangement for Glivec is consistent with the above long-standing principles and values, and does not indicate a change in drug policy at the HA.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Two motions with no legislative effect. I have accepted the recommendations of the House Committee. Since Members are already very familiar with the time limits, I shall make no repetition here. I just wish to remind Members that I am obliged to direct any Member speaking in excess of the specified time to discontinue.

First motion: Taking forward the issues of concern to the elderly.

TAKING FORWARD THE ISSUES OF CONCERN TO THE ELDERLY

MR TAM YIU-CHUNG (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed.

The population of Hong Kong is ageing continuously, but this may not necessarily impose a burden on society, because the education levels and financial capacity of the new generation of elderly are both rising incessantly and they also engage in active participation in various social activities. As makers of public policies, both the Government and the Legislative Council should attach more importance to the views of the elderly and consider their needs, so as to build a society which sees the harmonious interaction of the young and the old.

The United Nations World Assembly on Ageing held in 2002 adopted a document entitled Political Declaration and Madrid International Plan of Action 2002, with the aim of committing governments in the world to create a sound environment in which the elderly can enjoy an active old age. Over the past three years, the welfare agencies in Hong Kong have been making vigorous efforts to identify and publicize the "issues of concern to the elderly" and deepen the implementation work required. This is a social engineering project with far-reaching implications. It will increase the various social sectors' understanding of the problems and needs of the elderly. It will also prompt the various sectors to think about the development of a long-term policy, thus making it possible to change the concept on old age and foster the further improvement of our social institutions.

The motion today seeks precisely to put before the Legislative Council the "six issues of most concern to the elderly". It also aims to urge the Government to fully consult the elderly and attach importance to their views during the policy-formulation process, so as to continuously upgrade the quality of life of the elderly and build a society with concern and care for the elderly. The "six issues of most concern to the elderly" were chosen directly in 2002 by some 5 000 elderly persons in Hong Kong who were asked to vote on the 14 issues set out in the Political Declaration and Madrid International Plan of Action. They can realistically reflect how the elderly in Hong Kong look at the gravity of the social problems they are facing.

Over the past two years, many elderly and social service organizations have been publicizing the "six issues of most concern to the elderly" and

deepening their implementation. In 2003, some 2 000 elderly persons expressed their views enthusiastically in the district forums of five major districts in Hong Kong, and their views were summarized and translated into concrete action proposals for the individual, social organizations and the Government. A joint conference on monitoring elderly policies comprising nine major elderly and social service organizations was also set up at the end of last year. These organizations are the Elderly Council of the Hong Kong Christian Service, the Salvation Army Carer Association, the St. James' Settlement Retired Persons Volunteer Association, the Mong Kok Kai Fong Association Limited Chan Hing Social Service Centre, the Salvation Army Elderly Mutual Help Society, the Hong Kong Association of Senior Citizens, the Tung Wah Group of Hospitals Fong Shiu Yee Elderly Neighbourhood Centre, the Pok Oi Hospital and the Hong Kong Council of Social Service. These organizations jointly launched a signature card campaign in support of taking forward the issues of concern to the elderly on the Elderly Day last year. Responses were enthusiastic.

I am also deeply concerned about the six issues of most concern selected by the elderly. First, in respect of long-term care, the continuum of community and residential care services should be reinforced, and support should be rendered to carers of the elderly. As far as long-term care is concerned, the main problems are great demand, long waiting time and the heavy workload of carers. Besides, the elderly also wish to have sufficient services, and they strongly hope that they will not become the burdens of their families. For all these reasons, this issue is ranked highest among all the issues of concern.

Therefore, the Government must make continuous efforts to reinforce the services in this respect. The number of various kinds of residential care places must be increased as soon as possible, and the quality of residential care institutions must also be upgraded. For instance, the Government has recently allocated funds for the implementation of a pilot scheme, under which tenders are invited for the provision of elderly convalescent services in a non-hospital environment. The sector is of the view that there is no need to spend a further three years on trying out the scheme, because Hong Kong already has more than 10 years of experience in this field. If existing care-and-attention homes and nursing homes with experience in convalescent services can be directly invited to set up convalescent units, the supply of convalescent places can be increased within a short time. The resources thus saved can then be used to expedite the restructuring of elderly homes or buy places from private institutions. This approach can better realize the policy objective of "reinforcing the continuum of community and residential care services".

In regard to community care services, the Integrated Home Care Services provided by District Elderly Community Centres are seriously overloaded, thus affecting the progress of handling applications for long-term care services. The greatest problems faced by Neighbourhood Elderly Centres in the process of restructuring are difficulties in finding carers and deficient counselling and organizational skills. Besides, these centres also do not have enough facilities and people with the required professional skills to support the frail elderly. Consequently, the Government still needs to make more efforts to foster the continuum of residential and community care services.

Second, in regard to medical services, the elderly are most concerned about the burden of medical expenses and the efficiency of medical services. At present, some 40% of the users of in-patient services are elderly people aged 65 or above, and in the case of accident and emergency services, the proportion is more than 50%. Many elderly people are worried that if the Government increases medical fees, including the fees for hospitalization, accident and emergency services and drugs, they may be rendered unable to cope. They are of the view that instead of increasing the fees, the Government should in fact reduce them. Besides, the Government should also streamline the application procedures for fee waiver and abolish the complex procedures of vetting patients' declared incomes. Elderly patients seeking frequent consultation should not be required to make repeated applications for fee waiver but should be granted waiver valid for one year or even a longer period.

Another worry of the elderly is that following the adoption of a Standard Drug Formulary by the Government, they will have to purchase their own drugs. They fear that apart from adding to their burden, this may also plunge them into many risks, such as buying the wrong drugs or being cheated by unscrupulous drug stores. Besides, the distribution of drug stores in Hong Kong is by no means even. In some remote places like Tin Shui Wai, there are very few drug stores, and even when one manages to locate a drug store, one may not find the drug required. As a result, elderly persons may fail to get timely medical treatment. The Government must therefore exercise caution and make good preparation before implementing this measure.

Third, in regard to disease prevention, the elderly hope that the Government can introduce health care schemes for them. Specifically, they hope that there can be a low-priced physical check-up for them once every two years. The existing service quotas of Elderly Health Centres must be increased;

the waiting time for membership should be shortened; and, the efforts of health assessment, counselling and education must be reinforced. In addition, the Government must strengthen the dental, ophthalmology and inoculation services for the elderly, foster elderly health protection activities and improve its work on primary health care, so as to reduce the incidence of critical diseases among the elderly.

In recent years, many different kinds of infectious diseases have posed a great threat to mankind. For the protection of the elderly, the relevant authorities must urgently improve the sanitary conditions in places with a high concentration of elderly persons such as homes for the elderly. However, on the control of infectious diseases, the guidelines issued by various government departments, such as the Department of Health, the Hospital Authority and the Occupational Health Division of the Labour Department are often contradictory, rendering residential care institutions at a loss in compliance. The Government must enhance interdepartmental co-ordination, so as to effectively improve environmental hygiene and the prevention of diseases.

Fourth, on mental health, the Government must promote activities which foster a sense of health and worthiness among the elderly, advocate lifelong learning among the elderly and facilitate the sharing of experience and resources among different organizations. In order to do so, the Government must provide the elderly with activity venues and abolish the age ceiling for applications to the Continuing Education Fund, so as to assist the elderly in enriching their mental life.

Furthermore, the Government must continuously strengthen the rehabilitation and outreaching services for the elderly through the close co-operation of different professions, so that elderly people with depression and suicidal tendency can be identified early and encouraged to seek assistance. That way, prompt advice and treatment can also be provided to prevent depression and suicides among elderly people.

Fifth, on retirement protection, it must be pointed out that there is a long-standing lack of a satisfactory retirement protection scheme in Hong Kong. In the past, only 2% of the population could enjoy retirement protection, and the Mandatory Provident Fund schemes now are unable to offer any protection to housewives and the present generation of elderly persons. In the case of most grass-roots elderly persons, their main sources of income are invariably their

own savings and government subsidies. For this reason, the Government must promptly explore the possibility of establishing a community-wide retirement protection scheme. In regard to those elderly people opting for returning to their hometowns to spend their twilight years, the Government should step up its co-operation with mainland cities and provinces on the provision of social services and assistance to them. That way, elderly persons living in the Mainland can be provided with medical and social services.

Sixth, on the prevention of elderly abuse, besides stepping up interdepartmental co-operation and the training of front-line personnel, expanding out-reaching services and strengthening community support networks, the Government must also review the existing ordinances and enact legislation to fill any identified vacuum, so as to enhance the protection of elderly victims. In addition, the Government must step up publicity and public education, widely disseminate information on the prevention of domestic violence and elderly abuse, assist people in forming the correct concept that violence is no solution to family problems and advocate the culture of respect for the elderly and filial piety.

Madam President, the issues of concern selected by the elderly reflect that their concern about elderly affairs is both multi-faceted and multi-angled. That is why the Government must not respond to these issues of concern solely from the perspective of social welfare provision. Over its past few years of operation, the Elderly Commission has come to notice that the relevant Policy Bureaux aside, the Housing Authority has been the only organization that shows a more positive concern. But elderly affairs involve many different policy areas. Retirement protection is connected with financial policies; continuing education is the responsibility of the Education and Manpower Bureau, and activities promoting a sense of worthiness among the elderly must require the co-operation and co-ordination of the Home Affairs Bureau. Therefore, we hope that in the future, the Policy Bureaux can participate more actively, render their co-operation and work hard to upgrade the quality life of the elderly.

Madam President, most elderly people are healthy, independent, positive, highly experienced and competent. They are both willing and capable of contributing to the well-being of society. Therefore, the Government must not unilaterally regard the elderly as a burden on social welfare services. Instead, it should attach importance to the needs and views of the elderly and perfect its various public policies, so as to build up a society with no age discrimination, one with concern and care for the elderly. With these remarks, I beg to move.

Mr TAM Yiu-chung moved the following motion: (Translation)

"That, in view of the ageing of the population in Hong Kong, this Council urges the Government, in response to the recommendations made by nine major elderly and social service organizations and elderly groups, to formulate a sustainable policy on care for the elderly and pursue vigorous measures to take forward the "six issues of most concern to the elderly", that are identified by the elders in various districts after discussion and from polling, which include:

- (a) Long-term care: reinforcing the continuum of community and residential care services, and rendering support to carers of the elderly;
- (b) Medical services: alleviating the burden of medical expenses on the elderly, and enhancing the efficiency of medical services;
- (c) Disease prevention: introducing health care schemes for the elderly, and improving environmental hygiene;
- (d) Mental health: promoting activities which foster a sense of health and worthiness among the elderly, and strengthening the rehabilitation and outreaching services for the elderly;
- (e) Retirement protection: studying the establishment of a community-wide retirement protection scheme, and providing support for the elderly who opt for returning to their hometowns in the Mainland to spend their twilight years; and
- (f) Prevention of elderly abuse: enacting legislation to protect the elderly, providing shelter support for the elderly, and advocating the culture of respect for the elderly and filial piety,

with a view to continuously improving the quality of life of the elderly and building a society with concern and care for the elderly."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr TAM Yiu-chung be passed.

PRESIDENT (in Cantonese): Dr YEUNG Sum and Mrs Sophie LEUNG will move amendments to this motion respectively. Their amendments have been printed on the Agenda. The motion and the two amendments will now be debated together in a joint debate.

I now call upon Dr YEUNG Sum to speak first, to be followed by Mrs Sophie LEUNG; but no amendments are to be moved at this stage.

DR YEUNG SUM (in Cantonese): Madam President, I rise to speak in support of Mr TAM Yiu-chung's motion. But I shall also move an amendment, with a view to fully reflecting the wishes of the elderly. According to the figures of the Census and Statistics Department, in 2004, 810 000 people in Hong Kong were aged 65 or above, representing 11.9% of the total population. But by 2013, the number will rise to about 980 000, and the proportion will thus soar to 13%. It is projected that the proportion will soar yet higher up to 19% by 2023. This means that by that time, one in four persons in Hong Kong will be an elderly person aged 65 or above. In view of the ever-expanding elderly population, we must adopt a provident approach and make preparations well beforehand, so as to answer the needs of society. Comprehensive Social Security Assistance (CSSA) and housing are the issues of most concern to the elderly, so we wish to discuss them in greater detail.

In regard to CSSA, we urge the Government to promptly review the relevant legislation, so that elderly persons living with their families may apply for CSSA independently to improve their life. According to the statistics of the Social Welfare Department (SWD), there are roughly 150 000 elderly CSSA recipients, and they represent as much as 50% of all CSSA cases in Hong Kong. Those CSSA recipients aged 60 or above represent about 20% of the total population of this age bracket, and the percentage is constantly on the rise. Actually, the elderly people who can have the support of CSSA are already very fortunate, because in Hong Kong, many other elderly people in need are unable to apply for CSSA, or, to be exact, they are simply not eligible under the existing policy. Some of these elderly people live with their families. They do not have any income and savings and must rely on the very meagre support given by their families. They live a very difficult life. Most of the time, they can only have two simple meals a day, with no money for anything else, not to mention "tea" in a teahouse. Many of these elderly people actually want to apply for CSSA, but since the family members they live with find it embarrassing or too

troublesome to go to the Social Welfare Department (SWD) to affirm their unwillingness to support their elderly parents, these elderly people are unable to get any CSSA and resolve their financial problems. Sometimes, their life is even more difficult than that of single elderly persons. We therefore propose that the Government should review the legislation on CSSA as soon as possible, so that a flexible and humane approach can be adopted to assist the elderly in need and to offer them the assistance that they should get from society.

Besides, accommodation and personal care have all along been a great concern among the elderly in Hong Kong. We believe that if the problem of accommodation can be solved, it will be relatively easy to tackle other problems. Therefore, we would like to put forward proposals on the following three areas, so as to improve the accommodation of elderly people: elderly homes, public housing and private housing.

To begin with, from time to time, we can hear news about the poor sanitary conditions and services of residential care homes for the elderly. However, so far, no mandatory rating system has been put in place to enable users to carry out monitoring and make their choices. We therefore request the Government to formulate a mandatory rating system. In October 1997, the SWD set up the Service Performance Section to implement a service monitoring system. Under this system, the SWD can carry out monitoring by conducting service performance assessment on the basis of the agreements drawn up between the SWD and service operators and a prescribed set of service standards. However, only subvented residential care homes for the elderly and those under the Enhanced Bought Place Scheme are monitored under this system. Private elderly residential care homes are excluded.

This arrangement has led to varying service standards among residential care homes for the elderly. Despite legislative control, there is a wide spectrum of service standards. In January 2005, as many as nine screw worm fly larvae were found inside the oral cavity of a 90-year-old man living in a nursing home in Tai Wai. The old man was hospitalized for five days and later died of pneumonia. The elderly therefore cannot help questioning the service quality of residential care homes for the elderly. In addition, due to the shortage of information, it is difficult for the elderly and their families to make any informed choices when selecting residential care homes. The SWD is now exploring an assessment mechanism whereby residential care homes for the elderly can be rated. However, this mechanism, as tentatively conceived, will be based on the

voluntary participation of residential care homes. It is hoped that residential care homes can seek to build up their own reputation spontaneously. Since the mechanism is not mandatory in nature, it will be difficult for the authorities to impose comprehensive monitoring. Therefore, the Democratic Party is of the view that apart from stepping up inspections, the authorities must put in place a mandatory rating system, so as to increase the operational transparency of residential care homes and ensure that the elderly can choose the homes suitable for themselves. The Democratic Party proposes that non-governmental organizations should be vested with the responsibility of rating, lest the Government's dual role of licensing and rating may affect the credibility of its ratings. Besides studying the documentary information provided by residential care homes and conducting on-site inspections, the rating organization may also consult service-users and their families, so as to ensure greater impartiality and objectivity of its ratings. The authorities must at the same time put in place an appeal and complaint mechanism to ensure the effective and fair operation of the rating mechanism. The appeal mechanism should mainly aim to enable operators to lodge appeals regarding the ratings of their residential care homes. That way, the Government can reassess the residential care homes concerned and decide whether to alter the original ratings.

Furthermore, we also propose to increase the construction of small public rental housing units and provide suitable community facilities for the elderly. Most elderly people would like to live with their families, and residential care homes seem to be their last choice. In April 2003, the Democratic Party surveyed some 400 elderly persons on their housing preferences. The findings show that most elderly persons want to remain in their own communities. If they cannot live with their families, they will then wish to live in a self-contained unit. Residential care homes are often their less, or even least, preferred choice. The Democratic Party urges the Government to improve his planning and construct more self-contained units for the elderly. We propose that in the construction of new public housing blocks, the Government should reserve the lowest one or two floors for the construction of small self-contained units for the elderly. Apart from this, when drawing up housing plans, the Government should also reserve room for the setting up of social welfare organization offices on the ground floors of buildings or shopping centres. The services to be provided by these social welfare organizations should include catering, cleaning, personal care and even recreational services for the elderly. The location of elderly service providers near the homes of the elderly can facilitate their participation in group and community activities in addition to providing them

with appropriate services. And, welfare organizations can also provide services to the elderly in a more focused and effective manner.

Finally, we would like to propose the Government to consider the promotion of "reverse mortgage", so as to assist elderly property owners in solving their livelihood difficulties. The Government should explore whether reverse mortgage can be introduced to solve their immediate difficulties, and whether the disposal of their properties can be deferred until after their passing away. The elderly problem in Hong Kong has become increasingly acute due to the ageing population and the declining birth rate. The Government should take the lead in dealing with this problem. It is hoped that the Government can help the elderly live a life with dignity. Thank you, Madam President.

MRS SOPHIE LEUNG (in Cantonese): Madam President, as the population of Hong Kong ages, the Government surely needs to formulate a sustainable policy on care for the elderly as soon as possible, so as to make early preparation for addressing the concerns of the elderly. The main policy directions outlined in the original motion, namely, reinforcing community and residential care services, alleviating the burden of medical expenses, introducing health care schemes, prevention of elderly abuse and advocating a culture of respect for the elderly and filial piety, are all supported by the Liberal Party.

It is often said that Hong Kong is an affluent society. But for various reasons, some elderly people are still unable to live a good life in their twilight years, or they may even be caught in an immense plight. The Liberal Party has all along maintained that to all those elderly people whose toils and sweats in the past contributed so much to the community, society is obligated to offer them assistance, so that they can all live a happy life in their twilight years. I think such a demand is only modest.

Madam President, the life expectancy of people nowadays is getting longer. The average life expectancy of men is 78.6 years, and that of women is even as long as 84.6 years. In the first 25 years of a person's life, he is not yet able to earn his own living. And, perhaps, for nearly 20 to 25 more years after his retirement at the age of 60, he may once again need the support of others. This means that as our population ages, the current total dependency ratio of 1 000:370 (denoting that one dependent person is supported by 2.7 individuals in the workforce) may rise over time to 1 000:598 in 2033, which is very close to the dangerous level cited by Commissioner for Census and Statistics Frederick HO.

Should we so lightly and over-generously offer all sorts of welfare benefits just because of some sweet talks that sound appealing only in the short run? My personal view is that a Legislative Council Member with any sense of responsibility who is supposed to give feasible advice to the Government should not act lightly at all. If we really want to consider the establishment of a community-wide retirement protection scheme, we must be frank with the present generation of young people, telling them clearly that they will have to bear a much heavier burden than the adults now. Admittedly, everybody wants to cater for the needs of the elderly, but we must still do some serious thinking and ask the elderly whether they would want our children to bear a heavier burden than us now. Madam President, I am not going to discuss and argue about the stories of any individuals, for such stories often tend to be sensational. But will such discussions bear any fruit at all? Any discussions on individual incidents will only drag us into endless arguments.

Madam President, we have managed to establish mandatory provident fund schemes only after long years of debates and overcoming immense difficulties. Are we going to tear every thing down, start all over again and begin another round of arguments about community-wide retirement protection? The answer to this question is also one of the reasons why I have proposed my amendment today.

I wish to emphasize that the Liberal Party is not indifferent to the welfare of the elderly. Quite the contrary, it has always maintained that we must identify those in the greatest need and then focus our resources on helping them, because it thinks that this is the only way to best utilize our finite resources.

We often notice that instead of applying for Comprehensive Social Security Assistance (CSSA), some elderly persons would rather earn their own living by working as scavengers and live on the several hundred dollars of Old Age Allowance every month. Why do they choose to do so? That is because they all want to live with dignity. These poor and helpless elderly persons may precisely be the very people we need to assist.

The Commission on Poverty chaired by the Financial Secretary has commenced operation. I think this Commission can provide an excellent platform on which Hong Kong can conduct comprehensive studies and planning on providing appropriate services and assistance to the poor elderly from the elevated perspective of an overall policy on aiding the poor.

Madam President, many people say that we must enable the elderly to live with dignity. I believe that the fostering of a sense of worthiness among the elderly is one of the effective means to enable them to live in this way. But a sense of worthiness implies much more than ensuring elderly people's mental health in retirement life. More importantly, elderly people must be enabled to live an independent and meaningful life and give full play to their abilities or even contribute to the well-being of society. In Hong Kong, the promotion of a sense of worthiness among the elderly has so far been limited to encouraging them to engage in voluntary work or simple social services, instead of enabling them to lead a really independent life.

The experience of foreign countries shows us that if there can be a proper access mechanism in society, whereby the elderly can give full play to their abilities in social activities, they will be able to make even more meaningful contribution. I myself once witnessed how large numbers of elderly people in Japan were mobilized during the FIFA World Cup to organize and assist in the admission of spectators. The job was not as simple as it seemed, but they still managed to do it very well. Most importantly, while having an opportunity to take part in the event, these elderly persons, with all their experience and wisdom, were also able to play a leadership role, displaying a high degree of creativity throughout. This is something that we should learn from.

The problem of population ageing in Japan is more acute than that in Hong Kong, which was why the Japanese Government started to actively formulate its elderly policy as early as a couple of decades ago. Actually, Hong Kong will sooner or later encounter the same problem, so I hope that the Government can pay proper attention to it as soon as possible. I also hope that the Elderly Commission chaired by Mr TAM Yiu-chung can seriously consider the establishment of a mechanism with easy access, whereby elderly persons can participate in social activities.

Nowadays, as an increasing number of elderly persons are well-educated and knowledgeable, it is more important than ever before that we must not ignore the possible contribution of their professional expertise. In the United States, there is a programme called Service Corps of Retired Executives (SCORE), which specializes in making arrangements for retired executives to provide advice and consultancy to small enterprises on a voluntary basis. Immensely popular since its inception, the programme is now supported by about 12 000 retired executives. Many enterprises that ran into difficulties have averted the fate of winding up owing to this service.

A fine tradition of the Chinese people is their emphasis on heritage. As the saying goes, an elderly person is often regarded as a gem in his or her family. The rich experience and immense wisdom of elderly people can serve as a beacon for young people. The proper exploitation of elderly people's abilities will help foster social progress and not only this, opportunities of continued participation in social activities may well be the start of another golden age in the life of an elderly person.

Dr YEUNG Sum's amendment contains a proposal on allowing the elderly who live with their families to apply independently for CSSA. There is no doubt that all elderly people in need, whether they live with their families, should receive the care of society. However, I believe that owing to resource constraints, society at large will agree that the elderly who live alone should be in greater need for assistance from society. Consequently, the Liberal Party does not quite agree to Dr YEUNG Sum's proposal.

As for the proposal on establishing a rating system for residential care homes for the elderly, the Liberal Party thinks that it should be supported. However, in regard to the proposal on relaxing the eligibility criteria for public rental housing of the elderly who live in their self-owned old properties and allowing them to put their properties under the trusteeship of non-governmental organizations, the Liberal Party must say that it has very serious doubts about the feasibility of the proposal. The reason is that this will run counter to the principle on the reasonable allocation of public resources. What is more, even if there are organizations willing to be entrusted with these low-valued old properties, how can we guarantee that they, as third parties, will not be influenced by any selfish motives? How can we guarantee that they will have the ability to maximize returns for these properties and safeguard the income of the elderly people concerned? How can we have the confidence to ask elderly people to trust the protection and services offered by such third parties?

Madam President, I so submit.

MR CHEUNG HOK-MING (in Cantonese): Madam President, as society advances and thrives, I believe that no one will object to the core value that the dignity of all must be upheld. But what is the case in reality? It has been reported that Baroness Warnock, an 82-year-old medical ethics expert who advocated a total ban on euthanasia 11 years ago, that is, 1993, has openly

changed her position. And, according to the report, "she has suggested that the frail and elderly should consider suicide to stop them becoming a financial burden on their families and society". Her opinion is certainly very extreme, but it does highlight a very significant concern: nowadays, many elderly people, including those who are well-educated, have begun to question whether they can live a life with dignity and worthiness. How should we tackle this problem?

Even in a prosperous society like Hong Kong, we can frequently see many elderly people scavenging or even begging in the streets despite their fatigue. Do Members think that they are living a life with dignity? And, also since so many elderly people and organizations on elderly rights have been openly criticizing the Government for failing to provide adequate financial assistance to the elderly, especially those marginal elderly not in receipt of Comprehensive Social Security Assistance (CSSA), I cannot help asking, "What has the SAR Government done for the elderly? What has the Government done for the elderly who worked so hard in their youth and contributed so much to the present success of Hong Kong?"

Madam President, the SAR Government frequently emphasizes its determination to ensure security for the more than 700 000 elderly people in Hong Kong. But this has so far remained just a dishonoured cheque. I think that in order to enable the elderly to live with dignity, attempts must first be made to improve their financial conditions. For this reason, I hope that the SAR Government can capitalize on the trend of gradual economic recovery in Hong Kong and grasp the opportunity brought about the substantial reduction of the fiscal deficit. I mean the Financial Secretary may as well be less tight-fisted in the Budget for the coming financial year and appropriately increase the CSSA rates for the elderly, which have been reduced twice over the past two years due to the economic doldrums and fiscal deficit, so that those elderly CSSA recipients having to scrimp and save can have an easier time.

Besides, I also hope that in the upcoming Budget, the Financial Secretary can show his concern for the elderly by promising publicly that he will not reduce the Old Age Allowance, commonly called the "fruit grant". It is also hoped that following the extension of the coverage of the Portable Comprehensive Social Security Assistance Scheme to Fujian Province as announced in the Chief Executive's policy address, the Financial Secretary can also consider the possibility of extending the Scheme's coverage to more provinces or even the whole country. In regard to extending the permitted period of absence to more than 180 days for recipients of the Old Age Allowance,

the DAB hopes that the SAR Government can consider a further extension to 360 days.

In addition, the SAR Government should review the existing arrangements for CSSA application, so that the elderly who live with their families who provide no financial support to them can apply independently for CSSA to meet their living expenses. The Government should also expedite completion of a full-scale review of the CSSA Scheme so as to ensure that CSSA rates can keep abreast of society's changing economic conditions and provide adequate livelihood protection to recipients.

Like other places in the world, Hong Kong also faces the problem of an ageing population over the long term. According to Census statistics, the proportion of elderly people aged 60 or above in the population of Hong Kong will increase from 15% in 2001 to 25% in 2025. This means that by 2025, there will be more than 2 million people aged 60 or above. If we want the elderly to live without any worries and spend their twilight years happily, a high-quality and comprehensive retirement protection scheme must be put in place to ensure that the elderly can have adequate means to meet their living expenses on clothing, food, accommodation, transportation and medical treatment.

Madam President, I hope that the Government can explore whether there are any protection schemes other than MPF schemes that can enable the elderly to spend their twilight years happily without any worries. The DAB is of the view that the provision of community-wide retirement protection through the implementation of an old age retirement scheme is a feasible proposal that can be studied. Under such a scheme, different areas and items of protection regarding clothing, food, accommodation, transportation and medical treatment can be designed and set out. That way, comprehensive protection can be provided to meet the specific needs of the elderly.

With these remarks, Madam President, I support Mr TAM Yiu-chung's motion.

MR FREDERICK FUNG (in Cantonese): Madam President, Chief Executive TUNG Chee-hwa has all along emphasized that he is concerned about the needs of the elderly. Immediately after his assumption of office in 1997, he put forward a three-pronged policy on the elderly in the policy address: giving them

a sense of security, a sense of belonging and a feeling of health and worthiness. By a sense of security, he meant the provision of retirement protection to the elderly in the future. The Government emphasizes that mandatory provident fund schemes will provide retirement protection to the entire workforce two to three decades later. But nothing has been mentioned about any retirement protection for the existing elderly, low-income earners and non-employed persons such as housewives. By a sense of belonging, he meant the provision of housing and residential care services to the elderly. By a feeling of health and worthiness, he meant the creation of more opportunities for the elderly to integrate into society. The policy addresses in the subsequent several years only restated these directions and put forward some relevant measures.

We can see that all these measures are well-intentioned, but we also notice that they lack thoroughness in terms of implementation and planning. The policies are "piecemeal" as ever, and we can see that they sometimes even run counter to one another, showing no regard for "community-based" and "one-stop" services, and thus making it impossible for the elderly to enjoy the services they deserve.

For example, with a view to meeting the demand of the elderly for Chinese medicine services, the authorities announced earlier the establishment of 18 Chinese medicine clinics before the end of 2005. But so far, only three Chinese medicine clinics have been set up, and they are not even located in areas with a high concentration of the elderly. Worse still, in the 41st paragraph of the policy address this year, the Chief Executive has even stated that the number of Chinese medicine clinics will be increased to no fewer than six only. This is three times less than the number originally planned. Is this not "a fine start but a poor finish"?

The reduction of assistance for the elderly is another example. In 2003-04, the Comprehensive Social Security Assistance (CSSA) rates and other welfare assistance for the elderly were reduced drastically by as much as 11.1% in two stages. But at the same time, the Chief Executive still stressed that the welfare benefits for the elderly would not be reduced, and that he wanted to build a just and caring society. This is precisely where the policy conflict lies. What the Government has been doing in times of economic sluggishness is just to target on the most vulnerable in society on the excuse of the fiscal deficit and sustaining the CSSA system. Has the Government ever considered the negative social impacts this will bring about? The livelihood of the elderly in particular

has been dealt a very heavy blow. Actually, it is precisely because the economy is in poor shape and the elderly are living a much more difficult life that the CSSA system should perform its intended function of relieving people's plight and as a stabilizing force in society.

I believe that in regard to the issues of concern to the elderly raised by Mr TAM Yiu-chung, most Members will basically raise no objection to the general direction, except for the reservations expressed by the Liberal Party about retirement protection. And, as a matter of fact, some of the measures proposed in the motion are already in force. But what worries us is not the wording of the motion. Rather, we are worried about a prevalent misconception in society and the ineffective co-ordination and implementation of policies.

What I mean by misconception is that very often, many people in society, or even the Government, may knowingly or unknowingly, classify the assistance provided to the elderly as a social burden. Such opinions will usually ascribe the fiscal deficit faced by the Government to a number of major expenditure items. Welfare spending in particular, or the assistance given to the elderly, the weak and the vulnerable is often described as "handouts". In some articles, CSSA expenditure is even expressed in terms of a certain percentage, say, 80%, of the tax money we pay. This attitude is certainly myopic. And, it even implies that the elderly offer no contribution to society, wrongly typecasting their role in society. The elderly are depicted as negative assets of the Government and society as a whole, people that will ultimately spoil our future economic development. As a matter of fact, the Government is precisely the one who has played the role of accomplice in fomenting the theory that the elderly are negative assets. If Members are not forgetful, they should remember that in 1999, when the Government wanted to slash CSSA across the board, it publicized various abuses of CSSA in a very high profile and sought to create a false impression that CSSA would nurture lazybones, with a view to mobilizing public opinions as a means of achieving its aim of slashing CSSA.

Members must not forget the past contribution of the elderly, or all their efforts that have made our present prosperity possible. Thanks to the nurturing of their wisdom and experience in life, we have been able to grow up healthily. Their contribution is evident. They are the backbone of society, playing a very significant role. We are obligated to enable them to live with dignity. This is a moral duty and a social value we must uphold. Under no circumstances should the Government be tempted by any temporary financial difficulties to shift

the burden of the fiscal deficit to them. Society must discard its erroneous typecasting of the elderly and promote inter-generational integration and mutual understanding and respect. As rightly pointed out in the Report of the Task Force on Population Policy, there is a need "to revisit and redefine the notion of retirement and old age."

On policy co-ordination and implementation, I wish to make two points. First, there must be co-ordination for all the poverty-alleviation policies and measures with the elderly as targets. The newly established Commission on Poverty can play a good role here. It should prevent conflicts among policies, formulate clear and feasible objectives and oversee their implementation to avoid the abortion of any measures.

Second, all programmes geared for the elderly must be "community-based" and follow the principle of "one-stop services". It must be ensured that the elderly can have smooth and obstacle-free access to the services provided. And, the old living environment of the elderly and their social networks must be respected. Families having to taking care of elderly persons must also be given suitable support. As for "one-stop services", they must be "user-oriented", aimed at providing various services to meet the needs of the elderly living in the same place or community.

With these remarks, Madam President, I support the original motion and Dr YEUNG Sum's amendment.

MR DANIEL LAM (in Cantonese): Madam President, as their birth rate declines and average life expectancy lengthens, the residents of Hong Kong are now among the longest living people in the world. The percentage of elderly people aged 60 or above in our population, as pointed out by Members earlier, will increase from 15% in 2001 to 25% in 2025, meaning that one in every four persons will be an elderly by then. Given the challenges and opportunities brought about by an ever ageing population, the Government and the social welfare sector must make early preparation and adjust our elderly policy and services, so as to build up a society which sees the integration of the young and the elderly.

Population ageing is a thorny problem faced by the whole world. The World Health Organization once advanced the idea of "active ageing", which

stresses that apart from enjoying sound health and appropriate social security, the elderly must also have sufficient opportunities to take part in social activities, so that they can live a rich and happy life in their twilight years. The Hong Kong Government set up the Elderly Commission in 1997 for the purposes of improving the life of the elderly and achieving the objective of giving them a sense of security, a sense of belonging and a feeling of health and worthiness. However, the elderly services of the Government have all along focused on looking after the health of the elderly and catering for their needs in living. Very little attention has been paid to their social participation and the provision of support to their families.

(THE PRESIDENT'S DEPUTY, MS MIRIAM LAU, took the Chair)

The emergence of the nucleus family, poor health and the long years of recession have plunged many elderly people into helplessness, so it is indeed necessary for the Government to provide them with financial, housing, medical and nursing care assistance. But care for the elderly should not be the sole responsibility of the Government or social workers. We need all the more the commitment and participation of the elderly themselves and their families. It is only in this way that we can upgrade the ability of the elderly to look after themselves and their families, thus preventing them from being regarded as "vulnerable members" requiring the support of society.

Madam Deputy, the elderly are people with abilities and also the significant cultural and historical assets of society. Their experience and knowledge should be treasured by all of us. In their long twilight years, they can still display their "sunset splendour", continuing to learn, to be worthy and contribute to the well-being of society. It is especially worth noting that as the "post-war babies" gradually approach middle age or even retirement, the education levels, financial capacity and social status of the elderly and also our demographic development will become vastly different. As a result, age should no longer be regarded as a marker of social stratification.

Madam Deputy, we must be visionary enough to transcend the traditional mind-set of simply respecting and caring for the elderly. We must aim at the integration of the young and the elderly and look at the latter as worthy members of society and assess what services they require. It must be noted that even if

all people in Hong Kong are to answer the Chief Secretary for Administration's appeal on "three children for one family", it will still be impossible to arrest the ageing of our population. Instead of continuously increasing resources for the provision of passive care, we should really take positive steps to induce the elderly to participate actively in social activities and upgrade the ability of the community to look after them.

Madam Deputy, I so submit.

MR RONNY TONG (in Cantonese): Madam Deputy, Bureau Directors and Honourable colleagues, I must first of all express my gratitude to Mr TAM Yiu-chung for moving a motion on this very urgent topic, so that we can conduct discussions. The elderly problem actually involves many areas, and we in the Article 45 Concern Group are concerned about all of them. However, owing to the time constraint, I shall select only some of the areas for discussions.

Firstly, Madam Deputy, many Honourable colleagues have talked about statistics. Currently, there are more than 1 million people in Hong Kong aged 60 or above, representing 15% of our total population. As projected in 2004 by the Hong Kong Policy Research Institute Limited, by the year 2033, the number of people aged 60 or above in Hong Kong may reach 2.84 million, or 34% of the total population, meaning that one in every three Hong Kong residents will be an elderly person. Population ageing is a fact. Of the existing 1 million elderly persons, more than 200 000 are CSSA recipients, and some 100 000 others are living solely on the "fruit grant". All this can show the gravity of the problem.

To properly address the needs imposed by the changes in our demographic structure, it is of course very important to formulate and upgrade the various social policies closely affecting the livelihood of the elderly, but more importantly, we must say that there is a pressing need for the Government to conduct comprehensive public consultation and discussions on a long-term policy, with a view to formulating some relevant measures to meet the challenges ahead.

In regard to the second area, we very much hope that the Government can pay special heed to medical services for the elderly. Under the existing charging system for public-sector medical services, waiver is granted only to those elderly people who are CSSA recipients. But none is granted to those elderly people who have not applied for CSSA or who are not eligible for

application. The accident and emergency service fee and the medicine fees to be imposed later will together exert a very heavy burden on the elderly. And, the number of elderly people seeking less consultation for financial reasons will surely increase. This will not only seriously affect the health of elderly people but also create other social problems, including increases in health care spending.

I very much agree with Mr Frederick FUNG that the strengthening of Chinese medicine services can effectively improve the current situation. Currently, Chinese medicine out-patient services are provided in three public hospitals only (the Kwong Wah Hospital in Yau Ma Tei, the Yan Chai Hospital in Tsuen Wan and the Nethersole Hospital in Tai Po). This, together with the fact that the daily quota in each clinic is very small (about 20), means that an elderly CSSA recipient wishing to seek Chinese medicine consultation must make sure he can be earlier than others, turning up at a clinic for a chip as early as 3 am or 4 am. This is indeed deplorable. Another point is that those poor elderly people not in receipt of CSSA are still required to pay \$120. This is not conducive to serving the elderly or the development of the Chinese medicine profession. If the Government can consider the idea of providing inexpensive or even free Chinese medicine services to all elderly persons, it will be able to offer an additional choice traditionally preferred by the elderly on the one hand and improve the development and employment situation of the Chinese medicine profession on the other. I hope that the Government can thoroughly consider this proposal.

The third area I wish to talk about is the age discrimination problem faced by the elderly. With medical advances and the lengthening life expectancy of mankind, the active period of people in the modern age is also extending. The working capacity of the elderly is thus ever increasing, and age is no longer a factor that reduces their desire to work. The lack of a comprehensive social security system, the failure of the MPF schemes to perform the desired function and the current economic sluggishness have led to an ever increasing number of elderly persons having to continue working as a means of supporting themselves. It is clearly beneficial, and only fair, for society to draw on the labour of the elderly.

Constitutionally, Articles 2 and 26 of the International Covenant on Civil and Political Rights provide that all persons are equal before the law and are entitled without any discrimination to the equal protection of the law. Article 7

of the International Covenant on Economic, Social and Cultural Rights also provides that everyone shall have the right to enjoy just and favourable conditions of work. From the findings of many surveys, we can notice that the elderly population in Hong Kong is increasing incessantly, but we can also note that there is a trend of marked decline in the labour force participation rate and wage levels of the elderly. Besides, the elderly are often more vulnerable to forced retirement and even dismissal. In other words, the older a person is, the more difficult it will be for him to find another job. And, even employees' retraining courses now also impose an age ceiling. Consequently, many elderly people, despite their capacity and desire to work, are rendered unable to exercise this basic right. Other Legislative Council Members belonging to the Article 45 Concern Group and I have recently been approached by an elderly undergraduate who complains that there is an age ceiling — 60, if my memory is correct — even for the training fund of the Government, thus making it impossible to finish his studies and work in society again.

In the report submitted in 2003 to the Committee on Economic, Social and Cultural Rights, the Home Affairs Bureau considered "education to be a sufficiently effective approach to the problem (age discrimination)." As a result, it claimed that it was not necessary to enact any legislation. We think that this viewpoint is detached from the reality. Publicity and education are of course very important to the alleviation of age discrimination. But what is the reason for thinking that these measures and the enactment of legislation are necessarily mutually exclusive? Why is it impossible for us to do both things concurrently? We cannot change the age-old mind-set and customs of society overnight, so in the meant time, when elderly workers are facing such an unfavourable situation, when they are facing an increasingly serious problem of age discrimination under the economic doldrums and the consequent shortage of jobs, society must work out some effective ways to avert the trend. Discrimination can never be entirely eliminated, but with the enactment of legislation, we can at least eliminate the unfair situation within a short time. I hope that the Government can give some special consideration to the prevention of age discrimination through the enactment of legislation.

Thank you, Madam Deputy.

MS LI FUNG-YING (in Cantonese): Madam Deputy, in this debate on the policy of care for the elderly, Mr TAM Yiu-chung puts forward six issues of

concern to the elderly, touching upon care and medical services, retirement protection, the prevention of elderly abuse and others. Given the continuous ageing of our population, these issues of concern can provide very useful reference to the Government in the formulation of social policies. However, it will not be easy at all to formulate any practical and feasible policies, especially a sustainable policy on care for the elderly as mentioned in the motion.

To address these six issues of concern, we must ultimately go back to the very core of resource allocation, and deal with such major social issues as medical care, the formulation of a population policy and a retirement protection system. The Hospital Authority announced last week its intention of classifying 73 drugs as non-standard drugs to be purchased by patients at their own expense. This will surely be a hot topic in social discussions, especially the discussions on medical services for the elderly, but in my speech today, I will instead focus on those elderly people who opt for returning to their hometowns in the Mainland to spend their twilight years, because a number of concrete relaxation measures are set out in the policy agenda. I hope that my opinions can help the Government better implement this policy.

The Chief Executive announced last month in the policy address that the eligibility criteria for CSSA and Social Security Allowance (SSA) applicable to elderly persons returning to live in the Mainland would be relaxed. With the relaxation, those elderly people who have received CSSA for no less than one year (instead of no less than three years as currently required) may choose to return to live in Guangdong Province or Fujian Province. As for the permitted period of absence from Hong Kong for Old Age Allowance (OAA) and Disability Allowance, it will be extended from the current 180 days to 240 days. We welcome this move of the Government. The relaxation will be of some help to those elderly CSSA and SSA recipients who choose to return to the Mainland after its implementation. But those who already chose to return to live in the Mainland before the implementation of the relaxation are extremely frustrated.

I have dealt with many such cases. In one case, an 80-year-old elderly person was originally eligible for a monthly OAA of \$750. Later on, he returned to live in the Mainland, and since he could not meet the requirement that the period of absence from Hong Kong must not be more than 180 days, his eligibility for OAA was revoked. When he heard that the permitted period of absence from Hong Kong would be extended to 240 days, he was very delighted,

for he thought that he would become eligible again. So, he hastened to re-apply for OAA from the Social Welfare Department (SWD). But he was told by the staff of the SWD that if he wanted to re-apply for OAA, he must first meet the requirement of one-year continuous residency in Hong Kong. In other words, he must not be absent from Hong Kong for more than 56 days in the year of application. The elderly person was thus caught in a dilemma. First, he could choose not to apply for OAA and continue to live in the Mainland (though by returning to live in Hong Kong from time to time, his period of absence from Hong Kong would not be more than 240 days). Second, he could first come back to live in Hong Kong for one year, giving up his familiar way of life in the Mainland. In the end, the elderly person chose to continue to live in the Mainland and give up his OAA. But he expressed strong dissatisfaction with the failure of the Government's avowed policy to offer him any genuine help.

In fact, many elderly people who have already returned to live in the Mainland are faced with the same problem. The Secretary must clarify whether the relaxation is just meant for new applicants, and whether it is also intended to benefit those aged 65 or above who were originally eligible for OAA. If the policy intent is just to benefit new eligible applicants, those elderly persons who have already returned to live in the Mainland must not be given any false hope. If the policy is also meant to benefit those elderly persons now living in the Mainland, consideration should be given to allowing them to re-apply for OAA without first having to return to Hong Kong for one year of continuous residency.

Madam Deputy, I naturally hope that the Government can consider the latter case and adjust its policy accordingly. I think such a demand is in line with the policy agenda of the Government this year and also directly related to the topic of "taking forward the issues of concern to the elderly" today. The matter is also rather urgent, so I hope that even if the Secretary cannot answer the expectations of all elderly people in Hong Kong today, he can still do so as soon as possible. Thank you.

DR JOSEPH LEE (in Cantonese): Madam Deputy, the motion topic today is about the formulation of a sustainable policy on care for the elderly. We can notice that since the establishment of the Elderly Commission, the Government has achieved some progress in its elderly policy and services.

However, having looked at the six issues of most concern to the elderly as listed in the original motion and amendments today, we can see that there seems to be a huge discrepancy between the keenest concerns of the elderly and the policies and measures that have been adopted by the Government and the Elderly Commission. According to media reports, elderly people may have to wait several months, or even several years, for their most-needed ophthalmic, otology and dental services. For example, an elderly person may have to wait several months or even one year for his turn to undergo a cataract operation. This will affect the elderly very greatly.

Besides, there are also other reports that the Government can only conduct comprehensive physical check-ups for some 40 000 elderly persons a year. But, how can we ever imagine that there are just 40 000 elderly people who need physical check-ups in Hong Kong? This shows that health care for the elderly should be an area of special concern to us.

Actually, my purpose of speaking is to examine how we can promote the health of the elderly on a sustainable basis. In my view, the Government may do the following: First, the Government may seek to improve primary health care services for the elderly and enhance all the community geriatric assessment teams. Currently, such teams are first formed in hospitals and despatched to residential care homes to conduct physical check-ups for the frail elderly or those who must receive long-term residential care. We think that this should be encouraged. But it is a pity that due to resource shortage, this type of service cannot be vigorously developed. We propose that the services of community geriatric assessment teams should be strengthened, so that they can conduct physical check-ups for all the frail elderly in the community and carry out studies on their chronic diseases and ageing process. That way, elderly people will be able to seek early medical treatment. Besides, residential care services for the elderly should also be strengthened, so as to reduce their rate of hospitalization. As pointed out earlier, the elderly actually use up more than 40% of our public-sector medical services. So, if we can make proper use of community geriatric assessment teams, we will be able to reduce the reliance of the elderly on the public-sector medical system. This will help relieve the pressure on social resources and improve the health of the elderly to a certain extent.

Second, we propose that alongside the promotion of family medicine, community geriatric health teams should also be set up. I have all along advocated that such teams should be composed of family doctors, nurses,

physiotherapists, pharmacists and dieticians. There is one merit about such teams. Ageing is actually a normal physiological process, having nothing to do with any diseases. The only problem is that many elderly people cannot adjust themselves to this normal process and often think that old age has caused many problems with their physical functions. After the setting up of community geriatric health services teams, medical professionals will be able to instill among the elderly a proper understanding that ageing and the degeneration of certain physical functions are just normal. Most importantly, the elderly can be made to realize that despite the degeneration of their physical functions, they can still live healthily without depending on any medical treatment. That way, the elderly can form a proper understanding and will not hasten to seek treatment from hospitals and clinics just because of some minor problems. This will do good to the elderly and the health care system of Hong Kong. Furthermore, community geriatric health teams may also perform the very significant function of teaching the elderly how to assess their own health. Or, their families may even be trained on how to look after them. All this will help promote the health of the elderly and do good to the community. The elderly will then realize that instead of being something that will turn them into a burden of society, ageing is just a normal phenomenon. In this way, the demand for medical services can be reduced.

Third, I wish to talk about the mental health of the elderly. It seems that young people nowadays are taking less care of the elderly than before; as a result, more and more elderly people living alone, or elderly persons in general, have come to rely on public medical services. If we can enable them to participate more frequently in community activities, we will be able to promote their mental health. Social activities will give them a sense of purpose in life, and in the long run, reduce their suicidal tendency and chances of contracting depression. In turn, the burden on our social resources can also be lessened. We must emphasize, and we firm believe, that if we can promote the mental health of the elderly more vigorously, it will always be possible to achieve success in our elderly policy and address the issues of concern to the elderly.

With these remarks, I support the original motion and the amendments. Thank you, Madam Deputy.

MR BERNARD CHAN: Madam Deputy, the issues of concern to the elderly are real and valid. With our population ageing, it is not surprising that the

elderly, and anyone thinking ahead to retire, are worried about such things as long-term care, health services and retirement protection. We should all be worried about these issues.

The percentage of elderly over 65 years old in Hong Kong will almost double to around 25% by 2030. Expectations of a comfortable retirement will continue to rise. Demand for health services and other care will become significantly higher. Yet, even today, our facilities for the elderly are stretched, and our system for health care funding is unsustainable.

Many Members of this Council will simply demand more government expenditure to tackle this growing problem. But we are talking about a long-term trend in which the number of taxpayers might go down, and the number of people wanting welfare and subsidies will rise. Whatever solutions we find, they cannot revolve around higher and higher levels of recurrent government expenditure.

There are sustainable ways to ensure that Hong Kong people can enjoy a comfortable and healthy retirement. We need to restructure our system of health care funding, so that those who can afford to pay more will do so. That will set free resources for the disadvantaged. We need to encourage people to save more for their retirement, and to start saving earlier in their working life.

Perhaps, we need to see how both the elderly and the taxpayers can benefit by making it easier for people to retire on the Mainland, where the cost of living is so much lower than that in Hong Kong. And maybe we need to look at the whole issue of demography and migration. We need to examine whether we will suffer a shortage of younger workers in the long term, and what we can do about it.

We need to explore new ideas and different alternatives. Insisting on more government spending is not going to help.

Thank you.

MR VINCENT FANG (in Cantonese): Madam Deputy, sometime ago, Chief Secretary for Administration Donald TSANG openly encouraged married couples in Hong Kong to have more children, preferably as many as three, explaining that this was necessary because of the low birth rate.

I am however more interested in another problem underlying Mr TSANG's appeal — the fast ageing population of Hong Kong. According to figures released by the Census and Statistics Department, those aged 65% or above now account for 12% of our total population, with the median age being 38. But by the year 2033, the percentage will rise to 27%, and the median age will even soar to 49.

Madam Deputy, these figures all testify to one fact — an ever-expanding elderly population. This in turn implies a constant necessity for the Government to spend more resources on elderly care in the future. If the Government fails to make early preparation and redeploy our resources to tackle this acute problem, the present problem of insufficient care and attention for the elderly will only worsen.

The situation will be especially serious for those who will reach old age in the next 20 years or so — those who are in their forties now. Many of these people were unfortunately battered by the Asian financial turmoil just when they started to achieve a certain degree of success in their career, and many of them have even been turned into owners of negative equity assets. It is certainly not my wish to see all these people failing forever to reverse their fortunes; what I am trying to say is that the Government should give early consideration to all these people, who have contributed so much to the economy of Hong Kong, so as to work out what kinds of assistance can be offered to them when they enter old age.

I am the Chairman of the Hospital Governing Committee of Kwai Chung Hospital. In November last year, the Hospital established in the district a psychogeriatrics out-patient service cum carers' assistance centre. The aim is to provide appropriate treatment to the elderly in need and offer them care, attention and assistance in life.

Why is a psychiatric hospital put in charge of these services? The first problem brought about by ageing is the degeneration of physical functions. This alone will require huge resources in terms of health care services. But what must not be ignored at the same time is the social change towards the nucleus family, which sees more and more young people forming their own families. Because of this change, many elderly people must now look after themselves, and not only this, for the first time in several decades, they must also adjust themselves to all those abrupt changes to their ways of life and living environments. That is why psychiatric diseases are growing increasingly

common among elderly people. If we are to prevent the burden of looking after elderly people from getting heavier, early planning and prevention are required.

Consequently, I would like to propose the Government to enhance the function of elderly health centres. This can be done by putting in place medicare schemes for the elderly. Dental care service should also be provided to the elderly at affordable costs, or they should be provided with free vaccinations for the effective prevention of diseases. Besides, the Government should also install some simple fitness facilities for the elderly in some parks, so as to encourage them to do more exercise. In this way, we can at least reduce the incidence of diseases among them.

As for those elderly people who are already suffering from diseases, I must say that although medical subsidies are available, the Administration should still take the further step of simplifying the application procedures for waiver. There must be more transparency in the vetting process, and the coverage of the safety net must also be reviewed, so as to make sure that no low-income or poor elderly people are forced to avoid medical treatment.

The Liberal Party and I agree that the elderly should be provided with convalescent services in a non-hospital environment. The reason is that besides being able to reduce costs and the waiting time for convalescent beds, this can also, without affecting the quality of care services, provide the elderly with a home-like convalescent environment close to their respective communities. That way, elderly people will find it easier to adapt to changes.

The elderly all contributed to society in different degrees. We thus hope that the Hong Kong Government can vigorously uphold the spirit of respecting and caring for the elderly, so that they will not be denied medical care and can enjoy support and respect.

I so submit. Thank you, Madam Deputy.

MR FRED LI (in Cantonese): Madam Deputy, the Democratic Party wishes to express its support for the seven issues of concern listed in the amendment. It also hopes that at a time when the economy is picking up, the Government can show greater appreciation of the predicament faced by hundreds and thousands of poor elderly people.

To begin with, the Government should restore the Comprehensive Social Security Assistance (CSSA) rates for the elderly and the disabled to the levels before their reduction last year. The year before last, the Government spent almost \$100 million on holding the Harbour Fest, and despite criticisms that the whole event was a complete waste of public money, it still insisted that the event was value for money. But last year, despite an economic up-turn and the re-emergence of inflation, it went stubbornly ahead with the reduction of CSSA rates for the elderly and the disabled, just in order to save a mere sum of \$500 million per annum. It was really an unkind and immoral decision. Is it true that the Government was trying to, as the colloquialism goes, "snatch food from a beggar"? A couple of days ago, an accounting firm projected that in the current financial year, Hong Kong would record a ledger surplus of \$15 billion to \$20 billion. Even if the surplus turns out to be just half of this sum in the end, the Government will still have at least a surplus of more than \$5 billion. And, the land auction proceeds yesterday are also record-breaking. Initially, the Government projected an income of just \$4.56 billion from land sales, but it is now estimated that the actual revenue will be as much as \$20.4 billion. Is it possible for the Government to draw a tiny portion of the surplus to make up for the \$500 million slashed from the CSSA for the elderly and the disabled? Even if the Government says no, I still hope that it can describe concretely to me the degree of economic recovery and the level of Treasury revenue that will induce it to consider the request of the elderly and the disabled.

CSSA aside, I also wish to put forward the proposal of "reverse mortgage" as a long-term means to support the living expenses of the elderly — Dr YEUNG Sum has already mentioned this briefly, and I shall talk about it in greater detail. Specifically, I think we should consider a relaxation of public rental housing eligibility for elderly owner-occupiers of old buildings. That way, they will be able to enjoy a peaceful life in their twilight years, as they can put their properties under the trusteeship of non-governmental organizations and use the rental income to pay for their living expenses.

Put simply, reverse mortgage is a financial product or arrangement designed specially for retired elderly persons. The idea is to turn the property owned by an elderly person into a specified amount of disposable cash. This is not something new, because it has long since been adopted in the United States, European Union countries and even Singapore. The borrower will mortgage the net asset value of his property to either a bank or an insurance company, and after that, he can receive a certain sum of money monthly to pay for his living

expenses until the mortgaged value of his property is reached. In general, due to the involvement of insurance companies, the life expectancy of the borrower in a reverse mortgage can always be accurately projected. As a result, in most cases, the borrower can continue to live in the property after the mortgage tenure and until his death.

Given the elderly problem and home ownership ratio in Hong Kong now, there should be plenty of room for the development of reverse mortgage. Population ageing has become a problem that Hong Kong must urgently tackle. It is simply unrealistic for the Government to encourage people to have more children and then assume that their children will necessarily support them in their old age. According to the findings of a government population survey, the tradition of sons and daughters supporting their parents in their old age has largely faded. Totally 1.7 million people aged 15 or above were surveyed in 2003 on the support they had rendered to their parents in the preceding year. According to the findings, only 30% of the respondents claimed that they had done so, and in money terms, the median spending was just about \$25,000 to \$30,000. This means that retired parents in Hong Kong can no longer count solely on their children. We must therefore plan for our own future. On the other hand, figures on the home ownership of retired persons indicate that quite a substantial portion of retired persons in Hong Kong are owners of self-occupied properties, so there is room for developing reverse mortgage business. According to statistics, 24% of the retired persons in Hong Kong are owners of self-occupied properties, and 37% of those about to retire are also home-owners. All this indicates that many elderly persons own properties. One last point is that elderly poverty has been a very serious problem in Hong Kong, and the suicidal rate of the elderly is the highest among all age groups. This is probably closely related to their financial conditions. Currently, roughly 10 000 elderly people in Hong Kong are living in old tenement buildings. Although these elderly people are property owners, their financial conditions are not necessarily very good. Quite the contrary, many of them are financially very tight; in some cases, their homes are even dilapidated, in sad need of repairs. That is why these elderly people are in dire need of reverse mortgage.

We can thus notice two possible roles that the Government can play. First, at a time when the business sector still holds reservations about reverse mortgage, the Government can co-operate with the Hong Kong Mortgage Corporation Limited or other non-governmental organizations and consider relaxing the eligibility criteria for public rental housing, so that elderly persons

aged 65 or above who own properties may also apply for public housing units. And, after that, they should put their properties under the trusteeship of non-governmental organizations for either sale or letting. In this way, they can use the rental income to pay for their living expenses. It is believed that this arrangement can lessen the burden of the elderly. Besides, the Government should also make extensive efforts to publicize the advantages of reverse mortgage, so as to educate members of the public, especially the elderly, on the arrangements and special problems relating to reverse mortgage.

In the United States, reverse mortgage was introduced as early as some 40 years ago. And, Singapore also started to provide reverse mortgage in 1997. In Shanghai, relevant studies are also underway. So, the SAR Government must not allow itself to lag behind others, and it should really launch a feasibility study. I agree entirely that we cannot rely solely on CSSA as a means of solving the elderly problem in the future. We must study this problem from many different angles. I so submit.

MISS CHAN YUEN-HAN (in Cantonese): Madam Deputy, I think this legislature should rightly be concerned about the motion put forward by Mr TAM Yiu-chung today on the issues of concern to the elderly. Unfortunately, the many initiatives launched by the Government have very often seen very slow progress.

Mr TAM has chosen the issues of greatest concern to all the elderly in Hong Kong as the main motion topic. But in my discussion, I shall focus on just one of the six issues — the issue of community-wide retirement protection. The Hong Kong Federation of Trade Unions (FTU) has been discussing this issue for many years, and even after the implementation of MPF schemes, we have still been championing such protection. Unfortunately, however, the Government has never made any special efforts to address the problem of population ageing.

Madam Deputy, population ageing will be a major challenge to Hong Kong in the years ahead. Recently, even Donald has talked about this problem, urging the people of Hong Kong to have more children. But is this a feasible solution? I for one do not think so, because with the changing mentality of Hong Kong people, the tradition of children supporting their old parents has largely vanished. I am not saying that young people no longer have any respect for filial piety. What I mean is that they themselves are unable to support their

own families and may have to apply for CSSA. And, even the lucky ones who may manage to get a job can only earn a very low income. As a result, how can people still count on their children as a means of support in their old age? I certainly do not oppose the idea of urging people to have more children, for this may create a happier atmosphere in society. But I do doubt its effectiveness as the key means of protecting the elderly.

As for the proportion of those aged 65 or above in the total population of Hong Kong, we can look at some government statistics. In 2003, it was 11.7%, that is, 800 000. In 2013, it will be 13%, that is, more than 1 million. And, by 2033, it will soar to more than one quarter of the total population, that is, 27%. In other words, by that time, there will be some 2.2 million elderly persons in Hong Kong.

These figures or projections were worked out long before the present time. As an organization concerned about retirement protection for the elderly, the FTU has held many discussions with the Government over the past few years. We have been telling the Government that it can no longer sit on it, for all these problems in society are turning increasingly urgent. Population ageing will have a bearing on the future administration by the SAR Government. In particular, I am extremely concerned about all those health care problems that we have noticed (We once asked a question on this in the Legislative Council). Whenever the Government says that it wants to introduce medical service fees, I will immediately think of the elderly. How are those elderly persons who are non-CSSA recipients going to cope? Population ageing will have a bearing on many different policy areas such as health care, social welfare and manpower resources. Actually, about half of the Government's \$30 billion annual welfare expenditure is spent on elderly services and protecting the livelihood of the elderly. This amount will rise in the future. Therefore, I do not think that the Government can solve the problem simply by encouraging people to have more children. I am not saying that young people do not want to support their parents, but as a matter of fact, they simply do not have the means to do so despite their wish. That is why I have just said that while it is certainly nice to see a happier atmosphere, to see more young people engaged in employment, I just do not think that this can be a practicable solution to the elderly problem.

Another point I wish to raise is that the economic restructuring of Hong Kong over the past few years has led to a decreasing number of jobs in society. The latest unemployment rate announced by the Government is 6.4%. There is

no doubt a slight decline. But we must not forget one thing. The past few months should have seen the peak of employment. And, there is also the boosting effects of such factors as the Individual Visit Scheme, so in theory, the unemployment rate should not have declined by just a mere 0.1%. I do not think that the situation is satisfactory at all. The reduction of job opportunities can also be reflected by declining wages in the market. Honestly, I reckon that if the Government still fails to make any major moves, job opportunities for the grass-roots people may well continue to shrink, thus widening the wealth gap in Hong Kong.

By raising this problem, I wish to point out that under such a situation, as I have pointed out, young people simply do not have any means to support their parents despite their wish to do so. And, when I look at people of our age and generation, people who earn a very meagre income and can only lead a hand-to-mouth existence, I also wonder how they can make any preparation for their old age. I therefore think that the Government must also consider this factor.

Besides, I also wish to talk about something else (though I basically do not think that we should allow the continuation of anything inhuman from the past). What I want to talk about is that in the past, elderly people could work as casuals, as caretakers, for example, or they could do some menial work to earn a living. But they are no longer able to get these jobs nowadays, because they have all been taken up by middle-aged people. If the Government really wishes to enable the elderly to spend their twilight years with dignity, it must include all these factors in its consideration.

Madam Deputy, I must make it a point to say that even the MPF schemes supervised by the Mandatory Provident Fund Schemes Authority are just able to provide protection to 84% of the salaried classes, and even these employees cannot possibly rely solely on the very meagre protection under the MPF schemes as a means of livelihood in their old age. The experience of other countries tells us that many similar schemes must be added before retirees can enjoy security in their old age.

I also wish to ask, "How are people who have already retired, or housewives, going to cope? What will happen to them when they grow old?" The Government must consider all these questions. The Secretary General and the Deputy President, I am sure, must have heard me talk about this for a very

long time. I have in fact been talking about this since 1995, only that the Government has all the time ignored me.

I think that the existing system is plagued with many problems. It can neither give us any security after retirement nor solve our problem of ageing population. I therefore hope that the Government, especially Secretary Dr York CHOW, can give some thoughts to my points (Dr York CHOW is a very nice government official, and even now, he is still commended by many people. The other day, when a radio programme came to the selection of the Chief Executive, a listener even phoned-in, saying that he was a very suitable candidate. This is not relevant to our present discussions, though). I once told Dr YEOH Eng-kiong of my views. He concurred but replied that he could not do anything. I hope that Secretary Dr York CHOW can take some actions in the coming two years or so. He should at least put forward a proposal on community-wide retirement protection. The OPS proposed by Chris PATTEN in 1993 and the existing MPF schemes, taken together, will become the integrated retirement protection scheme advocated by the FTU. Since the 1980s, we in the FTU have been discussing this issue, making various proposals, and in the 1990s, we advanced the integrated retirement protection scheme, which can solve and remedy all the problems mentioned by me just now.

Madam Deputy, I am very pleased to learn from a recent survey that the number of elderly people enjoying a happy old age has increased. There has been an increase of more than 10% when compared with the corresponding figure in 2001. When I learnt this from the newscast on television, I was very delighted. What I mean is that when old people are happy, I will also be happy. I can now feel more warmth in society. But when problems start to emerge one by one in the future, will there still be such a large number of happy elderly persons? I think that all those working in this legislature, including government officials, do hope that more elderly persons can spend their twilight years happily.

With these remarks, Madam Deputy, I support the original motion. Thank you.

MR WONG KWOK-HING (in Cantonese): Madam Deputy, two days ago, Chief Secretary for Administration Donald TSANG spoke in a radio programme,

calling upon the people of Hong Kong to have more children, preferably three for each family. In making the appeal, Mr Donald TSANG hoped that by having more children, people could help solve Hong Kong's problem of population ageing. Currently, the population of Hong Kong is ageing continuously, so the provision of care and security to the elderly has become a problem that the SAR Government must tackle immediately. However, the SAR Government has so far failed to formulate any sustainable policy on care for the elderly; as a result, the elderly are not given sufficient care and attention. Our children will have to bear the consequences resulting from the Government's failure to adopt a provident approach to tackle the problem of ageing population.

At present, the elderly living in Hong Kong are facing many problems. One example is the dilemma faced by those recipients of "fruit grant" who wish to return to their hometowns in the Mainland to spend their twilight years. In the policy address announced last month, the Chief Executive stated that the permitted period of absence from Hong Kong for "fruit grant" recipients would be extended from 180 days to 240 days, and that those elderly people returning to live in Guangdong Province would also be eligible. Admittedly, this is a very good start. But is a period of just 240 days long enough? Should the Government not consider the fact that many elderly people do not have any income except the "fruit grant" of just several hundred dollars? Should the Government not also ask itself whether the "fruit grant" of just several hundred dollars can enable the elderly to live a comfortable life in Hong Kong, given its high cost of living? If the elderly can return to live in their hometowns, they will be able to live a more comfortable life due to the lower living costs there, and they will also be able to reunite with their families and friends and receive their care. Why is the Government so reluctant to help the elderly fulfil their wish? Why is it impossible to extend the period to 364 days? Can the Government tell us how much money is needed to extend the period to 364 days? But we will see an entirely different situation if we look at the payment of pensions to retired civil servants. In this case, whether a retired civil servant claims his pension payment in Hong Kong or overseas, the Government will only require him to sign a document every year to prove that he is still alive, and after this, the retired civil servant will be able to receive his pension payments, which, incidentally, are much larger than the "fruit grant". Since the Government can accept such a simple method of proving that the pensioner is still alive, why is it impossible for it adopt the same criterion, the same method, for elderly "fruit grant" recipients, so that they need only to return to Hong Kong once a year to

prove that they are still alive? This method is very convenient to the elderly and can reduce their plight of travelling. Besides, they will thus be able to live a more comfortable life in their hometowns or the places where they were brought up. I think any government with a sense of responsibility should always seek to make sure that the elderly can live a happy life in their twilight years.

In addition, I wish to point out that the Government has so far failed to do enough to look after elderly persons with disabilities, poor cognition and deteriorating health. In Hong Kong, many elderly people are in dire need of places in the homes for the aged, care and attention homes and nursing homes offered by the Social Welfare Department (SWD), because their health is deteriorating and their families lack either the means or knowledge to look after them. According to the statistics displayed on the website of the SWD on 31 January 2005, the waiting time for a place in homes for the aged is 26 months. In the case of subvented places and subsidized places in care and attention homes, the waiting periods are 30 months and 11 months respectively. As for nursing home places, the waiting time is even longer, as long as 38 months. Some elderly people with critical diseases who need basic medical treatment and personal care often have to wait more than three years before being admitted to the nursing homes of the SWD.

I am a frequent visitor to elderly centres, and many elderly people have complained to me that even when they die, they may not be admitted to a nursing home. My father was a good example. He suffered from senile dementia, and he filed an application. He waited for a long time, but even when he passed away, no place was allotted to him. Three years is a very long time to the ailing elderly. At the beginning, they may have no health problems, but as they wait for their turns, problems start to emerge, and even when they are "summoned by God", they may still fail to get a place. Should the Government not really increase the number of places to reduce the waiting time, so that elderly persons suffering from diseases can all live a peaceful life in their sunset years, or live with dignity under the care of professionals?

Madam Deputy, lastly, I wish to reiterate that the elderly problem is a problem that must be tackled immediately. Before it worsens, the Government must formulate a long-term plan and policy to address the problem of ageing population to be faced by Hong Kong in the future. With these remarks, I support Mr TAM Yiu-chung's motion.

MR LEE CHEUK-YAN (in Cantonese): Madam Deputy, the six issues raised by Mr TAM Yiu-chung today are in fact the concerns raised by a number of groups for the elderly when we attended a meeting of the Hong Kong Council of Social Service together.

That these groups for the elderly took such pains to raise these issues reflects a very serious problem, that is, they believe that the state of affairs in these six areas has left much to be desired. The so-called three goals on the elderly set by the Government and Mr TUNG — to give the elderly a sense of security, a sense of belonging, good health and a feeling of personal worth — are still being criticized by the elderly as the three goals on the elderly that came to naught. In the end, this pledge did not really serve any actual purpose at all. Although the Government did offer to do some piecemeal work, it has still failed to address the fundamental issue of enabling the elderly to live in peace in their twilight years.

To the elderly, particularly those who have laboured throughout their lives for the prosperity of Hong Kong, I often feel that Hong Kong and all of us here have not done them justice and we should all feel ashamed and indebted. Why? This is because nowadays, retirement protection is available at a lot of places throughout the world, however, we still have not put in place any retirement protection up to this date. The Secretary may think: Has the Mandatory Provident Fund (MPF) not already been put in place? The MPF is retirement protection.

However, first, for the MPF to effect retirement protection, it may take another three or four decades and its effect will be limited only to people with high incomes and those who did not receive any severance payment. Up to now, I am still extremely dissatisfied with one thing and I have already mentioned it many times. I hope that Secretary Dr York CHOW can provide some assistance in this matter, and it is none other than the arrangement that the MPF can be offset by severance payments. If a worker gets laid off in every jobs that he takes and receives the employers' contributions to the MPF, the MPF will become a severance payment fund. When he retires, he can only receive the contribution made by himself as an employee. People on low income will fare even worse because the employee's contribution will be meagre. We have always criticized the MPF as of little use to people on low income. The Hong Kong Confederation of Trade Unions (CTU) clearly opposed this MPF System in 1995 precisely because it felt that the MPF System could not truly solve the problem relating to retirement protection.

Another thing that has disappointed me deeply is that Mr TAM Yiu-chung's reference to "studying the establishment of a community-wide retirement protection scheme" in respect of retirement protection is deleted by Mrs Sophie LEUNG. Does the Liberal Party feel very satisfied and consider the existing retirement protection for the elderly adequate? Is it that there is no need to conduct any study? In fact, this is far removed from the reality. In reality, many elderly people do not enjoy any retirement protection whatsoever. Some of them are receiving Comprehensive Social Security Assistance (CSSA) payments and those who are not are living frugally on their own savings and those living on Old Age Allowance lead an even harder life. In this regard, the provision of genuine community-wide retirement protection has been debated numerous times over the past seven years and the proposal on establishing another pillar in addition to the MPF — a pillar that provides community-wide retirement protection, has been raised time and again.

In fact, the CTU has always proposed that since it will be difficult to require salaried workers to contribute more than 5%, so if the MPF contribution can be divided into two halves and half of the MPF contribution, that is, 2.5%, can be set aside as retirement protection, such that the elderly can receive retirement pensions right away, then they will be able to live in genuine dignity. We believe that this is feasible. Retirement protection systems with tripartite contributions, that is, from employees, employers and the Government are proven throughout the world. I very much hope that the Secretary can move in this direction actively. This is like the so-called early stages of cancer which the Secretary mentioned when he talked about health care issues today. Similarly, this problem of protection for the elderly is also like cancer to some elderly people, even if it is not terminal, because their lives are really difficult. To society as a whole, no matter if this issue is regarded as a bomb or cancer, by 2033, when the elderly will account for 25% of the population, the situation will have turned into cancer. If nothing is done in advance, this issue will really become cancer in future.

Secondly, I wish to stress in particular that the Government used to have a system that could take care of the livelihood of the elderly, that is, elderly people who live with their family members can apply for CSSA independently. That was really helpful to elderly people who lived with their family members. Of course, some people will say that caring for these elderly people is the duty of their family members. However, the present situation is such that although family members do have the duty to care for their elderly people, they lack the ability to do so. If they cannot care for their elderly family members and the

Government does not offer assistance, in the end, this will lead to discord in the family and these elderly people will truly be neglected. Ultimately, it is the elderly who will suffer. I hope that the Government can reconsider this issue and restore the former system which permitted the elderly to apply for CSSA independently.

Finally, I wish to comment on health care, which is within the ambit of Secretary Dr York CHOW. Many elderly people told us that they are very concerned about the issue of an increase in fees and charges, as mentioned just now. To some elderly people, in particular those in poor health who have to seek treatment in hospital frequently, even if a safety net is established, elderly people in marginal situations will still have a very difficult time. Therefore, I hope the Government can really respect the elderly and reduce all medical fees and charges payable by the elderly by half, so as to help the elderly in Hong Kong with a clear gesture.

In addition, one final point is that some elderly people have raised the issue of dental care with me, on which I hope the Secretary can respond. If elderly people wish to make use of dental care services, what can they do? Where are dental care services provided? Are there any free dental care services or dental care services charging low fees? In fact, the afflictions of dental problems constitute a major problem which the elderly have relayed to us.

I hope the Secretary will respond to the aforementioned points. Thank you, Madam Deputy.

DR KWOK KA-KI (in Cantonese): Madam Deputy, first, I wish to thank Mr TAM Yiu-chung for proposing this motion. Earlier, Miss CHAN Yuen-han, who is not in her seat now, said that one survey had made her very happy because it showed that the elderly felt very happy. However, after taking a further look at the survey, I believe everyone should have second thoughts. The survey was conducted by the Christian Family Service Centre in December last year and it shows that among elderly people who live in homes for the elderly, 83% felt happy, whereas among those who live at home, only 70% felt happy. It turns out that elderly people living in homes for the aged are happier than those living at home. We all know that our Government, and Mr TUNG for that matter, often talk about helping the elderly "to enjoy a sense of security, a sense of belonging" and encourage elderly people to live with their family

members. However, after looking at the findings of this survey, we should all have reservations as the findings of the survey argue against this goal.

Today's motion is proposed by Mr TAM Yiu-chung, who has been the Chairman of the Elderly Commission for many years. Although the Elderly Commission has been established in Hong Kong for so many years, we can see that no long-term solution to the problem of the elderly in Hong Kong as a whole has been found. Before discussing the relevant areas of this subject *seriatim*, I wish to first examine how the elderly problem in Hong Kong should be dealt with from a macro perspective.

Earlier, many Honourable colleagues have pointed out the problems facing the policy on the elderly mentioned by Chief Secretary Donald TSANG. I believe that this is only the tip of the iceberg. We all know that more than two decades from now, in 2033, the elderly will account for more than 27% of the population. Even now, although the elderly accounts for only 12% of the population, the burden they pose on health care is already very heavy. By 2033, that is, more than two decades from now, all of us can expect the burden of health care expenditure or other expenses to be even more onerous.

Besides, the Secretary has always been concerned about the problems relating to the Comprehensive Social Security Assistance (CSSA) Scheme and Hong Kong people also agree with him on this count. At present, many elderly people receiving CSSA payments are receiving CSSA payments for the elderly. They have managed to stay afloat only because they can rely on CSSA. In the final analysis, this is attributable to the lack of any long-term and comprehensive retirement protection in Hong Kong.

After discussing this problem for so many years, in the past, we thought that the Mandatory Provident Fund (MPF) schemes would help solve this problem. However, after the MPF schemes had been implemented for a period of time, we have all come to realize that this myth is eventually broken. I believe that in the future, when members of the public receive their paltry MPF payments, the money will probably be insufficient for buying medicines or for the fees of staying in private homes for the elderly for a year or two. This type of retirement protection plan can by no means help the public, and what we are most worried about is not that it will not help the elderly but that it will not help the Government because if the Government cannot find any long-term solution to

the problem of providing community-wide retirement protection to the elderly, the pressure will ultimately bear on the Government. If the Government cannot make satisfactory arrangements on health care or welfare expenditure, then the pressure will skyrocket in future.

I hope that the Secretary can launch a study on and even put in place a community-wide retirement protection scheme for the elderly in his two-year tenure (or perhaps longer). The schemes implemented at present in Hong Kong are of no help to us and eventually, we will have to shoulder the problems and they will be passed on from one generation to another, such that our younger generation will have to shoulder them. With the birth rate falling, the problem will be exacerbated. I believe in the future, we will definitely see grave problems in the finances of the SAR Government.

I wish to return to the issue of helping the elderly to enjoy "a sense of security, a sense of belonging". In fact, many people, as the children of elderly people, often want to live with their family members. This is what the Government says, however, has support ever been provided to them? No. Is there any support in terms of taxation? Is there any support in housing? Is there any training on care provision? All the support and training are inadequate. Under these circumstances, how can we arrange for or expect the children of elderly people to take their elderly parents home and care for them at home?

Of the six issues raised by Mr TAM Yiu-chung, four of them are related to health care: long-term care, medical services, disease prevention and mental health. These four issues are all related to health care. We can all see that they are related to the health care system as a whole and, be it mental health care or disease prevention, they are precisely the heartfelt concerns of elderly people, yet it is precisely in these areas that the support of the Government is inadequate. The Secretary has been talking about them for a long time and so has the Hospital Authority (HA), saying that they want to do something about these four major areas, including classifying the old, the weak or people without the means as the categories receiving priority. However, they have never managed to do so in actual practice and there is no way that this can be done. Let me give an example. We have always mentioned the health care schemes for the elderly when talking about disease prevention, but I wonder if Members know anything about the elderly health centres. Concerning these centres, first, their number is utterly insufficient; second, the quotas are quite limited. We all know that

these places are really helpful to a lot of elderly people, however, many elderly people cannot gain admission even though they are in the queue. In many districts, basically there is no centre for the elderly. It is necessary for the Government to commit more resources to this area. Besides, on the grounds that fees and charges should be levied for health care services, I agree with the views of some Honourable colleagues that in future, when we determine the fees and charges for health care services, it is necessary to offer protection to the elderly. I agree that the arrangements for elderly people over 65 years old should be different from other members of the general public, perhaps by reducing the fees and charges by half or to a certain percentage to relieve their burden as well as allaying their concerns.

Finally, I wish to raise a matter of concept. With the population ageing all the time, is it not time the Government reconsidered the retirement age? Since the labourforce in society is dwindling, it is necessary for us to reconsider the issue of retirement age. Japan has started to do so, and I believe so should we.

The elderly problem is a serious problem and I believe the discussion will go on without end even if we devote a lot of time to it. However, to put it simply, I will support Mr TAM Yiu-chung's motion as well as Dr YEUNG Sum's amendment. I hope that after the debate, the Government will give some substantial responses so that the elderly problem in Hong Kong can be solved. Thank you, Madam Deputy.

MR LEUNG YIU-CHUNG (in Cantonese): Madam Deputy, earlier, a number of Members mentioned the survey conducted recently by a social service organization which shows that over 70% of the respondents felt they were leading a happy life. In fact, we must not merely look at the figures but have to take a look at the actual situation. Why do they feel happy? There is an example which will shed some light on this: One of the old men said that he was happy because he adopted the mind-set of Ah Q and took everything easy. That is why he felt happy. It is in this light that this matter should be considered. Others said that since the financial situation of their children were improving and they did not have to worry so much, so they felt happier. That is to say, it is not the policy on the elderly put in place by the Government that makes them happy. We must not mistake them or congratulate ourselves too soon. However, I think this point is very important.

On the other hand, when Mr TUNG talked about the core values of Hong Kong some time ago, he mentioned filial piety. Of course, we attach great importance to filial piety, however, I think that when ancient people talked about the "three filial impieties", they did not immediately think of "having no offspring as the greatest impiety", as Chief Secretary Donald TSANG and Secretary Dr York CHOW did, who then encouraged people to have babies. In fact, of the three filial impieties, one of them is "not seeking any paid public office although one has a poor family and ageing parents". What does this mean? It means that if a person's family is poor or his parents are old but he did not try to secure any paid public office to support his parents, then he can be regarded as impious. Of course, in ancient times, there was no social welfare, so people could only pin their hopes on the next generation, hoping that the next generation would have greater abilities, become officials and earn money to support their parents. This is the mentality of the people back then.

However, if we look at the present situation, this is of course not what we pin our hopes on. What we hope for is that officials can, while they are receiving handsome remuneration, conceive more policies to enable the elderly to live in peace in old age and those in need will receive assistance and lead a secure and stable life. This is what officials should do. However, we found that this is not the Government's policy. A case in point is the Government's slash of funding for subsidized organizations. We all know that a lot of these subsidized organizations are providing services to the elderly. To reduce their resources will surely lead to a roll-back in the scope of services or a decline in service quality. Therefore, on this score, one of the three impieties has been committed which is not proper at all.

Concerning the deterioration in the quality of social services, the Government may say that this is not the case, that is, even though the funding provided by the Government has been reduced, the services in some areas will still be enhanced or are still available. For example, the Government is promoting home and community care because it claims that the elderly prefers to live with their family members. Of course, if the promotion in this aspect is done appropriately, the outcome will be very desirable. Another example is that since the elderly not only love to live with their family members but also love to live in their hometowns, the Government said that it can consider relaxing the permitted period of absence to 240 days insofar as the Old Age Allowance (OAA) is concerned and the restriction on the regions from Guangdong Province to Fujian Province. Therefore, it seems that the Government has done some work. Certainly, we welcome these measures, however, the question is

whether they are adequate. This is the critical question. For example, concerning the OAA that I have been talking about, members of the public have continually lobbied for an increase. I remember that when Dr YEOH Eng-kiong was in office, he once said that he would consider increasing the OAA to \$1,000, unfortunately, nothing has come out of this and no one has taken any follow-up action on it either.

Moreover, things did not stop there. We could see that the support provided to the elderly was further curtailed. How was it curtailed? First, the requirement on the period of residence in Hong Kong prior to applying for CSSA has been extended to seven years. There are many elderly people whose period of residence in Hong Kong has not reached seven years, so they are not eligible to apply. Apart from this, what is even worse is that since 1999, elderly people can apply for CSSA only together with their family members. That was a departure from the past, when elderly people could apply independently. Therefore, for many elderly people, the difficulty in applying for CSSA has increased because, if elderly people live together with their children, the income of their children has to be factored into the calculation. In fact, their children may not even be able to feed themselves, so how can they take care of their elders? This is just impossible. Under these circumstances, very often, the living of the elderly is difficult indeed. In fact, the change made to this system in 1999 is adding extra weight to the already onerous burden borne by the elderly. I very much hope that the Secretary can review this policy. The past practice was more generous in that it allowed the elderly to make independent applications for CSSA. Because of this, elderly people were able to receive substantial assistance in their lives.

In fact, apart from this, if we want the elderly to live happily, what is the most important thing to them? Elderly people who are also parents are most concerned about the livelihood of their next generation. In the past, many elderly people told us that they were unhappy not because their lives were difficult, since they had gone through all sorts of hardships and that did not matter. What they are most worried about is the livelihood of their next generation. If the life of their next generation is stable and does not become a burden to them, then they will feel very happy. Therefore, I think that any policy on improving the lives of the elderly should focus not just on the lives of the elderly, but should also target the concerns of the elderly and free them from their mental shackles. Of all things, it is most important to solve the livelihood problems of their next generation.

Madam Deputy, I have said that filial piety was often talked about in ancient times. In particular, one type of filial piety was to give up public office in order to take care of one's parents. That is to say, an official gave up all sorts of vanities and went back to his hometown to take care of his elders. I hope officials nowadays will reflect if the existing policies can really treat the elderly and parents well. If not, since they cannot put in place a good policy on the elderly and help the elderly lead a peaceful life in old age, I very much hope that they, being officials, will consider if they should also retire and take care of their own parents? Is doing so not even better? If they do so, will they not cause fewer setbacks and pose fewer hurdles to the policy on the elderly, which will eventually affect the lives of the elderly? Madam Deputy, I so submit.

MR PATRICK LAU (in Cantonese): Madam Deputy, a recent survey conducted by the Government indicates that the problems resulting from an ageing population are becoming increasingly serious. The Chief Secretary for Administration has called on the public to have more babies in a bid to change the policy on the population. Therefore, a sustainable policy on the elderly, as proposed by Members, in particular, on caring for the elderly, should be formulated at an early date to ameliorate the social problems relating to the elderly.

In fact, old people are like children. Just as people say, old age is a reversion to childhood. Old people need intensive care and attention from other people. At the same time, they need a sufficient degree of freedom. Therefore, I suggest that the so-called "housing for two generations" (that is, housing in which two generations live at the same location but apart), similar to that in Japan and other countries, be introduced into Hong Kong. When carrying out planning and constructing public housing, in particular, when allocating public housing, the most important thing is to arrange for elderly people and their young family members to live in close proximity to each other. Just like traditional Chinese families in the past, which also lived together, this arrangement will make it possible to preserve the family nuclei and facilitate the provision of care while maintaining personal freedom, so that the friction between two generations as a result of different habits of life can be reduced.

Hong Kong society is affected by Western ways of thinking and the concept of family is fading. To change such a social attitude, apart from stepping up the education on the next generation, the younger generation should also be encouraged to take care of elderly members in their families through policies, for example, to increase the dependant parent allowance and relax the restrictions on applying for this allowance, or to explore the possibility of allowing for flexibility in other areas of taxation, so as to encourage the public to assume responsibility in taking care of the elderly and relieve the burden of the Government in this regard.

Concerning long-term care and health care services, I believe what matters most is the provision of care at locations of transport convenience, so as to encourage family members to take care of and visit the elderly. I believe the designs of homes for the elderly in Hong Kong should take into account the surroundings and provide an appropriate amount of space, so that elderly people can live more comfortably and the overcrowding in existing homes for the elderly can be alleviated. For homes of the elderly at more remote locations, apart from providing accommodation to elderly people, consideration can be given to allowing their family members to stay together with them for a few days when the latter are on holiday or have the free time, just like they are going on holiday together, so that the elderly people can take part in social activities together with their family members and feel their care and concern.

Regarding mental health, outreaching service for elderly people should focus on maintaining the relationships between the elderly and their family members, as well as promoting harmony between the elderly and their communities and encouraging the elderly to take part in group activities in centres for the elderly, so as to preserve their mental well-being. Therefore, the Government must expeditiously complete the 25 outstanding projects of the former Municipal Councils as proposed in the policy address, as well as other remaining community projects, to provide the intended centres and facilities for the elderly. At present, the centres for the elderly in some of the communities have been put on the back burner for a long time. This being the case, how can services for the elderly possibly be provided?

On retirement protection, although the policies that support the elderly in returning to their hometowns in their old age are very important, young people

must not be misled into thinking that their responsibility in taking care of their parents or elderly people can be neglected. Services to cater to the needs of the elderly should be provided to create job opportunities. Only in this way can policies beneficial to the entire society be formulated.

On preventing the abuse of elderly people, as I have just said, the differences in habits of life between two generations can often give rise to the problem of being on good terms when meeting occasionally, but not getting along well when living together. The chances of friction will increase if people live under the same roof. If the two generations can live apart but in close proximity to one another, friction can be reduced and the abuse of elderly people prevented. In this way, the two generations can look after one another and their relationship will improve. This should be a more satisfactory approach.

On enabling the elderly to live in peace, I agree with increasing the supply of units in small housing estates complete with supporting social services to the elderly. However, I am of the view that this type of public housing for the elderly should be close to the communities where the young family members of these elderly people live, so that they can take care of one another. As regards relaxing the eligibility of the elderly in applying for public housing, I believe consideration should also be given to the proposal to put the properties of these elderly people under the trusteeship of non-governmental organizations, so that they can pay for their living expenses with the rent collected.

However, I believe that apart from living expenses, the protection should also cover health care expenses. Therefore, Madam Deputy, I propose the introduction of a comprehensive insurance scheme to provide overall protection to the elderly in various aspects such as clothing, food, accommodation, transportation and health care, thus taking care of all aspects of their life until death.

Madam Deputy, I hope that through educating the next generation on the importance of caring for the elderly and through making constant improvements to the quality of life of the elderly, as well as fostering a society with concern and care for the elderly, the genuine needs of the elderly can be catered to and they can lead a peaceful life in old age.

Thank you, Madam Deputy.

MR LEUNG KWOK-HUNG (in Cantonese): A while ago, I heard Mr LEUNG Yiu-chung talk about filial piety. The "twenty-four acts of filial piety" were used by the feudal class in ancient times to deceive the people. It is said that in the Han Dynasty, there were selections for an honour the candidate of which must be pious and incorrupt. The candidate had to be both pious and incorrupt, so the "twenty-four acts of filial piety" were compiled to set examples for posterity. This created a great deal of hypocrisy in feudal culture because those people were in fact not really pious to their parents but merely talking about the "twenty-four acts of filial piety". It is certainly detestable for individuals to display such behaviour, but it is even worse if it is the Government that does so. In fact, we all know that in ancient Chinese dynasties, the emperors always requested their people to be pious to the utmost to their parents but they were actually utterly depraved themselves, usurping the throne, embroiled in fratricides and feuds between fathers and sons and these were all very commonplace occurrences.

Today, our SAR Government is also engaged in such practices. After ascending to power, Mr TUNG proposed three major measures, the first being to care for the elderly. He even appointed our Honourable colleague, Mr TAM Yiu-chung, to head the Elderly Commission. We have now roused ourselves from a seven-year dream and harking back, everything is the same as before. What is most laughable is that some people said that the SAR Government has done a lot of wrong unto the elderly, for example, it targeted the elderly direct when reducing CSSA payments, and the increases in medical fees and charges also targeted the elderly, since the elderly are usually weak and sickly and some of them are suffering from chronic diseases which require long-term treatment. Is not the Government dealing the elderly blows in doing so? I just do not want to go on. All words and no deed is a very bad kind of behaviour, a kind of hypocritical behaviour. The Government said on the one hand that families should be the foundation, yet it requires elderly people to apply for CSSA together with their family members, or else they will not be eligible. However, many people are not disposed towards telling social workers that they lack the ability to support their parents actually.

I have already said many times that should anyone say social welfare should be provided using the family as a unit, that is downright reactionary. Under circumstances devoid of personal dignity, how can harmonious relationships with other people be established? For a person to have personal dignity, it is necessary to have individuality. Having individuality is to consider oneself an individual, a citizen and citizens should have their rights. However,

at present, the elderly are not entitled to them, so some people could only take out this tattered concept of filial piety as a cloth to hide the shame — I just do not know how to put it — this is just as Mr LU Xun said, "the fighting is not seeing an end and the old tune will be played again and again", that is, not being able to convince others, the most tattered subject is raised for discussion. It is indeed alarming for us to discuss the "twenty-four acts of filial piety" here. This is not how we should proceed at all.

In fact, many of the relationships exhibiting filial piety were in fact feudal relationships that confined people to a social order in which they were fixed. Nowadays, it is really a disgrace for the SAR Government to resort to such means. In fact, what is this problem all about? It is about the unprecedented prosperity in human history (or so Hong Kong people think) that Hong Kong experienced from the early '70s to early '90s, to which all elderly people nowadays contributed. Even for people who never worked in society, had they not raised the next generation, there would not have been sufficient labour during that period. It is precisely for this reason that Chief Secretary Donald TSANG calls on people to have babies, that is, because there is insufficient labour. Therefore, even those people who did not work in society have made contribution to Hong Kong. However, our society has not spared any thought for them. The British-Hong Kong Government of course deserves a spanking because they did not do anything in this regard. However, why has the SAR Government done nothing? When I was young and my mother was about 50 years old, someone had already proposed a community-wide social security scheme involving contributions from three parties, with each party contributing 5%, making the contribution a total of 15% for the provision of comprehensive retirement protection.

Perhaps we can consider following the examples of western countries and fund the establishment of a social security system by collecting progressive profits tax and various types of taxes. In that case, would there be any more need for the elderly to go begging like beggars and beseech Legislative Council Members to strive for a little more assistance for them? Today, we did not hear the Secretary talk about these issues. He has not raised them. Mr Henry TANG again told us that he would not do so. This gives us the impression that increasing taxes is like courting death. I wish to ask how much money tycoons in Hong Kong have made in the past two decades. They have made so much money that, as Stanley HO put it, they cannot put on their socks and they have so much money that they have gone shopping in the international market. Our

system does not care for the elderly, nor does it show any care for labourers or even for any social class for that matter. This is what is being reflected. The elderly cannot put up any resistance, nor can the children of single-parent families, and this is the reason for the present situation. Therefore, nowadays, if I come across an unemployed labourer and say to him, "It serves you right if you cannot feed yourself, yet you should not apply for CSSA because we do not want the CSSA to nurture lazybones", this is in fact being very cruel and such cruelty is directed at the weak. One cannot say that this is being kindly and well-wishing.

Therefore, I believe all it boils down to is that if Members want the elderly to enjoy protection and not to go about begging, then we have to exert our utmost and push the Government to implement a progressive profits tax regime that requires the rich to repay society with their money and implement a comprehensive system in which the elderly are cared for and the young are educated. This is my proposal because I am a socialist. Without democracy, there will not be socialism because under the present circumstances, the rich will call the shots and so will the small circle. Just as simple as this. Therefore, I propose here that we should not refer to the "twenty-four acts of filial piety" or talk about having pity on the elderly anymore. We have to establish a civil society with dignity and a so-called civil society in which the disparity between the rich and the poor is regulated through a democratic system. Thank you.

MR ALBERT CHAN (in Cantonese): Madam Deputy, quite a lot of elderly people in Hong Kong are living in worries, sadness, fear and despair. In terms of the ratio to population, the suicide rate among elderly people in Hong Kong is the highest in the world. That such a situation has occurred reflects the collapse of the family institution in Hong Kong and the loss of mutual care and concern in society. What is more, our Government is unkind, unjust and untrustworthy.

If we examine the plight facing the elderly, in housing, quite a number of elderly people are still living in bedspaces which can in no way be called cage homes but should be called iron cages instead. Feuds have also occurred among quite a lot of elderly people living together in public housing units and there were even instances of knife attacks against each other. Many elderly people are compelled to live in homes for the elderly with very poor living conditions in order to receive Comprehensive Social Security Assistance (CSSA) payments.

A few days ago, I talked with the person-in-charge of a home for the elderly. He said that of the 60 000 places in the private homes for the elderly throughout Hong Kong, nearly 90% were occupied by elderly people on CSSA. Because of the cut in CSSA payments made by the Government, a lot of residential services are subjected to a great deal of pressure. The housing problem has caused a great deal of suffering among elderly people.

On problems relating to transport, because of financial pressure, elderly people, in particular those living in Tung Chung and Tin Shui Wai, are nearly all cut off from their relatives and they dare not go to other places even when on public holidays. Earlier on, some bus companies offered the concession of a one-dollar flat fare on Sunday to the elderly, who consider this an infinitely benevolent act and they feel delighted beyond words because they can make use of this concession to go everywhere on Sundays. However, these concessions are offered only occasionally. When there are no such concessions, this group of elderly people has to revert to living in isolated communities.

Their expenses on medical services are also increasing. Elderly people queuing up for services at out-patient clinics have to do so at four or five o'clock in the early morning and it is a pitiful sight. On cold winter days or hot summer days, or when the clinic is located near places frequented by junkies, they also have a miserable time, so they become even sicker because of the wait. After seeing the general practitioner, if they have to queue up for specialist treatment, they will have an even more miserable time. Some of them have to wait for six months or even eight months. To the elderly, medical services also constitute a source of mental pressure in their daily lives.

In addition, regarding social services, the issue of reducing CSSA payments has been discussed many times. Quite a number of elderly people rely solely on CSSA payments, or on the Old Age Allowance which amounts to \$700 per month, for their living, without receiving any CSSA payment. They live with their family members and even though their children do not give them any money, they do not want to force their children to sign the document that states the wish not to take care of their parents. Subsequently, not being able to receive any CSSA payment, they can only live on the \$700. Such is the livelihood created by the unkind and unjust government policies.

(THE PRESIDENT resumed the Chair)

What is more, the Government has reneged on its promises. TUNG Chee-hwa promised in his policy address that the Old Age Allowance would be increased, however, eventually, nothing has ever been delivered. If we are truly concerned about our elderly people, then improvement must be made to such areas as the housing, transport, medical services and CSSA. These problems have been the subject of discussion for many years and our Chief Executive has also talked about how he would care for our elderly people a number of times. However, these words have turned out to be lies. I hope that after the new Secretary has assumed office, these lies will not continue to be told and the lies told by the Chief Executive will not be repeated. I hope that he can improve the lives of the elderly in earnest with the limited resources, so that they can lead their lives with a greater degree of dignity. At least, I hope the Secretary can lower the suicide rate of the elderly during his term of office. This is an indicator because hardship and suicides are directly proportional, much in the same way as the number of bankruptcies will increase when there are economic problems. We will keep a close watch on these figures and hope the Secretary can deliver.

Finally, on the issue of social welfare services, I hope the Secretary can be resolute when carrying out reforms. This issue has been discussed for a decade or two and voluntary agencies have never been able to sort it out. Often, there are many services in Hong Kong which are a waste of resources but no action targeting the problem has ever been taken. At present, the services are fragmented. On the one hand, they are classified according to the types of services, and on the other, they are classified according to age. Young people are grouped into one category, elderly people into another and the integrated family service proposed recently cannot live up to its name. It is a fragmented integrated family service which does not really consider family service as one entity. Rather, children are grouped into one category, young people into another and the elderly into yet another. This is not really a direction and pattern of service that really has family service in mind. This type of work should actually focus on the district level and all similar types of services at the district level, in particular, services for the elderly, integrated family services, and so on, should be combined into a single service unit focusing on the family and provide such services as education, support, counselling or relief accordingly. If this type of work is not carried out, our resources will still be wasted.

Our elderly people are treasures, not trash. If we do not adopt this attitude and if the Government considers the elderly to be a burden and so does

the community, given the discrimination, the victimization and isolation that the elderly are subjected to, their welfare and lives will not see any improvement. I hope the Secretary can reflect on the existing problem and bring thorough improvements to the hardship that elderly people are facing.

Thank you, Madam President.

MR CHIM PUI-CHUNG (in Cantonese): Madam President, although this is not an area in which I am well-versed, I still have to say a few words that I hope the elderly will be able to hear. The elderly problem is a global problem which is not peculiar to Hong Kong alone. Many years ago, I learned that the Japanese Government had conceived the idea of moving its elderly people to two countries, one of them was Hawaii and the other was some other country, so as to enable elderly people from Japan to enjoy a better living environment as far as their basic living is concerned.

In Hong Kong, we refer to people over 65 as the elderly. 2005 minus 65 and that means people born in the '40s. People born prior to this went through the Japanese invasion of China in the '30s and the war between the Nationalists and Communists afterwards. The living conditions in the early '50s were tormenting and as I have said a number of times, it was not even possible to find a job with a monthly salary of \$40 to \$80 at that time. By the early '60s, there was an exodus of refugees from the Mainland. Therefore, the present group of elderly people went through the ordeals that resulted from political and economic changes. In theory, to most of them, their present living conditions in Hong Kong are better than those of elderly people at many other places.

Concerning the elderly problem, sometimes it is not at all fair to put all the blame on the SAR Government which has been established for only seven to eight years. It will not be fair to put all the blame on the Secretary either, since he has assumed office for only a few months and will remain in office for two years and three or four months at the most. Moreover, is it possible for him to accomplish all the tasks? I am convinced that he may not be able to do so. However, no matter how, the SAR Government cannot say that it is not going to do anything because there are only two years and three to four months left. All our suggestions and debates, although not legally binding, are still conclusive, guiding and directional. I believe it is indisputable that the SAR Government has to formulate a clear policy on the elderly. Should we follow the example of

Singapore and require the children of elderly people to take care of their parents if they can afford to do so? I believe that it is worthwhile for us to make reference to and consider this.

Early in the debate, Mr TAM Yiu-chung suggested that the elderly are most concerned about six very important issues, including long-term care, medical services, insurance for the elderly, mental health, retirement protection and preventing the elderly abuse. I believe the SAR Government should capitalize on the present situation and consider establishing towns for the elderly at various locations on the Mainland. As far as we know, the area in which Hong Kong people live in is the region surrounding the Pearl River Delta, that is, the region known as the five counties. Another region is Chaozhou and a third is Fujian Province and Hainan, or even further north, including what is generally called northern China or Shanghai. Since these regions have expressed their willingness, the Government should identify the sites and consider establishing towns for the elderly. I firmly believe that the Chinese Government, local governments and provincial governments are all absolutely happy to assist the Hong Kong Government in studying the feasibility of such a plan.

Many elderly people in Hong Kong are prepared to go back to their hometowns and live there in their old age because at least there are relatives with whom they can associate. Their concerns are two-fold: first, the problem of medical care, and second, problems in receiving Comprehensive Social Security Assistance (CSSA) payments or Old Age Allowance. They are worried that if their period of absence from Hong Kong is too long, the payments receivable will be reduced. Therefore, I believe that it is worthwhile for the SAR Government to study the establishment of towns for the elderly on the Mainland so that the relevant problems can be solved one by one. The provision of medical services is not a significant problem since doctors in Hong Kong can be dispatched to the Mainland and make use of the nurses and health care facilities there and I believe these are not inferior to those in Hong Kong. Given the present amount of care given to the elderly in Hong Kong, it is possible to provide desirable and adequate care to the elderly on the Mainland.

In addition, it is also necessary for us to examine social problems in their entirety. Namely, is it necessary for the generation sandwiched in between to assume the responsibility of caring for their parents and their offspring. The view of society on this must be clear. I believe one generation should take care of one other generation, but it is not reasonable for one generation to take care of

two. In other words, the younger generation should take care of their children and the elderly should have saved enough money for their old age when they were young, as well as making preparations for their old age. There is no reason that we should shift all our own responsibilities to society. I am not saying that rich people should be allowed to prey on the public wantonly. However, at the end of the day, Hong Kong is a highly capitalist society and no matter what sort of policy is formulated, we have to balance the interests of society as a whole. Only in this way can we live together more harmoniously. As Members of this Council, it is all the more necessary for us to make the interests of all parties in society our ultimate consideration and avoid inducing any confrontation.

MR ALAN LEONG (in Cantonese): Madam President, East Kowloon is the district with the greatest number of elderly people in Hong Kong. About 22% of its population is aged 65 or above. During the election, I attended several forums for the elderly. At that time, I already expressed my clear support for the six areas of concern to all elderly people in Hong Kong, which are spelt out in the original motion today. At the same time, I have also heard and seen many instances involving elderly people who, having toiled for the greater part of their lives, ended up in pitiable circumstances in their old age. This is really too much for me to bear and also a powerful indictment against a wealthy city like Hong Kong.

To care for the elderly is a traditional value in Chinese society and also the commitment that a caring and loving society should have for the elderly. When talking about caring for the elderly, apart from providing the daily basic necessities to the elderly, we should also ensure that the elderly enjoy good physical health and active mental activities.

On providing the basic necessities to the elderly, I urge the SAR Government to seriously reconsider implementing a community-wide retirement protection scheme so that members of the public can receive fixed payments to meet their basic daily necessities at a specified age after their retirement, irrespective of whether they are rich or poor or what type of work they used to be engaged in prior to retirement.

Madam President, the existing Mandatory Provident Fund (MPF) schemes are only mandatory personal saving and investment schemes in which both wage

earners and employers have to make contributions for investment purposes. The SAR Government only mandates employers and employees to make contributions but has washed its own hands clean. It neither makes any contribution nor underwrites for the schemes. However, investments may either be profitable or loss-making. Should it be so unfortunate that losses are incurred just before "wage-earners" go into retirement, it is possible that their money may all be lost because of the investment blunders of such schemes, such that they have nothing to fall back on in their old age.

Apart from the possibility that the blunders in investment of such schemes may prevent contributors from reaping the benefits, many people cannot, or cannot fully, benefit from the MPF schemes. For example, housewives and people on low income either do not make any MPF contributions or their amounts of contributions are so inadequate as to make retirement impossible. Therefore, the existing MPF schemes are like raincoats with holes on them. They cannot provide protection to all elderly retirees so that they can live peacefully in their old age.

To elderly people who cannot benefit from the MPF schemes and have no children to care for them or any savings, retiring to a peaceful life at old age is a remote possibility. The only remaining recourse is to rely on the Comprehensive Social Security Assistance (CSSA) for the elderly. However, it is regrettable that the paltry CSSA payments for the elderly cannot offer any protection for the basic daily necessities of the elderly. When I was in East Kowloon, Wong Tai Sin and Kwun Tong, I saw some elderly people who made a living out of scavenging for cardboards and soft-drink cans. On seeing their straitened circumstances and quiet suffering, I always think that this is truly a pathetic scene behind a prosperous city. I hope the officials of the SAR Government can look and listen carefully, as well as going to the districts more often to understand the situation.

Madam President, the World Assembly on Ageing of the United Nations has formulated the International Plan of Action on Ageing in 2002. This action plan requires all countries in the world to implement various proposals to ensure that elderly people are given protection on the basic necessities of life after retirement and that all elderly people receive an adequate minimum income. The Chief Executive, Mr TUNG Chee-hwa, often takes pride in Hong Kong being a world city in Asia. However, in terms of retirement protection for the elderly, we have fallen far behind other developed or even developing countries.

In actual operation, the SAR Government can consider putting in place a community-wide retirement protection scheme by using the existing MPF schemes as the basis and withdraw part of the employer and employee contributions and put it into this community-wide retirement protection scheme as the part to be borne by employers and employees. The SAR Government can also put all the money spent on the existing CSSA for the elderly and Old Age Allowance into this new scheme as the share to be borne by the Government and paying the money to the elderly as retirement pension.

Of course, this is just one of the practicable ways and consideration in many aspects and careful calculations will be needed. However, it is anyway necessary for the Government to take the first step. Government participation and support is absolutely essential in a well-developed retirement protection scheme. Unfortunately, the SAR Government has all along refused to establish a community-wide retirement protection scheme for various reasons. Here, I again urge the SAR Government to consider implementing a community-wide retirement protection scheme so that the objective of caring for the elderly can be realized and a loving and just society built.

Madam President, the elderly people nowadays all made significant contribution to the development of society in the history of Hong Kong. We cannot leave them behind after they have served their purposes and ignore their needs. Let us strive together to build a loving and just society.

With these remarks, Madam President, I support Mr TAM Yiu-chung's original motion and Dr YEUNG Sum's amendment.

DR FERNANDO CHEUNG (in Cantonese): Madam President, recently, I read an article, which was a short essay published in a newspaper called *White Sandalwood* and written by LUNG Ying-tai, a literary scholar from Taiwan. It relates her impressions of Hong Kong as a passer-by and onlooker. The Central District is mentioned in it. She thinks that every city is like a splendid coat. The coat worn by Hong Kong is also very splendid. Some buildings in Central are glamorous and refined, others imposing. Being in this city, she felt that in comparison, Taipei is like a country maiden. However, she pointed out some of the sights which the average passer-by will not notice, that is, in the deep ravines and narrow alleys formed by the gaps between these high-risers, some

very thin and very old people use their vein-shot hands dappled with age marks to push very heavy loads, their backs buckling with the effort. These people are as old as grandmothers or great grandmothers, yet they are working as coolies, making their ways silently in the shadows of the high-rise buildings. This is one of the sights in Hong Kong, only that it is not mentioned in travel books.

She said that being a passer-by, she did not understand why such a tattered side exists in dainty and glamorous Hong Kong and why these old women, whom people call "garbage women" in disdain, would appear among these high-rise buildings. She could not help but ask what kind of social system and historical developments have made them unable to stay home as kind old grannies at the most feeble and final stage of their lives, but have to drudge like oxen and horses in the streets to avail themselves of one of their last meals.

I remember that when I was in school, our primary school textbooks also stressed that the remarkable economic achievements of Hong Kong were created by the labour and endurance of Hong Kong people. Ironically, many members of the public have toiled for the greater part of their lives to contribute to this miracle known as Hong Kong and have sweated and bled for it, but what do they get in return in their old age? Can they enjoy the fruits of their drudgery and enjoy a peaceful old age?

According to some realistic figures, our elderly people are not leading a happy life. Although a survey conducted recently seems to indicate that the elderly are living quite happily, I always have doubts about this kind of surveys. If we ask elderly people whether they are satisfied with the existing services, nine out of 10 of them will reply in the affirmative. If we ask them whether they feel that their life now is good, they will also answer in the affirmative. This is because when compared with the war-torn past and with the upheaval and displacement that they have gone through, they must feel that things at present are good. However, in contrast with the glamorous, dainty, splendid, grand metropolitan Hong Kong described by LUNG Ying-tai, how can we allow this group of elderly people to lead such lowly lives?

At present, 30 out of every 100 000 elderly people over 65 will commit suicide. This suicide rate is the highest of all age groups and the suicide rate of our elderly people is among the highest in the world, second only to that of Singapore.

At present, our elderly people are facing a lot of troubles. When some charities hand out rice each year, a large group of elderly people will invariably be attracted and some of them will succumb to the blazing sun and faint. Sometimes, I feel that it seems we have returned to the situation in the 50s or 60s. Why would such situations occur in such an affluent society as Hong Kong? Why are there still so many elderly people scavenging for articles to sell? At present, many cleaning workers are really as old as grandmothers or great-grandmothers. However, in recent years, even they have to face the prospect of being gradually replaced because a lot of new immigrants are willing to take such jobs at lower wages. Why would the Hong Kong Government condone such a situation?

According to the figures, in the Census in 2001, 257 000 elderly people over 65 belong to the low-income household category. If they are classified according to the International Poverty Line Standard, over one third of the elderly are considered poor. How can such a situation exist side by side with the international image that we project?

Basically, nearly all advanced countries and well-developed societies have put in place retirement protection and Hong Kong is the exception. What can our elderly people rely on? If they had not accumulated considerable savings when they were young — in fact, according to a survey, most of them cannot rely on their savings to enjoy a peaceful old age — they can only rely on their children's support. However, when the economy is not faring well, their children may not be able to support them. As a result, quite a number of elderly people will have to apply for Comprehensive Social Security Assistance (CSSA). However, since the CSSA system carries a stigma, how great a blow will be dealt to elderly people? Recently, when the Government reduced CSSA payments, it also reduced CSSA payments for the elderly by 11%.

Earlier, many Honourable colleagues have also said that the Mandatory Provident Fund (MPF) schemes, which were introduced only in 2000, could not practically serve the desired purpose.

At present, several dozen civic organizations have jointly formulated a proposal in the hope that a community-wide retirement protection system can be introduced by combining CSSA payments and the Old Age Allowance given to the elderly with part of the MPF. We have invited a professor of actuary in the

University of Hong Kong to do the calculations for us and it is estimated that such a system can be maintained in the next 50 years. We hope that we can conduct a public consultation on this proposal in the coming months. I also hope that the Government can sincerely and open-mindedly study the feasibility of this proposal, so as to establish a community-wide retirement protection system in Hong Kong at an early date to protect the elderly in Hong Kong.

Madam President, I so submit.

MR LI KWOK-YING (in Cantonese): Madam President, last Saturday, the Financial Secretary, Mr Henry TANG, attended a consultative forum on the Budget organized by a television station. In the forum, several elderly people echoed each other's hope that medical fees and charges would not be increased and they were worried that the introduction of the Standard Drug Formulary would increase the burden of medical fees and charges borne by them. Health care and medical services seem to be a subject of grave concern to the elderly. Therefore, I will focus on the situation of the elderly and mainly on two areas, namely, medical services and disease prevention.

On medical services, the Chief Executive said in the policy address that he understood the demand of the elderly for Chinese medicine service and undertook to progressively increase the number of Chinese medicine clinics from three at present to no fewer than six and would continue to expand the service afterwards. The need of the elderly for Chinese medicine service is indeed very keen. The Census and Statistics Department carried out a survey on the use of Chinese medicinal products and foodstuffs in 1999 and the result revealed that many elderly people used Chinese medicinal products and foodstuff for curative or health promotion purposes. The Government's move to increase the number of Chinese medicine out-patient clinics in view of the need of the elderly is indeed laudable, however, the strength of this measure is still inadequate. This is because in the 2001 policy address, the Government already proposed the establishment of 18 public Chinese medicine out-patient clinics by the end of 2005. Even though the number will now be increased to six, it is still a far cry from that original pledge. In order to satisfy the need of the elderly and promote the development of Chinese medicine in Hong Kong, the Government should honour the pledge to build 18 public Chinese medicine out-patient clinics as soon as possible.

The concerns of the elderly over the Standard Drug Formulary and their worry that some of the charges for drugs will impose a heavy financial burden on them are understandable. Many elderly people are suffering from chronic illnesses. According to the information of the Census and Statistics Department, in 2000, 70% of elderly people over 60 years of age are suffering from at least one chronic disease, such as hypertension and arthritis and require regular follow-up consultation and treatment. At present, specialist clinics in public hospitals adopt \$10 as the unit for drug charges. On the face of it, this has little impact on people in general. However, to patients suffering from chronic diseases, in particular, to elderly people without the means, this will constitute a heavy financial burden.

Last week, a newspaper report said that a patient suffering from glaucoma was dissatisfied with the additional charge levied for extra eye drops. It was reported that in his follow-up consultation, the patient requested the doctor to prescribe five more bottles of eye drops. However, when paying for the fees and charges, he was requested to pay \$20 more instead of \$10. Under the existing system, although patients with financial difficulties can apply for fee waiver or concession, the application procedure is very complicated and the means test is stringent. This poses obstacles to elderly people with financial difficulties who want to make applications. In view of this, the Government should further relax the restrictions in the waiver mechanism when it considers increasing medical fees and charges, as well as raising the income and asset ceiling.

Of course, the general public, including the elderly, also very much understands that the Government's expenditure on public health care is huge. In view of the need to take care of the health of the elderly and control medical expenditure, tackling the issue from the angle of disease prevention will lead to a win-win situation. It is said that prevention is better than cure. The chronic diseases that elderly people suffer from can actually be prevented by changing living habits and through regular health checks. Take smoking as an example. Many people think that for the elderly, kicking the habit is a belated thing to do and to them, there is no benefit in doing so. In fact, even for people who are more advanced in age, as long as they kick the habit, their bodies will immediately begin to repair the damages caused by smoking and the chances of suffering from smoking-related diseases will be reduced. Therefore, the Government should strengthen the existing services provided by the elderly health centres operated by the Department of Health, so that more elderly people can receive body check-ups and make use of other health care services.

In addition, a survey conducted by the Hong Kong Council of Social Service sometime ago found that 18.5% of elderly people aged between 65 and 74 do not have any tooth. This percentage lags far behind the global oral health objective set by the World Health Organization, that is, among elderly people aged between 65 and 74, less than 5% should be toothless. An oral health survey report in 2001 also shows that only 9.1% of the elderly people aged between 65 and 74 living in their own communities and 2.8% of the elderly people living in residential homes receive regular dental check-ups. The state of oral health of the elderly is indeed a cause for concern. However, the fees and charges of private dentists are often beyond the means of members of the public, particularly that of elderly people. In this connection, the Government should enhance oral health care services for elderly people and arrange regular check-ups by dentists for the elderly.

In sum, an ageing population is a social phenomenon that warrants our attention. The occurrence of such a phenomenon reflects to some extent the affluence and material advancements of a society. By improving the living habits and promoting education in primary health care, many major causes leading to disabilities and chronic diseases among the elderly can be avoided. Since the economy is recovering, I hope the general public can pay attention to the needs of the elderly and various sectors of society can work together towards a harmonious society in which the elderly can enjoy a sense of security, a sense of belonging, good health and a feeling of personal worth.

I so submit, Madam President.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

MR ALBERT CHENG (in Cantonese): Madam President, if I say that be it the officials or the Honourable colleagues seated here, all of us are very concerned about the welfare of the elderly and respect the elderly, I believe nobody will deny or dispute this. However, our Government's policy has failed to adequately reflect our will. Are we adopting double standards? Are we being self-contradictory? Or are we all doing lip-service only?

On the policy on the elderly or Comprehensive Social Security Assistance (CSSA), we all know that the expenditure on CSSA is spent mostly on the elderly.

Elderly people have contributed a great deal towards the prosperity and development of Hong Kong in the past several decades, however, insofar as CSSA is concerned, we have imposed many hurdles. In fact, a lot of elderly people do not want to receive CSSA payments, however, the trouble is that we do not have a system that cares for the elderly.

In the past, we relied on Chinese ethical relationships. Some Honourable colleagues have talked about filial piety and what they mean is that the elderly can rely on their children to support them. If Hong Kong is faring well and everybody can make a living, of course, we do have the responsibility to care for our elderly people. We also believe that many members of the public with the means are taking care of their own elders. Some elderly people also have their own savings and have made long-term plans for their own retirement. However, unfortunately, very often, some toiling members of the public in the lower stratum of society could not earn much income in the past and were unable to plan for their retirement. Although they have worked for several decades, they do not receive any pension. They have to rely on the next generation. However, when the next generation has trouble making a living in the face of social and economic difficulties and high unemployment rate, they also have trouble supporting their elderly parents.

One of the requirements on applying for CSSA specify that elderly people cannot live with their family members. I simply cannot figure out the reason for this. I really hope that the Secretary can offer some explanation so that I know the rationale for this. If the requirement is that elderly people can apply for CSSA only if they do not live with their family members, then the Government has to shoulder the additional rent incurred and has to hire people to take care of them. Does this not strain the Government's already onerous burden further? Why can we not employ greater flexibility in our policy? Why can we not screen their children to determine if they are really incapable of supporting their elders but at the same time, they are willing to live with them and take care of them?

Under these circumstances, is it not going against our conscience not to issue CSSA payments to them and has this not run counter to government policy? The present treatment given by the Government to the elderly is: "I would rather give you a little more money and pay the rent for you, but do not live with your family. I would rather hire someone to deliver meals to you, to take care of you and install a personal emergency link for you." What kind of rationale is this? I really do not quite understand it. On the other hand, when the Government

cannot enable the elderly to enjoy a peaceful old age and live in dignity after their retirement, it says, "If you do not have money, move back to the Mainland or your hometown and live there." If elderly people move back to their hometowns, then they can receive CSSA payments. However, after they have moved back to their hometowns, it is possible that they will be living together with their children anyway. I really do not quite understand this. Maybe I am wrong. Perhaps after moving back to their hometowns, they are still not permitted to live together with their relatives.

Being poor is no crime. In the colonial era and in the British-Hong Kong era, there was a practice of deportation from the territory many years ago and any *persona non grata* would be deported from the territory. However, is it that if elderly people are poor, they have to be deported to their hometowns? Is doing so not *de facto* deportation? Is being poor a crime? In particular, do we really want to deport the elderly from the territory? Is it that they cannot live in Hong Kong because they are poor? In the past several decades, they have made contribution to the prosperity of Hong Kong. However, do they have to go back to their hometowns if they are old and have no money? Moreover, this policy of returning to hometowns is applicable to some regions only, so is this not a kind of discrimination? Why is it that if the elderly are Cantonese, then they can retire to their hometowns, receive CSSA payments or the Old Age Allowance? This policy has been extended to Fujian Province and I wonder if this is because there are a lot of natives from Fujian Province in the ruling party. However, I do not believe this is the case. The question is: Have we considered the factor of people's attachment to their hometowns? If the elderly people concerned are from Shanghai, Beijing or Liaoning, why can they not retire to their hometowns in their old age? Why does the Government have to force them to go to Guangdong Province? On these questions, it is difficult for the Government to give a satisfactory explanation.

The Secretary told us that insofar as cancer is concerned, there is an early stage and terminal stage. In fact, I also wanted to raise a question but the President did not allow me to, and that is, I do not understand what he meant by an advanced stage and by an early stage. Instead, I want to tell Secretary Dr York CHOW that the policy on the elderly is also cancer. However, I do not know if it is at its early, advanced or terminal stage. It is up to the Secretary to judge and administer the cure accordingly. The Secretary is a well-known doctor and also a kind doctor. The Secretary is now saying that he is concerned about the policy on the elderly and about social welfare and that he cares about

the elderly problem. I hope that the policies formulated by Secretary Dr York CHOW or the Government with regard to the CSSA can really take care of the needs of the elderly.

If elderly people can live at home and together with their family members, then there will be people to take care of them. They can also take care of their grandchildren and enjoy family life. Even if their family members do not have the extra money to support them, they will just take up a bed and a little more space. However, having an elderly person at home is like having a treasure trove. Why can we not deal with this problem with greater flexibility? If elderly people living with their family members can still be granted CSSA by the Government, it is actually possible to save money because the money spent on rental housing for the elderly and caring for them can be saved. Why can the Government not do so?

Besides, I do not agree with asking elderly people to move back to their hometowns unless they do so voluntarily. I cannot agree with forcing them to return to their hometowns and spend their old age there merely because the Government or our society cannot care for them. I consider this to be very cruel and this is to make poverty a crime.

I very much hope that the authorities will tell us in the imminent Budget that more money will be spent on the elderly, particularly in view of the fact that the land sale yesterday yielded good results.

I so submit. Thank you, Madam President.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

MR HOWARD YOUNG (in Cantonese): Madam President, Mr Albert CHENG has raised the issue of whether the elderly should live with their family members or live alone. In fact, the Liberal Party has discussed this in detail in a meeting of the party core. We believe that since the elderly should enjoy a sense of security, they should be encouraged to live with their family members because this is desirable. However, the present situation is that some elderly people need to live alone, whereas other elderly people need to live with their family members. Given the existing limited social resources, we think that the

situations of elderly people who live alone are more miserable. In resource allocation, we think that unless there is sufficient money to care for all elderly people, otherwise, if choice is necessary, priority should be given to those elderly people who cannot live with their family members or who have no family member with whom they can live.

Mrs Sophie LEUNG already mentioned this point when she commented on Dr YEUNG Sum's amendment. If we look closely at the wording of Dr YEUNG Sum's amendment, we will find that he proposes that the elderly should be allowed to apply for CSSA independently. As far as we know, that means that no matter if elderly people are living alone or with their family members, they should all be allowed to apply for CSSA independently and should be given support according to the same criteria. This seems to have excluded a middle-of-the-road proposal and the Liberal Party has reservations about this. Thank you, Madam President.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, Mr TAM Yiu-chung, you may now speak on the two amendments.

MR TAM YIU-CHUNG (in Cantonese): Madam President, Mrs Sophie LEUNG's amendment proposes to delete such wording as "studying the establishment of a community-wide retirement protection scheme" and so forth. I consider her amendment over-cautious and her wording too conservative. Why? It is because, as regards the establishment of a community-wide retirement protection scheme, she suggested that we should explain to the younger generation that such a scheme will impose a heavier burden on them or even their children, and the newly-established MPF System would have to be knocked down and everything will have to start all over again.

I wish to point out that I have in fact been very cautious because I know that a community-wide retirement protection scheme would cause some

controversies in society, thus I have added the word "studying" in front of it. I think we can find out many possible ways in the course of study, so much so that we should leave it to our young people and different strata in society for discussion since our plan may have far-reaching consequences, and we should never create any problem for our children and their children. Nevertheless, we should also think about that if we are not going to implement the scheme, our children and grandchildren will also suffer.

Moreover, we can launch the plan on the basis of MPF, and it is unnecessary to start all over again. For that reason, I consider the deletion of the wording unnecessary. Just think about it, we cannot solve the retirement problem if we still rely on the MPF System. Everybody understands that the contribution to MPF is relatively small and it can do little help to address the problems retirees have to face. If we do not take the initiative to study it and try to find a solution, it will bring hazard to the entire community and cause immense influence on the business and industrial sectors in case of a fiscal imbalance in public finance.

I wish to point out that in this year's policy address, the Chief Executive has also highlighted the need to make early plans on the financing of elderly care and he said that the Central Policy Unit would conduct research with regard to our ageing population. One of the necessary measures to improve elderly care policy is to make early plans on the establishment of a community-wide retirement protection scheme. For that reason, the DAB cannot support the amendment by Mrs Sophie LEUNG.

As to the amendment by Dr YEUNG Sum, we do not have much disagreement about it. Besides, some of the suggestions have already been implemented, including the successful relocation of elderly tenement flat owners to public housing estates. However, the amendment made by the Democratic Party to the introduction of the original motion is rather disappointing.

Firstly, the expression "that are identified by the elders in various districts after discussion and from polling" describes an important democratic element of the relevant activity. The Democratic Party was too incautious to delete these important wordings for the sake of keeping the logic in context, but it will reduce the motivation of the elders in participating in such kind of civil activities in future.

Secondly, the term "six issues of most concern to the elderly" has been adopted by major elderly and social service organizations and groups in the past three years and they have been using it all along. These elders have been racking their brains to identify issues they consider of the utmost importance. They have been organizing forums, seminars and press conferences, meeting with the Government, Members and the business sector with persistence in the past three years in order to deepen these six issues and to promote the implementation of the relevant proposals. At the end of last year, the elders launched a card signing campaign to support the "six issues of most concern to the elderly". 300 000 cards were signed on that occasion and it enhanced the public's understanding and support of the needs of the elders. However, the Democratic Party changed it and turned six issues into seven, which has damaged the consistency of elderly activity, and it seems to be disrespectful to the elders. The issue of "accommodation for the elderly" is of course important, but to the elders, should we put this issue next to the six major issues? The Democratic Party should not impose its own opinion on the elders. For that reason, the DAB does not support the amendment proposed by the Democratic Party.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese):
Madam President, I will speak slowly while Members return to the Chamber.

I thank Mr TAM Yiu-chung for proposing this motion on the issues of concern to the elderly. I also thank Mrs Sophie LEUNG and Dr YEUNG Sum for proposing amendments to the motion.

I think this motion today will have great implications on the future work of the Government in this aspect. I also believe that work will be persistently carried out in this area over a long period of time.

We do understand that the proportion of the elderly in our population is increasing. Now, there are 810 000 elders aged 65 or above, accounting for 12% of the population. It means that one in every eight Hong Kong people is a senior citizen. We estimate that the number will increase to about 2 million by 2030, and I believe that together with the many Members in the Chamber who are of my age, we will account for 25% of the population by that time, which means that one in every four Hong Kong citizens is an elder. In other words,

about four to five Hong Kong people will have to support one senior citizen. Given a small children population now, by 2030, the situation may be that every two Hong Kong people will have to support the living of one elderly citizen. I think this does warrant our particular concern, especially as the growth in our average life expectancy is very remarkable. At present, the life expectancy at birth is 78.5 for men, the longest life expectancy for men in the world and that for women is 84.3, second only to women in Japan in terms of longevity. No reason is given in the analysis, for these are just statistics.

Similar to the situation in other countries worldwide, our public expenditure on elderly services grows at high speed, posing an enormous challenge to sustainable development. This is a complicated issue in that it involves a wide range of areas, including financial protection for retirement, social welfare, medical care, residential care homes for the elderly, housing, community care, social services, mental health, spiritual support, and so on.

We welcome the discussion of this very important issue by the Legislative Council. I firmly believe that our discussion today will enable us to gain a more in-depth understanding of the problem. It will also help us make further improvement to the existing measures and enable us to work in concert to review the direction of future development.

A Member said earlier that we do not have a specific proposal that can solve the problem. If we look around the world, we cannot find in any country a model which is recognized as a solution to the problem of an ageing population. That said, we will take stock of the experiences of other countries and make reference to them in our future development.

First of all, I would like to speak on the development of the elderly policy in Hong Kong. In 1997, the Chief Executive proposed the concept of "a sense of security, a sense of belonging and a feeling of health and worthiness". Elderly services have since been incorporated into the strategic policy objectives of the SAR Government.

In November 2000, the standardized assessment mechanism was introduced to accurately assess the care needs of the elderly, with a view to enhancing the reliability of service delivery. This has been gradually achieved in the provision of various services accordingly.

In 2001, we strengthened home care services to enable the elderly to spend their twilight years happily at home, in the hope that some elders will not have to live in elderly homes permanently and be separated from their families.

In 2003, we took on board the home and community-based approach and, in accordance with the recommendations of a consultancy study conducted by university, re-engineered extensively the community support services for the elderly in the direction of achieving service integration and maintaining the continuum of care services for the elderly.

In November 2003, we established the central waiting list system to streamline the application procedures, obviating the need for the elderly to approach different service providers and wait in different queues to apply for different services as they had been required to do in the past and ensuring that the existing services are provided to elders in need in a more timely manner.

Over the past seven years, the resources expended by the Government on the elderly, that is, the expenditure purely on elderly services and welfare protection has increased by 6.7% per annum on average. The expenditure on the elderly in 2004-05 is estimated to exceed \$28 billion, accounting for 12.7% of government expenditure, and the expenditure on the provision of public housing for the elderly is not even factored in.

In respect of medical and health care services, elderly patients aged 65 or above occupied 46% of the total number of bed-days in public hospitals. In 2003-04, the expenditure on medical and nursing care for the elderly in public hospitals was \$14 billion, and elderly services also incurred 45% of the cost of services provided by the Hospital Authority.

Owing to finite resources and rapid ageing of population, we should effectively utilize resources by targeting them at elders most in need. The Government has also encouraged care and support among family members and promoted inter-generational harmony, stressing that family members have the responsibility to take care of elders in the family. We also emphasize that individuals have the duty to prepare early for their old age. The Government and the community must work together to create a good relationship and environment, in order to assist elders who are genuinely in need. The responsibilities of caring for the elderly should not be shifted to society alone. While it is necessary to take care of the physical and mental health of the elderly,

it is also necessary to promote active ageing, because the quality of living is more important than longevity.

Our work will focus on, firstly, reinforcing the re-engineering of elderly services; secondly, looking into the options of financing for long-term care; and thirdly, studying old age financial protection.

In the following, I will explain the six issues of concern to the elderly and talk about our work now and the way forward.

In respect of long-term care, "ageing in place" and "continuum of care" are our guiding principles in the provision of long-term care services. At present, most elderly people can take care of themselves. As long as their health conditions are good, we will encourage them to live in their home and we will assist them to lead an active and healthy life.

As for elders in need of care, we hope that division of work can be achieved in the provision of various medical and long-term care services as far as possible. Hospitals will, of course, take care of elderly patients with acute and serious diseases or whose medical conditions are unstable.

In the long term, we hope that residential care services for the elderly will not be divided into different categories, such as care and attention homes, residential care homes or hostels for the elderly. Rather, such services should be grouped under an integrated care centre for the elderly, so that the elderly will not have to queue up for one kind of service and queue up again for yet another service.

With regard to home and community care, we hope that assistance can be provided to the elderly as far as possible to facilitate their access to home care services or day time care services in day care centres for the elderly.

In 2004, there were 26 987 subvented places in elderly homes and 21 864 places of home and community care and support services, incurring an expenditure of \$3.4 billion, which is almost double the \$1.7 billion in 1997-98. Another 22 000 elders lived in private homes for the elderly through the Comprehensive Social Security Assistance (CSSA) Scheme, and the expenditure incurred was \$1.4 billion last year.

The number of subvented day care centres for the elderly has also increased. Compared with the figure in 1997-98, the number of such centres has doubled, providing nearly 2 000 places. We will continue to review the needs of individual districts, based on which resources will be redeployed and the provision of services enhanced.

Moreover, to encourage family members to take care of elders in the family, we have in recent years implemented some measures as follows: Firstly, the allowances for dependent parents/grandparents, which allow a taxpayer to enjoy a deduction of up to \$60,000 yearly in respect of their salaries tax or income tax. Secondly, regarding the deduction of residential care expenses for the elderly, since 1998-99, taxpayers paying the fees of elderly homes for their parents or grandparents can have such expenses deducted from their taxable income for calculating the salaries tax or income tax, and up to \$60,000 for each of their parents or grandparents can be deducted per annum. We hope that young people can take care of the elderly members of the family.

In the course of the re-engineering of community support services in 2003, the Social Welfare Department (SWD) strengthened the support services provided to carers of the elderly by elderly centres after conversion. Subvented elderly homes and day care centres for the elderly also provide respite services to elders in need, so that carers of the elderly can take a rest, and this can also help alleviate and share their pressure.

The number of subvented places in residential care homes for the elderly has increased from 1 600 (Appendix 1) in 1997-98 to over 26 900 at present. We will enhance the level of care of residential care homes for the elderly.

At present, there are about 7 000 subvented places for the elderly (Appendix 1). In the coming year, we will inject about \$180 million to gradually converting these places into long-term care places, in order to provide continuous care services to frail elders. We will continue to provide infirm care services for medically stable infirm elders in a non-hospital setting.

A Member asked earlier how we will assess the quality of residential care homes for the elderly. The Hong Kong Association of Gerontology will, on the principle of voluntary participation from elderly homes, implement an elderly homes assessment scheme in March this year. We are of the view that for the time being, no mandatory scheme should be implemented to assess the services

of residential care homes. Rather, operators of elderly homes should be encouraged to do their part properly first. When their services have reached a good standard, we will then adopt a more standardized assessment scheme.

Let me also talk about medical services about which the elderly are greatly worried or concerned. We are currently redeploying the resources for public medical services by focusing on the provision of services for patients most in need (including the elderly). We will strengthen primary medical services and this will involve a combination of the medical, welfare and health care service providers in each district to form a co-ordination mechanism, in order to fully take care of the elderly or patients in the district.

In respect of health care services, there are now 18 elderly health centres and 18 visiting health teams under the Department of Health. The HA also provides family medicine service in over 20 public out-patient clinics. The main targets of this service also include the elderly and the chronically ill.

We will not deny these people of care services because of financial considerations. We hope that they can pay attention to their health. Meanwhile, we also hope that health care workers in the private sector can help take care of some elders who can afford medical expenses.

Earlier on a number of Members mentioned elderly who are not recipients of CSSA. In fact, we have in place a mechanism under which their medical fees and charges can be waived or partially exempted. Some Members pointed out that these elders have to go through certain assessments and that it takes the elderly some time to apply for such waiver or exemption every time. We hope that the procedures can be simplified in this regard. At present, some elders are granted waiver or concession valid for as long as 12 months, which means that they need not go through the vetting formalities every time they seek medical consultation.

With regard to Chinese medicine, I believe I have repeatedly explained in the Legislative Council what we have done. In the coming year, other than the opening of three Chinese medicine out-patient clinics, emphasis will also be put on the provision of a quota for free medical consultation under the Chinese medicine services jointly provided by the HA and non-governmental organizations. Free medical consultation is already provided at the three clinics now, and services will also be provided in this pattern at the Chinese medicine out-patients clinics in the future.

As for disease prevention, we must particularly pay attention to the care services, particularly as the elderly are more vulnerable to diseases or infectious diseases. We must also prevent them from falling; their blood pressure must be controlled and accidents must also be prevented. Improper care will cause the elderly to contract infectious or skin diseases, in which case it will be even more difficult to take care of them. So, we hope that carers of the elderly will acquire the skills and improve their knowledge in this respect. We will also upgrade the standard of the staff of elderly homes in taking care of the elderly.

All residential care homes for the elderly are required to designate an Infection Control Officer since November 2003. The HA introduced the Visiting Medical Officers/Community Geriatric Assessment Team Collaborative Scheme in October 2003, under which private doctors are recruited by the HA to serve as visiting medical officers to pay regular visits to residential care homes for the elderly.

I would like to talk about the mental health of the elderly. Earlier on several Members mentioned the suicide rate of the elderly. As far as I know, the suicide rate among the elderly is generally higher than that in other age groups, and there is this trend in places all over the world. The suicide rate in Hong Kong is very similar to that in European or Western countries, such as Britain. Certainly, we will pay attention to the trend of the suicide rate, and we will also pay attention to signs of deterioration or changes in their mental health.

Recently, we have noted that according to the results of a questionnaire survey released by the Hong Kong Christian Service, close to 80% of the elderly claimed that they are ageing happily, which is slightly higher than the percentage of 65% in a similar survey conducted in 2001. Moreover, the HA and the World Health Organization have also conducted surveys on the quality of life. Results show that 80% of the elderly are satisfied with or accepted their life, with only around 10% saying that they cannot accept their life at present or they have serious problems with their life. Certainly, we must take care of these 10% of the elderly and find out what exactly their problems are.

According to the recommendation of the Task Force on Population Policy, we have worked in concert with the Elderly Commission to promote active and healthy ageing in the community. Between 2001 and 2004, we organized the Healthy Ageing Campaign, and seven large-scale community partnership scheme projects are now in progress.

At present, there are over 200 elderly centres of different types, providing various interest classes, health education and opportunities for voluntary work participation to the elderly and also providing support to carers of the elderly, with a view to helping the elderly to look for an active and healthy way of living.

Of the voluntary workers registered with the SWD, nearly 70 000 are elders aged 60 or above. The 40 support teams for elders in the territory have recruited over 6 000 elderly volunteer workers. We consider that participation in voluntary work is helpful to improving the social life and the quality of life of the elderly and better still, the elderly can give a helping hand to other people. We hope to encourage the elderly to continue to pursue development in this direction.

Given an ageing population and increasing cross-boundary passenger flow, our policy now is to provide the elderly with a choice of returning to their hometown in the Mainland to spend their twilight years. However, I must emphasize that our intention is not to force the elderly to leave Hong Kong for other places to spend their old age. We hope that they can make their own choice. If they have family members in the Mainland, we hope that assistance can be provided to them. It is not our wish to make them leave Hong Kong and their families.

The Portable Comprehensive Social Security Assistance (PCSSA) Scheme, which has been implemented since 1997, has achieved limited success. This year, we will reduce the period of receiving CSSA from three years to one year, in the hope that the elderly recipients can make a decision early. The elderly generally receive a monthly CSSA allowance of about \$2,500 on average. Insofar as the mainland standard is concerned, particularly in Guangdong Province or other places, a monthly allowance of \$2,500 can already guarantee a fairly good standard of living. Generally speaking, if they need medical services, in some places they can also take out medical insurance at a monthly premium of about \$200 to \$300. If they wish to return to their hometown to spend their twilight years, this choice is open to them. Certainly, if they are seriously ill, they can choose to return to Hong Kong for medical treatment.

In this year's policy address the Chief Executive announced that the eligibility criteria for the PCSSA Scheme will be relaxed, and we have to provide support in this connection. We estimate that about 1 100 elderly CSSA

recipients can benefit from it, for they can choose to live in Fujian Province. As for Guangdong Province, as the period of their receipt of CSSA will be reduced from three years to one year, there may be more people submitting applications under the new Scheme, which will take effect in August.

Moreover, we suggest that the permitted period of absence for recipients of the "fruit grant" be relaxed from 180 days to 240 days a year. We are not encouraging residents who have left Hong Kong to return to the territory to apply for this allowance. We only hope that elders receiving this allowance can choose to stay outside Hong Kong for a longer period of time. We plan to implement this proposal in October.

As for Dr YEUNG Sum's proposal of allowing elderly living with their families to apply for CSSA independently, first, I must explain that the Government has all along encouraged family members to help and love each other and also to provide support to each other in their living. We believe that this general principle is accepted and recognized by the community.

Therefore, in deciding whether a family is eligible for CSSA, we will consider the resources and needs of the family as a whole. Applicants who live with family members must submit their application on a household basis. For cases with special conditions, we will consider handling them with discretion. But we do not wish to cause a family to split because of CSSA.

I would also like to talk about elder abuse. Under the Procedural Guidelines for Handling Elder Abuse Cases, which took effect in March 2004, a multi-disciplinary approach is adopted to tackle the problem. Data collection has been strengthened and a database has been set up, and a study relating to elder abuse in Hong Kong was also completed in 2004. At present, there is an accumulated caseload of 200. We will make analysis in this regard and step up training, public education and publicity in our policy as far as possible. I also hope that members of the public who have witnessed these cases will notify welfare organizations as early as possible to prevent the problem from worsening.

On the protection of the elderly from abuse, we have made reference to overseas experience. In some countries, legislation is enacted for their protection. Normally, criminal law or law on mental health will be enacted to regulate the problem and yet, there has not been a consensus view. Our first

and foremost task is to arouse greater public concern over elder abuse and draw up prevention and intervention policies. As to whether the existing legislation should be amended, we need a longer time before a decision can be made. Under the existing legislation, prosecution can be instituted against criminal offences targeting at the elderly, although the accused may not necessarily be convicted. We, therefore, need more time for studies.

Although Mr TAM Yiu-chung did not mention the housing problem of the elderly, I can provide some further information in this regard. At present, nearly 60% of the elderly live in government-funded public housing. Elderly households on the Waiting List for public housing have dropped substantially from 16 000 in 1997 to about 5 300 at present. The waiting time has also been shortened from four and a half years then to about one year at present.

In 2000, the Housing Society (HS) decided not to build "Housing for Senior Citizens" flats and instead, self-contained small public housing units with kitchen and toilet are built. The concept of "Universal Design" is adopted to cope with the needs of the elderly in their daily living, in order to achieve the objective of "ageing in place". The HS estimates that about 20 000 self-contained small public housing units will be completed in the next five years.

Through various priority housing schemes for elderly persons implemented by the HS, elderly applicants and families with elderly members are provided with public housing units expeditiously. Families with elderly members which have been on the Waiting List for two years or more can be allocated a flat three years earlier at most through the priority housing schemes. This is particularly helpful to families applying for a unit in the urban area. Families with urgent housing needs can also move into a public housing unit immediately through the Compassionate Rehousing Scheme. Elderly households in financial difficulties or whose rent payment accounts for over 20% of their income but who do not receive CSSA can apply for a half-rate reduction in their public housing rent.

A Member asked what we will do for elderly who are property owners and hence become ineligible for public housing. In 2004, the HS implemented an *ex gratia* scheme under which the elderly can move into "Housing for Senior Citizen" flats exclusively built for the elderly on a licence basis. When the elderly property owners have disposed of their property and met the eligibility

criteria for public rental housing, their *ex gratia* licence will then be converted into normal public housing tenancy.

Since May 2004, the SWD has recommended five cases involving elderly property owners to the Housing Department. The elder in one of these cases has moved into a "Housing for Senior Citizen" flat, whereas the others have chosen (Appendix 1) flats which they consider to be suitable.

Finally, I must talk about retirement protection. Retirement protection for the elderly has been a topic of discussion in the community since mid-1990s. In 1994, the Government conducted an extensive public consultation exercise to explore options of retirement protection to be adopted in Hong Kong. Views were vastly diverse at the time. Some people considered that the proposal failed to establish a relationship between contribution and benefits. Some considered that the proposal would shift the responsibility of caring for the elderly from individual/family to society. Some were even concerned that an old age pension scheme could not target assistance at the elderly in need and that there was the question of inter-generational equity. Due to these considerations, the Government finally did not implement the proposal.

We have all along been committed to developing a sustainable financial support system, drawing reference from the three-pillar model advocated by the World Bank. We all know what these three pillars are. I think these three pillars are just three pockets. As to which pocket should be bigger and which should be smaller and how much resource we would like to put into each of these pockets, I think a consensus can be reached only after extensive discussion. But we may not be able to do it if everyone cares about himself only. With the existing Mandatory Provident Fund System or personal savings, we can only take care of ourselves but we may not be able to help others. So, on this issue, a consensus will be reached only after discussion in the community.

The Government is planning a series of studies to assess the financial sustainability of the three pillars and to look further into the longer-term needs of an ageing population. The Central Policy Unit is prepared to conduct a series of studies, the results of which will be published in due course. I believe the Elderly Commission will also conduct a review in this regard.

Finally, I wish to say that I have joined the Bureau for more than four months. There are a number of issues which I hope to review with Members together, and I hope that Members can perhaps reach a consensus on them. What exactly is the greatest concern of the elderly? From my contact with the elderly in the community, they are most concerned about three things: First, their health, which is most important to them; second, kinship, and they also attach great importance to their family members' companionship. If they do not have family members, they consider it very important to have the company of their adopted son or daughter or people with whom they have a close relationship and whom they trust; and third, a sense of security, whether in terms of housing or financial position, and they are very concerned about this. Besides, I think amenities of life and quality of life are also very important. I think these four areas do warrant the concern of the Government, the community as well as people who care about the community.

On the other hand, I am quite willing to make some commitment in order to ensure continued investment in the provision of assistance for the elderly. However, we must first find out who will have to pay and how much has to be paid? As I mentioned earlier, the population of the elderly has continued to grow in Hong Kong. With regard to elders aged 65 or above who do not have the ability to work, it currently takes five to six people to support the living of each of these elders. Some 20 to 30 years later, three people will be supporting the living of one elderly person. Therefore, we must make savings now. Furthermore, as our life expectancy grows longer, our working life will usually be proportional to our retirement life. A working life spanning 20 to 30 years will have to achieve savings for 20 to 30 years of retirement life. If a person can live on just half of his income, it is best if the other half is saved for use after retirement. But the fact is that not everyone can do this. Under the circumstance, how can we take care of the elderly in the next generation? This is a perplexing problem with far-reaching implications. I promise that ongoing efforts will be made in this area. I also promise Miss CHAN Yuen-han that I will make changes to areas in which changes are feasible. However, I have already been called too many names, and I do not wish to be called the "restless Chow". Many problems cannot be solved overnight. The Government has in place various frameworks and committees, and academics and experts are also carrying out relevant work. We need more time for planning. I hope that at an appropriate time, the problem can be referred to the Elderly Commission for studies and subsequently, decisions or proposals can be made and then submitted to the Legislative Council and its panel for decision. As regards the work

currently undertaken by the Government as well as work that the Government is prepared to carry out, I have already explained them to Members. I hope that Members can understand the problems that we face.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now call upon Dr YEUNG Sum to move his amendment to the motion.

DR YEUNG SUM (in Cantonese): Madam President, I move that Mr TAM Yiu-chung's motion be amended, as printed on the Agenda.

DR YEUNG SUM moved the following amendment: (Translation)

"To delete "six" after "to take forward the" and substitute with "seven"; to delete ", that are identified by the elders in various districts after discussion and from polling" after "concern to the elderly"; to delete "and" after "retirement protection scheme,"; to add ", and allowing the elderly who live with their families to apply independently for Comprehensive Social Security Assistance" after "their twilight years" and delete "and" after the subsequent ";"; and to add "; and (g) Accommodation for the elderly: helping the elderly with financial difficulties to solve their accommodation problems, including the introduction of a grading system for residential care homes for the elderly (RCHEs) in Hong Kong so as to give the elderly greater confidence in living in RCHEs; building more small public rental housing (PRH) units with suitable supporting social services to accommodate them; studying the relaxation of the eligibility criteria for PRH of the elderly who live in their self-owned old properties, and allowing them to put their properties under the trusteeship of non-governmental organizations and to use the rental income to pay for their living expenses, so that they can enjoy a peaceful life" after "filial piety"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr YEUNG Sum to Mr TAM Yiu-chung's motion, be passed.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Dr YEUNG Sum rose to claim a division.

PRESIDENT (in Cantonese): Dr YEUNG Sum has claimed a division. The division bell will ring for three minutes.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Dr Raymond HO, Ms Margaret NG, Mr CHEUNG Man-kwong, Mr Bernard CHAN, Mr SIN Chung-kai, Mr Timothy FOK, Mr Abraham SHEK, Ms LI Fung-ying, Mr WONG Kwok-hing, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr Patrick LAU, Mr KWONG Chi-kin and Miss TAM Heung-man voted for the amendment.

Mrs Sophie LEUNG, Mr Howard YOUNG, Ms Miriam LAU, Mr Vincent FANG, Mr Jeffrey LAM and Mr Andrew LEUNG voted against the amendment.

Mr WONG Yung-kan and Mr WONG Ting-kwong abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Miss CHAN Yuen-han, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Mr LAU Chin-shek, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG and Mr Albert CHENG voted for the amendment.

Mr James TIEN and Mrs Selina CHOW voted against the amendment.

Mr CHAN Kam-lam, Mr Jasper TSANG, Miss CHOY So-yuk, Mr TAM Yiu-chung and Mr LI Kwok-ying abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 22 were present, 14 were in favour of the amendment, six against it and two abstained; while among the Members returned by geographical constituencies through direct elections, 27 were present, 19 were in favour of the amendment, two against it and five abstained. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was carried.

PRESIDENT (in Cantonese): Members have been informed by circular on 21 February that Mrs Sophie LEUNG would withdraw her amendment if Dr YEUNG Sum's amendment was passed. Since Dr YEUNG Sum's amendment has been passed, Mrs Sophie LEUNG has therefore withdrawn her amendment.

PRESIDENT (in Cantonese): Mr TAM Yiu-chung, you may now reply and you have four minutes four seconds.

MR TAM YIU-CHUNG (in Cantonese): Madam President, four minutes will suffice.

Initially, I was concerned that no motion or amendment would be passed tonight. Although I already responded to Dr YEUNG Sum's amendment earlier, as no Members of the Democratic Party were in the Chamber at that time, I shall therefore repeat it once again.

In fact, with regard to the content of Dr YEUNG's amendment, we consider that it is fine. However, I consider that it is not fine as he deleted the part advocated by others. (*Laughter*) Since these issues are considered the most concern to the elderly and they are identified after lengthy discussions and through polling, I think people should pay due respect to others. I would rather Dr YEUNG Sum adds some wording to the original motion where he considers necessary, such as "moreover" or "of the utmost importance", and so forth, for such amendments are fine. Nevertheless, Dr YEUNG added the issues from six to seven; nobody knows how the publicity campaign should be launched in future. Should the Hong Kong Council of Social Service (HKCSS) adopt six or seven issues in its future publicity? The HKCSS proposed six issues, and now the Legislative Council has made it seven, and that will affect future publicity work in terms of consistency. Nevertheless, anyway, since Dr YEUNG SUM's amendment has been passed eventually, we will render him support. For that reason, the DAB did not vote against it but only abstained in the earlier voting. With regard to the withdrawal of Mrs Sophie LEUNG's amendment, of course there is no problem at all. Nevertheless, we know that the Liberal Party is somewhat concerned that the establishment of a community-wide retirement protection scheme will cause considerable impact. However, we understand that the Government will not make any hasty move insofar as this matter is concerned. The Government will definitely conduct a comprehensive consultation and take all suitable options into consideration. The Government is determined to promote feasible and achievable propositions. Some Members are possibly afraid of a study, in fact they need not fear, because it is nothing more than a study. In fact the Central Policy Unit is studying the issue, as it is being studied, it should be fine.

Today is the Lantern Festival, when people in the old days usually enjoyed themselves when they appreciated the decorative paper lanterns, in particular

young men and women. I hope Members of this Council will feel good tonight because of the reunion. For that reason, I hope Members will keep on supporting the proposal. After this motion is passed, we need to explain to the HKCSS and nine other groups that the Legislative Council has passed the motion and added one issue on top of the existing six issues to make up seven issues out of good intentions. Actually, in the past few years, I have been moving motions relating to issues of concern to the elders and ways to improve elderly service and elderly policy, with a view to arousing the attention of society, this Council, the public and the elders to these issues because Hong Kong is becoming an ageing society and in fact, a lot of issues are very important. If we can find a better solution earlier, then we can still have a certain kind of protection at our retirement. For this reason, it is not only for existing elders, but also for ourselves and our next generation.

Four minutes are quite sufficient. Thank you, Madam President. I hope Members will keep on supporting the relevant proposals.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by TAM Yiu-chung, as amended by Dr YEUNG Sum, be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion as amended passed.

PRESIDENT (in Cantonese): Second motion: Policy on the recycling industry.

POLICY ON THE RECYCLING INDUSTRY

MR ANDREW LEUNG (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed, so as to urge the Government to implement a sustainable development plan, which includes formulating a long-term policy on the recycling industry and implementing the development plan of the "Recovery Park" at an early date, with a view to solving the aggravating environmental pollution problem in Hong Kong as early as possible, as well as creating business opportunities and boosting job opportunities.

It is fortunate that nowadays, thanks to high technology, rubbish is no longer simply rubbish. Through environmentally-friendly recovery and recycling, rubbish can be given a new lease of life and acquire new value. High technology can turn worthless rubbish into high value-added economic products. According to conservative estimates, the recycling industry can bring at least \$10 billion of revenue to Hong Kong and create at least 20 000 to 30 000 additional job opportunities locally. Therefore, firstly, the environmental industry can improve the overall quality of the environment in Hong Kong; secondly, it can solve the problem of waste disposal; thirdly, it will add impetus to economic growth; and fourthly, it can create new employment opportunities. To members of the public, the business sector, the environment, the ecology and to Hong Kong society as a whole, there are numerous upsides with no downsides. This is indeed an all-win situation.

Hong Kong people produce 17 000 tonnes of solid waste each day. Of these, 7 400 tonnes is household waste and construction waste accounts for 7 000 tonnes. These are astronomical figures. Even the polyfoam lunch boxes discarded by students each day number at 320 000, yet we are talking about imparting an awareness of environmental protection in the next generation. We ought to feel ashamed of such a situation.

The development of the environmental industry has become a trend in the industrial world and is considered one of the leading industries in the 21st century. As a world city, Hong Kong has lagged behind other places in none other than this area. In Germany, the business of recovering and recycling plastics was established over a decade ago and after the plastic bottles are sorted automatically by computer and high-pressure air currents, the plastics are made

into items such as plastic bottles and tables and chairs in country parks. Waste recycling in Germany brings US\$55 billion in revenue each year. In the United States, 480 000 persons are employed in the recycling industry and an output valued at US\$53 billion is created each year. According to a study conducted by the Hong Kong Productivity Council (HKPC), the potential of the market in environmental protection on the Mainland and in Southeast Asia is stunning. Between 2001 and 2005, the turnover of the environmental businesses on the Mainland stood at US\$85 billion. In the next 10 years, the growth rate will be even higher.

In the past, many friends in the sector relayed to me that in Hong Kong, there has always been a lack of comprehensive and long-term policy and support. Therefore, they are very pleased to see the Chief Executive express the intention to assist the environmental industry in the policy address. Before the Chinese New Year, the Secretary announced the implementation of the "programme on source separation of domestic waste". This can anyway be considered the first step.

Another concern of the industry is that the trend of using environmentally-friendly products has not yet become the mainstream. For example, this environmentally-friendly lunch box that I am now holding is made of materials such as the Japanese silvergrass and it will take only half a year to degrade into a powdery substance, however, its cost is two to three times higher than the usual lunch boxes made of polyfoam. Although the price difference is just 10 or 20 cents, the effect is sufficient to impede the overall development.

Therefore, it is necessary for the Government to step up education on environmental protection and enhance the awareness of the public on sustainable development and change the established shopping habits of consumers. If we want to have a good environment, we have to pay for it, for example, to pay more to buy green products. Even so, this is absolutely worth the money. At present, no green tax has been introduced in Hong Kong, however, all of us are in fact paying a kind of tax every day, albeit it is not a tax levied by the Financial Secretary, nor is it related to the new Budget. By that I mean an ecological tax that we pay unawares because of our lack of concern for environmental protection, thus sacrificing the ecology and the environment. If all of us can consider the cost on the ecology of each product that we buy, we will find that green products are in fact not expensive at all. One example is the wishing tree in Tai Po, which has given us a warning that we must cherish the resources of the Earth, even only one tree.

At present, the development of the recycling industry in Hong Kong is still at an early stage. It is very important for the Government to provide support and put in place matching measures policy-wise, particularly on research in high technology. I propose that the Government establish a scientific research and resource centre on environmental protection for the purpose of collecting the latest information on environmental protection and the latest materials that cater to the needs of the Hong Kong market and conduct research on high value-added green products, so as to replace existing products harmful to the ecology and environment. Recently, the HKPC has launched the Green Manufacturing Express Programme that provides one-stop services, in the hope of assisting the industry to meet international environmental protection standards and maintain a competitive edge in the market.

The Government also has to formulate corresponding policies. For example, in Europe and even in a number of cities on the Mainland, legislation has already been enacted to specify the materials to be used in making disposable lunch boxes and manufacturers are required to use a certain proportion of recycled materials in the process of product recovery and production. I believe these practices are all desirable and the Government should study and consider them, formulate a progressive implementation timetable to encourage research institutes to speed up scientific research and development.

Madam President, the recycling industry is really an industry replete with advantages. It can reduce the global consumption of resources, improve the overall quality of the environment in Hong Kong, create business opportunities, promote employment as well as encouraging innovative technological developments. It is the new driving force with the greatest potential in the economy. However, the recycling industry requires a huge amount of investment and the payoff period is long. It is necessary for the Government to encourage and promote it by means of policy in order for rubbish to be successfully transformed into gold, for economic development and the ecology to interact harmoniously in never-ending cycles and for resources to be recycled endlessly. Therefore, I hope the Government will show greater urgency and take active measures, as well as considering the 10 major proposals put forward by me as follows:

1. to formulate a long-term policy on the recycling industry;

2. to establish a high-level inter-departmental industry promotion council to co-ordinate the policies of the relevant departments and bureaux to enhance efficiency;
3. to expedite the establishment of the Recovery Park in Tuen Mun and to adhere strictly to the objective of developing high technology and adding high value. The Park must not be allowed to degenerate into a large-scale waste handling centre exporting waste;
4. to levy a green tax on items that cause serious damage to the environment, for example, on plastic bags and tyres, to be used to promote the recycling industry and change consumers' buying habits. For example, at present, many people have given up using the plastic bags provided by supermarkets and are using environmentally-friendly shopping bags;
5. to put into practice the "polluter pays" principle and implement a manufacturer liability scheme to provide diverse choices on green products to the public;
6. to implement full scale a scheme to separate waste at source, so that waste recovery businesses can collect the materials more efficiently and lower their costs;
7. to encourage government departments, public organizations and schools to take the lead in procuring green products and services provided by local companies, so as to develop a green products market in Hong Kong;
8. to establish an environmental protection resource centre to promote scientific research on green products and establish a certification system for green products;
9. the Government should change its mind-set of being biased in favour of large-scale overseas environmental companies when inviting tenders for projects and should recognize the qualifications and experience of local environmental companies; and

10. finally, the Government should step up publicity on environmental protection and sustainable development targeting the general public and introduce a relevant curriculum in schools to cultivate a culture of environmental protection among the young generation in Hong Kong from a young age.

Madam President, all of us have the responsibility to develop the recycling industry in order to protect the environment. Not only is it necessary for the Government to take corresponding actions in its policies, manufacturers also have their responsibilities and the public should also give their full support. Only through this three-thronged approach and the concerted efforts of all people will we see results. The industrial sector will also put words into action by participating actively. The Federation of Hong Kong Industries will formally unveil a series of activities to promote the recycling industry next month. We will initiate a campaign calling on manufacturers to exercise self-discipline and take the initiative and encourage Hong Kong businessmen here in Hong Kong and on the Mainland to take part actively. I call on all members of the Hong Kong public to be far-sighted, jointly protect the environment and support the recycling industry with actions.

Madam President, I so submit.

Mr Andrew LEUNG moved the following motion: (Translation)

"That this Council urges the Government to implement as early as possible a sustainable development plan, which includes formulating a long-term policy on the recycling industry, implementing the development plan of the "Recovery Park", considering the imposition of a reasonable green tax, and establishing a high-level inter-departmental industries facilitation council to co-ordinate the communication and co-operation among various departments in a highly efficient manner so as to enhance public awareness of environmental protection and instill in them the correct attitude to handling wastes, with a view to solving the aggravating environmental pollution problem in Hong Kong as early as possible, as well as creating business opportunities and increasing job opportunities."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Andrew LEUNG be passed.

PRESIDENT (in Cantonese): Mr LEE Wing-tat, Miss CHOY So-yuk and Miss CHAN Yuen-han will move amendments to this motion respectively. Their amendments have been printed on the Agenda. The motion and the three amendments will now be debated together in a joint debate.

I will call upon Mr LEE Wing-tat to speak first, to be followed by Miss CHOY So-yuk and Miss CHAN Yuen-han; but no amendments are to be moved at this stage.

MR LEE WING-TAT (in Cantonese): Madam President, to truly implement the principle of sustainable development, we must reduce waste in Hong Kong. Other than waste reduction, it is all the more necessary to step up waste recovery and recycling. According to the statistics provided by the Environmental Protection Department, the total recovery quantities in Hong Kong increased from 1.56 million tonnes in 1998 to 2.38 million tonnes in 2003. The export value of recyclable materials was \$2.5 billion in 2003, showing a significant increase over the \$1.9 billion in 2002. The recovery rate of common materials in 2003 was as high as 41%. Compared with overseas countries, our performance is considered average.

However, if we examine and analyze these figures in detail, we will find big problems with waste recovery and recycling in Hong Kong. First, being a highly urbanized city with a high population density, Hong Kong should have great advantages in terms of waste collection and recycling. So, judging from the conditions of Hong Kong, a recovery rate of 41% is apparently on the low side, and there is still plenty of room for the recovery rate to increase. If we look at the individual types of waste recovered, we will find that the recovery rate of glass in Hong Kong is only 2%, which is very low compared with Australia where the recovery rate of glass is 45% (and in Germany and Japan, the recovery rate of glass is even as high as 83%). It appears that the Government should charge a deposit on glass bottles before improvement can be seen in the low recovery rate of glass in Hong Kong.

Besides, most of the waste recovered in Hong Kong is exported and only about 9% of it is recycled locally. Despite an increase of 420 000 tonnes in the recovery quantities in 2003 over 2002, waste that was recycled locally remained at the 2002 level of 210 000 tonnes only, causing the local recycling rate to drop from 11% to 9%. This shows that despite a rich source of recyclable materials,

limitations in the production capacity have precluded the further expansion of the local recycling industry. On the other hand, ferrous metal and textile recovered are all exported and so they cannot be recycled locally. It shows restricted diversity of products in the local recycling industry.

The Democratic Party supports Mr Andrew LEUNG's proposal of urging the Government to implement the development plan of the Recovery Park, establish a high-level inter-departmental industries facilitation council on recycling, and provide tax and land concessions as well as infrastructure and support facilities to the local recycling industry, thereby reducing the production cost of the recycling industry, and also actively promote the most up-to-date production technologies on recycling, with a view to enhancing the role played by the local recycling industry in the disposal of recovered materials and enriching product diversity.

Having said that, however, in order to fully promote the recycling industry, the Democratic Party considers it inadequate to only establish the Recovery Park. The recycling industry involves a process from waste recovery, recycling to the sale of recycled products. To the local recycling industry, there must not only be a sufficient and stable supply of materials for recovery, but also a stable pool of product users. Only in this way can manufacturers have the confidence to invest in the local recycling industry.

Therefore, we in the Democratic Party propose an amendment to suggest that the Government can focus on the waste recovery rate and the sale of recycled products to assist the development of the recycling industry. In respect of increasing the recovery rate, given the sharp rise in the price of iron, the recovery quantities of ferrous materials in 2003 registered an increase of close to 50% over 2002, reaching as high as 1.21 million tonnes. It shows that with adequate facilitation and incentives, there is, in fact, plenty of room for the recovery rate to increase. We propose that the Government should provide recycling bins for various types of wastes in public places, major shopping malls, schools and government organizations, and so on, to increase recovery quantities, and designate spaces at large refuse collection depots and other major locations as waste recovery points where recyclable waste collectors can collect and transport the waste away. For refuse collection depots where it is impossible to designate spaces as waste recovery points, the Government should consider setting up waste recovery transit centres to facilitate waste recovery by cleaning companies and waste collectors. The Government should also include in its

contract for outsourcing cleaning services terms of recovery work and stipulate a waste recovery rate in these contracts. Moreover, we propose that the Government should set down a specific target recovery rate as an indicator for its policy on such specified recyclable wastes as paper, tyres, plastic products, and so on.

Madam President, as early as in 2002, the Audit Commission already pointed out in its report on waste management that the provision of waste collection bins at the staircase landing on a floor-to-floor basis in a building can more effectively increase the rate of waste recovery. From the Housing Department's pilot programme of placing waste separation bins on each floor of public housing blocks, we find that the recovery quantities of plastic have increased by 58% and 21 times in two public housing estates, whereas the recovery quantities of paper have also increased by 50% and 4.2 times respectively. The Democratic Party urges the Government to expeditiously extend to all public housing estates the programme of placing waste separation bins at the staircase landing on each floor. We also propose that the Government should expeditiously conduct studies on refuse chute systems capable of performing waste separation to obviate the need for placing waste separation bins on each floor of a building and the waste collection process. As for the pilot programme on dry and wet waste separation currently being implemented, plastic bags in two colours are distributed to every household daily for the purpose of waste separation and recovery. But this practice is in itself waste producing and therefore runs counter to the principle of waste reduction consistently advocated by the Government. For this reason, we oppose this method of waste recovery.

To enhance the competitiveness of recycled products in the market, we in the Democratic Party suggest that the Government should study the imposition of a green tax on manufactures of certain specified recyclable wastes and look into imposing a green tax on manufacturers of products which pose serious hazards to the environment and which have ready recycled substitutes in the market, thereby causing the price of these products to rise and hence indirectly encouraging recycling by manufacturers. For example, the Government plans to implement by end-2006 a product responsibility scheme on waste tyres, under which one will have to pay more when purchasing new tyres. This can make consumers use more recycled or recovered tyres. We hope that the Government will implement this measure at an earlier date and extend it to other polluting products. Furthermore, 65% of the people agree with the imposition

of a green tax on manufacturers of products causing serious hazards to the environment. We urge the Government to actively study the imposition of a punitive green tax on manufacturers of products which pose serious environmental hazards and for which substitutes are available in the market, so that the price of these polluting products can truly reflect their environmental cost and hence enable green products to compete in a fairer environment.

Madam President, to assist the development of the environmental industries, the first and foremost task is to create a stable green market. According to a survey conducted by the Democratic Party, about 30% of the people are willing to purchase at higher prices products that are more environmentally-friendly, and 58.5% will purchase at higher prices products that are more environmentally-friendly depending on the circumstances. Therefore, we believe that if the Government can take the lead to purchase green products and encourage public organizations, subvented organizations, schools, and so on, to take the lead in promoting the use of recycled products and to specify a ratio for the procurement of recycled products and also encourage the public to purchase local or foreign recycled products, the development of the waste recovery and recycling industries will be greatly facilitated. This can also foster a steady pool of users of green products, enabling manufacturers to lower the cost as a result of mass production.

In recent years, the various Policy Bureaux of the Government have often talked about the principle of sustainable development. Regrettably, they have remained at the stage of shouting slogans. The Legislative Council has also urged the Government to support the environmental industries. But much to our regret, no concrete action has been taken and no comprehensive policy has been formulated to truly implement the principle, and this is somewhat disappointing to the people. Environmental pollution is very serious in Hong Kong now. The implementation of the principle of sustainable development can brook no delay. We strongly urge the Government to draw up more active and more effective policies to facilitate the development of the environmental industries and take forward initiatives on environmental protection.

Madam President, I so submit.

MISS CHOY SO-YUK (in Cantonese): Madam President, in 1998 I proposed a motion on reviewing the waste management policy for debate in this Council,

urging the Government to assist the development of the local recycling industry and revitalize the market for the environmental industries. It has now been seven years, and we are still debating this topic here. It is entirely because, to date, the Government still fails to face up squarely to the importance of waste disposal in Hong Kong, and this is indeed regrettable.

Following the above motion debate, I paid visits to the United States, Germany, South Korea, Taiwan and the Mainland to study their waste disposal systems and facilities and to explore how the target of "zero waste" can be achieved, hoping to identify a suitable way to solve the problem of waste in Hong Kong.

In the course of exploring solutions to the problem, I deeply felt that Hong Kong is indeed a place where treasure is hidden everywhere. It is because, as some people have said, rubbish is but a misplaced resource. Regrettably, after all these years, these resources are still being dumped at landfills; the environmental industries are still facing scores and scores of difficulties in their operation, and the recycling industry still appears to exist merely in name. On this issue, the Government does have unshirkable responsibilities. If the Government does not learn from the bitter experience and properly handle the wastes in the territory, Madam President, I am afraid that our Government would really become a rubbish government.

The Democratic Alliance for Betterment of Hong Kong (DAB) supports in principle the various proposals made in the original motion today to provide assistance to the industries. I propose an amendment mainly because the original motion focuses on concrete actions for promoting the recycling industry but omits some very important strategies and principles that must be observed in formulating the relevant policies. We, therefore, propose an amendment to highlight the importance of this point.

One of the most important points in the amendment is to urge the Government to adhere to the waste disposal strategy premised on the reduction, recovery and reuse of wastes in formulating policies on the recycling industry. This is a very important principle, because faced with huge pressure brought by wastes, the approach adopted by governments all over the world unexceptionally focuses on pooling resources together to reduce wastes at source and, as a second step, putting in place a mechanism to facilitate the recovery and reuse of wastes. When all the methods are exhausted, incineration or burial will be considered as the last resort to dispose of wastes that can neither be reduced nor recycled.

Waste separation is the most efficient and effective way to ease the burden on landfills. It also has numerous merits in many other ways. For one thing, it can spur the development of the recycling industry. The waste recycling industry is full of business opportunities, encompassing colossal financial benefits. More importantly, it can create a large number of low-skilled job opportunities. This, I believe, can greatly improve the employment problem resulted from economic restructuring. And for another, compared with other methods of waste disposal, such as incineration, gasification and burial, waste separation can best conserve many valuable resources on earth, preventing them from being buried or incinerated for nothing. Furthermore, from the experience of the Mainland, waste separation is, in fact, the most inexpensive method. It costs far less than incinerators and is more economical than landfills. Finally, waste separation is most environmentally-friendly, for it can separate many kinds of toxic wastes, such as batteries, for disposal separately, thus preventing such wastes from polluting the air as a result of their incineration or polluting the soil as a result of their burial.

Over the past few years, I have come into contact with many people, including government officials. The Secretary told me the other day that the situation was already different. I am very glad to hear from the Secretary that the situation is different now. However, when promoting incineration facilities to me, many officials and even environmentalists have sworn categorically that there is no technology in the world that can distinctly separate wastes. But when I was in Pudong in Shanghai, and Wuxi during the past weekend on a field visit to study their waste separation facilities, what I saw with my own eyes there and then can indeed overthrow all these remarks completely.

In fact, the waste separation facilities that we had examined are equipped with sorting functions so sophisticated that they are really quite astonishing. Members please take a look at these pictures here. In the factory, the wastes dumped into the machines can be automatically sorted into 20-odd types of products, which will be subsequently sold to recyclers for recycling. Let us not talk about metal, glass and plastic bags, wastes with which we are familiar. Even lighters can be sorted, and Members can see here that these are all lighters. Plastic shoes, batteries and toothpaste dispensers can all be sorted clearly, and one of the collection bins can even collect round-shaped objects! Glass and toothpaste dispensers can be sorted, and even glass bottles of different colours — white, blue and brown — can also be sorted.

More importantly, these waste separation facilities are absolutely not just an exorbitant experimental model used purely for demonstration purposes. Rather, they are facilities fully commissioned, and such facilities are now used in three cities. I have also learned from the Secretary that there are also similar facilities in Australia and that they are also operating very successfully.

Madam President, the greatest difficulty besetting the local recycling industry is not the lack of investors, but the lack of an ample supply of wastes, because almost all the wastes in Hong Kong are dumped at landfills. That is why among the 400-odd waste recovery companies in Hong Kong, only a few are engaged in the recycling industry. Many companies in the recycling industry even have to import wastes from overseas due to insufficient supply. In this connection, to enable the recycling industry to truly take off, it is imperative for Hong Kong to import waste separation technologies, in order to ensure a stable supply of wastes for the recycling industry. Let me cite Pudong as an example again. There is a plastic recycling factory, and by collecting waste plastic bags recovered through waste separation in Pudong alone, this factory can already provide for the living of 300-odd low-skilled recycling workers. The benefits that can be generated from the recycling of the other 20-odd types of wastes for the recycling industry and the number of workers that can be employed for these processes are all the more obvious.

Moreover, another point of my amendment is to urge the Government to implement the "polluter pays" principle. It is because the principle proposed by the Government now in imposing a tax actually seeks only to increase government revenue, without providing any incentive for waste reduction at all.

The DAB hopes that the Government can provide some incentives. In the imposition of a tax on tyres, for example, if automobile companies which send tyres to recyclers can be given a certain amount of money, that would serve as an incentive for them to ship the waste tyres to the recyclers. Besides, the DAB also hopes that the Government can accord priority to products of the local recycling industry, for the Government is the biggest user and may even be the only user of some products, such as compost. To encourage the local recycling industry, the Government has the duty to accord priority to the products of the industry.

Moreover, I wish to say a few words on the amendment by Mr LEE Wing-tat. I really cannot understand it after reading it very carefully. I did

ask Mr LEE what his proposals were. I still do not understand them even after thinking about them over and over again. Why should we impose "a green tax on manufacturers of certain specified recyclable wastes"? How can "a waste recovery rate" be stipulated? I entirely do not understand what these proposals mean. We certainly agree that the Government should take a leading role in implementing certain measures, say, stepping up waste separation or providing waste separation bins at major shopping malls. These are all agreeable to me. But I entirely do not understand two points, particularly the point concerning the recyclers. Since they are recyclers, why should the Government impose an additional green tax on them? This will stifle the industry and so, we can only abstain from voting on his amendment because of this point. Madam President, I so submit.

MISS CHAN YUEN-HAN (in Cantonese): Madam President, the amendment I propose today is in line with the idea of the Hong Kong Federation of Trade Unions (FTU). Our whole city needs environment protection which can create a lot of employment opportunities. In this connection, I have been putting forward our idea to the Government for a long period of time. But unfortunately, the Government has not made persistent efforts in promoting environmental protection. Nevertheless, Secretary, due to the promotion by various Policy Bureaux over the past few years, Hong Kong people's awareness of environmental protection has been enhanced. For instance, some non-government organizations have organized some activities and I was quite moved by them.

I remember that an activity was organized in a housing estate a few years ago. Participants could get some salt and sugar in return for the stuffs they handed in. Having attracted many participants as a result, it was like a carnival. I thought it was a good idea because through such exchange activities, people came to realize that these stuffs were recyclable. For example, I saw that various organizations had provided some large metal baskets in many housing estates for collecting duds. A similar activity has been organized in the building I live. People will spontaneously put their duds in the basket whenever it is placed there.

Through intermittent activities and the promotion by those who support the idea, I think Hong Kong people have now become aware in recent years that wastes are recyclable and some materials should be treasured and not be wasted.

For instance, as I have mentioned time and again in this Chamber that many people will recycle plastic bags. It can be seen that many people refuse to accept plastic bags provided by supermarkets and plastic bags for carrying newspapers. I think that the awareness of environmental protection of the community as a whole has been enhanced and has reached an important stage. But further promotion by all is needed.

After hearing Mr Andrew LEUNG's speech, I immediately wrote a note to him requesting a copy of his speech because I appreciated the fine details it contained. It reminds me of the policies and things that Miss CHOY So-yuk and I saw when we visited the State of Virginia of the United States a few years ago. Why do I mention those things? It is because I will offer some comments to the entrepreneurs in my speech. If their viewpoints are in line with Mr Andrew LEUNG's of the Federation of Hong Kong Industries, I think the effect will be quite different. For instance, we have requested that factories should retrieve bottles and batteries on their own initiative. Very often, they are reluctant to do so and we have to deal with the problem today. So, we support the imposition of a green tax. Otherwise, they are basically reluctant to retrieve the wastes even though they have created a lot of them. Among the policies of other countries, we can select and adopt practices which are desirable. In some countries, strong incentives are offered while in others, promotional methods are adopted. I hope through these means, soya sauce bottles, soft drink cans and various kinds of bottles or waste will be recycled through the imposition of tax.

Of course, after imposing such a tax, a very important development will be brought about. In what aspect will it be? It will enable some industries to enjoy sustainable development. I believe, after imposing the green tax, more people will be employed as waste collectors and eventually a small industry can be developed because the wastes collected can be exchanged for some other things.

Over the past few years, we have been putting forward this view which, however, has been ignored and there are divergent views in the community. I think Mr Andrew LEUNG's views are sound. If the business sector shares the same idea, the Government cannot evade the issue anymore. Rather it has to face the problem and implement some policies so that the whole recycling industry, including the export trade (those relating to export of wastes) will become more active and robust.

Madam President, the FTU has been saying that the recycling industry is essential to our society. More importantly, we, engaged in labour movement, are concerned that more job opportunities are needed in the community. If favourable policies in this aspect can be formulated by the Government, it will be conducive to creating new employment opportunities. By that I mean new posts, not those which are temporary and can be created and deleted arbitrarily at any time. The Government can create many job opportunities on this basis.

During my visit to the United States, I visited some large-scale recycling firms in which many people were engaged in sorting out wastes and other materials. During this process, many jobs suitable for grass-roots people were created. So, I think the Government should make more efforts, particularly when the Recovery Park mentioned this year has almost been completed and will be commissioned next year. We made this suggestion in 2000. I still remember that the motion on supporting waste recovery and recycling industries was carried in 2000 in this Council. However, the issue has been discussed since then and the Recovery Park will only be completed next year.

I would like to point out that the imposition of a tax will make those who have created wastes understand their responsibility and the recycling industry will get a stronger drive. Besides, I think there is another very important point. I have mentioned it to the Secretary before and I also discussed it with some manufacturers about one month ago. I pointed out to them that after the completion of the Recovery Park, Tuen Mun should not be the only place benefiting from it. Other districts should also be benefited so that various small-scale recycling industries should find room for survival and development.

Madam President, last week I went hiking with almost 1 000 people from Devil's Peak in Kwun Tong to Sai Kung. We passed through many places and some of which had set up business like recycling industries because these places were heaped with garbage, used tyres, used gas cylinders, and so on. So, I told the Secretary that Hong Kong needed to have such a policy and measure. In the absence of ancillary facilities, it is possible that the Recovery Park would only be managed by large enterprises instead of somewhat like the current situation where recycling jobs are scattered at various districts and undertaken by various small and medium enterprises or co-operatives set up by small and medium enterprises in the housing estates. These are the recycling jobs we have

discovered. Just now, Miss CHOY So-yuk said that no garbage was found. In fact, the reverse is true. But the problem is that garbage will be sent to landfills or handled by large-scale recycling firms. If various collection points are set up at each district, it will facilitate the development of small and medium recycling industries which are located at different areas of the community. So, I have put forward a point relating to regional recyclable collection centres in my amendment.

Madam President, apart from the above, I would like to mention another point. If the Government really considers that waste recycling is essential to environmental protection and can create more job opportunities for our community, I hope the Government can expedite the process and formulate an integrated policy which is more comprehensive. In a discussion with some workers recently, I learnt that they were engaged in collecting and exporting wastes at the piers. As the open tender of the landing piers is under discussion, they are very worried. Everybody in their trade hopes that pier charges can be kept at a low level so that their jobs can be maintained. In fact, the whole world thinks that environmental protection is very important. The wastes, after recycling and some minor processing, can be used to make electrical products in the developing countries. So, I hope the Government can implement a relevant policy in this aspect as an ancillary measure.

I remember that about four or five years ago, we the Legislative Council Members received a complaint from some workers engaged in collecting electrical appliances and wastes in Mong Kok. The wastes collected would then be shipped to the third world and many ships from the third world would come to pick them up. Unfortunately the Government had not formulated any policy to support them and even worse, they were ordered to leave. As a result, a flourishing industry has encountered a lot of difficulties due to the government policy. So, I hope the Government can formulate an integrated policy. Apart from the imposition of a tax in order to encourage the development of the industry, the Government should set up regional facilities enabling small and medium enterprises and even regional co-operatives to join the recycling industry so that they can recycle a large volume of wastes. Meanwhile, the Government needs to formulate an integrated policy which will cover not only Secretary Dr Sarah LIAO's scope of work but also different government departments including those engaged in land administration and planning.

The Government told us that a lot of sites had been granted for this purpose. But I found that these sites are mostly located in the New Territories and only a few are located in urban areas. I hope that such sites in the New Territories really exist. I know the government officials in the Chamber are conscientious. After discussing the issue with them, I have got a very good impression of them. I hope the Government can expedite the formulation of an integrated policy so that the problem can be dealt with in a more comprehensive manner when the community as a whole, including the business sector, the labour sector and various parties, is intent on promoting environmental protection. The FTU, therefore, supports the original motion and the amendments on the whole. Thank you, Madam President.

DR RAYMOND HO: Madam President, generally speaking, the wealthier a household is, the more waste it will generate. In Hong Kong, we produce approximately 1 kg of waste per capita per day. At the same time, commercial, industrial and construction activities will produce more waste than a less developed city. Without proper and timely measures, or without appropriate government policies, it will lead to serious environmental problems. In Hong Kong, most of our solid waste is disposed of at landfills. However, as we all know, these landfills will be exhausted shortly. Under these circumstances, it is necessary for us to take some measures, including encouraging citizens with incentives to produce less refuse at source, in order to cope with the imminent problems.

I am not saying that people should be encouraged to buy less in order to reduce waste, or not to carry out construction in order not to produce construction and demolition waste. To solve the problems, the Government should adopt a sustainable development policy and support the development of the environmental industry. I am glad that as reflected in the 2005 policy address, the Government realizes the importance of environmental protection to the future development of Hong Kong, and plans to build a Recovery Park in Tuen Mun for exclusive use by recycling industries. According to the policy address, the first phase of the Recovery Park will be commissioned in late 2006. I hope that the Government will keep the progress of the plan on schedule.

Landfill facilities have been our traditional measure to deal with waste, but they are not a sustainable and economic measure. Currently, the landfills and the disposal of solid waste cost taxpayers some \$1.5 billion annually. Our existing landfills only have sufficient capacity to last another 10 years or less. If we continue to rely solely on landfills for the disposal of solid waste, for instance, we will need an area of 400 hectares to develop new landfills at a likely cost of around \$12 billion just to meet our needs up to 2030.

As a long-term solution, the Government should adopt a waste management strategy based on a four-tier waste management hierarchy, namely, Tier 1: reducing waste generation; Tier 2: recovering and recycling remaining waste; Tier 3: reducing the volume of remaining waste (including the use of the best available technologies for thermal or biological treatment); and Tier 4: disposing of any remaining waste at sanitary landfills as a last resort. Obviously, this waste management strategy can only be implemented by the Government in concert with citizens, manufacturers and any other possible refuse producers as well as the recycling industry. As a result, it will definitely be necessary for the Government to enhance public awareness of environmental protection, encourage manufacturers to use recycled products, offer support to those firms engaged in the recycling industry, and, most important of all, formulate appropriate policies to put all these suggestions into practice.

Hong Kong is in transition to a knowledge-based economy. We need to provide a quality living environment to attract talents from all over the world to work for Hong Kong. I hope that the Government will formulate relevant green policies to achieve this objective and the ultimate aim of economic growth.

Madam President, I so submit. Thank you.

MR CHEUNG MAN-KWONG (in Cantonese): Madam President, the annual cost incurred by handling refuse in Hong Kong stands at \$1.5 billion, yet the quantity of refuse is still on the increase. There are a lot of recyclable items in the refuse, however, the concept of waste recycling is losing ground in Hong Kong and the valuable resources of the earth are going down the drain.

Excessive packaging and disposable items have become the trends in the market and society is accustomed to what is wrong and takes it to be right, pursuing convenience at the expense of environmental protection. Take the excessive use of plastic bags as an example, the quantity used in Hong Kong in 10 days is enough to go round the globe once. The proportion of polyfoam lunch boxes used to serve lunch to primary school students has increased to 70%, creating a white flood of pollution and causing far-reaching damages. However, nobody is taking this problem seriously and calling on people to stop.

The consumer culture in Hong Kong is such that wastefulness will redouble whenever there are festivities. For example, the red packets used are getting ever larger and commercial establishments are giving away more and more red packets. Once Chinese New Year is over, they all become rubbish and each year, 9 000 trees are felled for this purpose and the area of forest consumed is 22 times that of the Hong Kong Stadium. As far as the mooncakes consumed in the Mid-Autumn Festival are concerned, if such items as the metal container, plastic bag, plastic knife and fork are all taken into account, each box of mooncakes uses 15 items in its packaging and 58.4 million items of refuse are generated. When piled on top of one another, the height of the discarded containers for mooncakes is 400 times that of the Bank of China Building. The number of plastic lanterns discarded is about 1.75 million and their total height is 549 times that of Tai Mo Shan. The mooncakes past their expiry dates are enough to fill 40 basketball courts, and the luminous sticks and candles have not been taken into account. Madam President, I am not saying that the customs and traditions of the Chinese New Year and the Mid-Autumn Festival have to be changed. I only hope that society will show moderation, knowing what to do and what to refrain from and does not cause any abuse or wastage.

The rapid increase in the quantity of refuse has caused landfills to burst at the seams. We can only continually expand them. The three existing landfills will accommodate over 6 million tonnes of waste each year and their service life will last only six to 10 years, five to nine years shorter than originally planned. A large amount of recyclable items are found in these landfills and this is wasteful to the extreme. Furthermore, there are people who find it expedient to dump rubbish on agricultural land, which is piled as high as lamp-posts, thus blatantly damaging the environment. However, the Government is totally at its wits' end against this.

In the 1990s, the Government advocated the recovery of waste and the recycling bins in three different colours used to collect waste paper, aluminum cans and plastic bottles are familiar to all. However, the effect is not marked, due to the failure in educating the public. Secretary Dr Sarah LIAO said, "We have to dispose of household waste each day and over 40% of it is recyclable. With every 1% increase in the recovery rate, the amount of household waste can be reduced by 30 000 tonnes each year." However, the recovery rate of household waste in Hong Kong is 14%, far below the international level. It is necessary to do some catching up right away.

Madam President, the recovery of waste must be carried out at source. The Government should consider implementing product responsibility schemes to reduce the amount of waste produced and promote recycling. At present, the European Union has already put in place legislation to require manufacturers selling electronic products to have their products made with at least 65% of recyclable materials. The success experience in overseas countries should be introduced into Hong Kong to bring improvements to the increasingly serious pollution problem.

The recovery and recycling industry will offer the most environmentally-friendly and most positive solution. The policy address this year has revived the plan for a Recovery Park with a view to promoting waste recovery and recycling. However, the Recovery Park should not be a vision without substance and the Government must formulate a clear policy on waste recovery as well as the details of implementation, including the types of industries and the method of leasing, to ensure that there are sufficient monitoring, support and financial incentives to induce the sector to make long-term planning and investment and enable the environmental industry to develop in a sustainable way, so as to achieve the objectives of reducing pollution, creating business opportunities and promoting employment.

The various aspects in the blueprint for recovery and recycling are closely linked and a failure in one of them will make all previous efforts go to waste. For example, regarding the recovery activities carried out by schools in the past, since arrangements could not be made to deliver the waste to waste recovery workshops and rodents were attracted to the waste instead, this led to many complaints and all efforts were wasted. Should recovery be unsuccessful, the Recovery Park will degenerate into a large waste bundling workshop and the waste will be exported to other countries. It will also become a transit point for red fire ants and the objective of recycling and adding value cannot be achieved.

The greatest difficulty facing the Recovery Park will be the recovery and separation of waste. This requires not only education but also incentives. The Government must put in place a well-developed recovery mechanism and a support system to gradually cover all types of recyclable items, beginning from paper, plastics, aluminum cans and extending to metals, polyfoam, glass, worn fabrics, wood, batteries, compact discs and electronic waste, with the aim of maximizing the use of all things and reducing wastage. Meanwhile, the authorities should promote public awareness of environmental protection and active participation in sorting waste at source through education and publicity, so as to lay a foundation for the recovery industry.

However, the policy on recovery in Hong Kong is still conservative and public awareness of recovery is still backward, falling behind the major international trend in environmental protection. Take the battery recovery to be launched by the Environmental Protection Department next month as an example, only rechargeable batteries will be collected but disposable batteries, which account for 90% of all batteries, are disregarded because they are of little value. Such utilitarianism is disappointing and frustrating.

However, recycling is better than dumping anyhow and the spring late in coming is still spring. I am prepared to mobilize the education sector to give full support to the Government in waste recovery and recycling. Because we love the earth and detest wastefulness. The earth is home to a myriad of living organisms and environmental protection is an awakening in all human beings. Starting from education, we will be able to travel afar. In this, I am totally duty-bound.

Madam President, I so submit.

MR LEE CHEUK-YAN (in Cantonese): Madam President, I wonder if you feel something very special and strange in the atmosphere today. I remember that you said after adjourning a meeting due to a lack of quorum that you would act as the "peacemaker". Judging from the situation today, I think you may feel that it is quite peaceful, am I right? The first motion today was surprisingly carried with little contention on the amendments. I think we can really tell Hong Kong people that rarely is there a motion like this on which we can discuss in peace and harmony. In extending New Year greetings to members of the public, the Chief

Executive always calls for harmony. Mr Andrew LEUNG has really done a good job for the Chief Executive in proposing this motion today, for this is indeed a debate in which harmony reigns. Although there are many amendments — it always beats me as to why there should be so many amendments — they are actually almost all agreeable to us as we discuss them. Perhaps it is only because Mr Andrew LEUNG did not set out his 10 major proposals that other Members saw fit to propose amendments to add these proposals to his motion. So, the Secretary can see indeed that this Council has a very strong consensus in this regard.

The only bit that is not harmonious today is the remark made by Miss CHOY So-yuk, that this Government is a rubbish government. To foster harmony, I hope that this motion on policy on the recycling industry today can be passed. Let me try to interpret this remark about a rubbish government. In the speech of Miss CHOY So-yuk, from the parts of her speech preceding and after this remark about the Government being a rubbish government, I found that she actually loves rubbish very much. So, although Miss CHOY said that the Government would be a rubbish government if it did not do something, she actually loves this rubbish government very much. It is because she said right at the outset that rubbish was a misplaced resource but later, she kept on saying how precious rubbish was. So, even though she said that the Government was a rubbish government, in order to show that it is also meant to achieve harmony, that remark of hers is actually still a pro-government remark, for she actually loves this Government.

However, what I wish to tell the Secretary most is that it is very difficult for this Council to be of one heart and one mind to urge the Government to do something on a particular issue. In fact, in the meetings with the Financial Secretary in the past few years, the Hong Kong Confederation of Trade Unions (CTU) had told him that it was imperative to develop the environmental industries. From the viewpoint of the CTU, environmental industries serve as a very important opportunity for creating jobs. From the viewpoint of the Federation of Hong Kong Industries, as they have also said earlier, this will bring about business opportunities. As business and jobs are envisaged, there is simply no conflict between us. We hope to see more business opportunities, so that we can have more job opportunities. Certainly, such questions as wages, and so on, can be left for further discussion in the future. But at least, we all hope that there will be more job opportunities and that more local industries can maintain their operation in Hong Kong. This is our consensus.

So, under such circumstances, I very much hope that the Government will not just tell Members to wait for the Recovery Park. Rather, I hope it can truly and expeditiously implement the support measures proposed earlier by a number of Members. Since it has the mandate, and as this Council also considers it necessary to carry out work in this area, this is, in fact, a rare opportunity, showing that the executive and the legislature can finally work together and reach a consensus on an issue. If, in spite of this consensus, the Government still fails to act expeditiously, then it would really be very disappointing.

I particularly wish to remind the Government that on this issue, we very much hope that the recycling industry can create more job opportunities. We are very worried that the environmental industries will turn out to be purely engaged in burning waste, which can involve the application of high technologies. Besides, we do not hope that the entire environmental industries are purely confined to recycling. Rather, it must include waste recovery and separation. We think that in the entire chain of environmental industries, waste recovery and separation may be the link that can create the largest number of jobs. Certainly, we do very much support recycling. But if job opportunities can be created in each and every link of the entire chain, the recovery rate in Hong Kong can hopefully increase from some 40% at present to the international standard of some 70% to 80%.

Can we achieve this someday? In fact, this is really a rare topic which makes the business sector, the labour sector and the environmentalist sector all feel as winner. Therefore, we really should do more. I very much hope that in her reply to Members later, the Secretary can tell us whether, apart from the Recovery Park, the Government already has a comprehensive range of measures that can be implemented shortly in respect of all links of this chain from waste recovery and separation to waste recycling, so that Members can expect more job opportunities to be created.

I hope that work can be carried out in a harmonious atmosphere and consequently, through harmony, benefits can be generated for all. Madam President, this is a rare opportunity. What will happen next week may be totally different. Perhaps it is because this is the first meeting in the Chinese New Year that Members have behaved more amicably. I hope we can do more in respect of this motion.

Thank you, Madam President.

MR PATRICK LAU (in Cantonese): Madam President, like many Members, I support the formulation of a long-term policy on the recycling industry to enable Hong Kong to become a city of sustainable development. However, while it is necessary to implement the development plan of the Recovery Park, I think it is also necessary for the Government to consider providing support in other areas and draw up a comprehensive plan on recovery with a forward-looking vision.

Hong Kong is a small but densely populated place where land is scarce and precious. It is not easy to implement waste separation and recovery, particularly in respect of domestic waste which constitutes a substantial part of the waste being disposed of currently. In reality, residential flats in Hong Kong are very small in size; the kitchen is small with no work area. It is indeed a problem if members of the public are required to put at home many different rubbish bins for waste separation. I think there will be certain difficulties in doing so.

Moreover, given a lack of co-ordination in the existing policies, the waste recovery programme implemented in housing estates has not produced the desired results. Although many waste separation bins are placed in the housing estates, the lack of a sound waste recovery system has made it impossible for waste to be recovered separately even though it is placed separately.

The problem will not be solved unless the existing Buildings Ordinance enforced by the Buildings Department is amended to allow for appropriate alteration or addition of facilities to provide work areas or different types of refuse chutes, so that there will be sufficient space for waste to be separated at source and subsequently recovered through a sound recovery network covering various types of residential and business/industrial buildings. I agree with the proposal made by a number of Members of transporting separated waste to the relevant recyclers direct in various ways for recycling.

In fact, the policy on environmental protection in overseas countries stresses not only waste recovery and reducing pollution. Great importance is also attached to the concept of recycling and reuse. Apart from manufacturing recycled materials, such as paper, plastic and iron, wet organic wastes are also recycled and used as fertilizers or for septicity control. They will even make use of the energy released from refuse incineration to power the heater system, thus genuinely turning waste into energy.

Nevertheless, the existing policy of the Hong Kong Government emphasizes only the recycling industry to the neglect of the economic benefits of "waste to energy" conversion. In this connection, the Government should plough in more resources or implement concessionary policies to encourage investment from the business sector and support research studies on the development of creative industries in this regard, with a view to truly putting natural resources to full use. The recycling of tyres into environmentally-friendly bricks is a case in point. Creativity is essential for the policy on environmental protection to become more effective.

If we can avail ourselves of the economic benefits associated with the environmental industries by capitalizing on the renewable energy generated from "waste to energy" conversion and creating innovative materials and products, we can not only support the sustainable development of the environmental industries as well as the related industries but also create jobs, and hence bring about the economic benefits of recycling, in which case the imposition of a green tax may even be unnecessary.

Madam President, the Government should be forward-looking in formulating policies. Efforts should also be made to achieve better overall co-ordination, so that the policies will not be wasted for nothing as a result of improper enforcement. When formulating policies on environmental protection, the authorities must have a comprehensive set of policy to support continued creativity and provide room for sustained development. With regard to inculcating in the public an awareness for environmental protection, developing the recycling industry, supporting research and development projects on innovative materials and products, encouraging participation from small and medium enterprises, creating job opportunities, and enacting appropriate legislation to support the environmental industries, the Government should make every effort to encourage participation and foster co-ordination in the community at various levels. Apart from encouraging public organizations to take the lead to purchase green products, the Government should also encourage active participation from the private sector, so that policies on environmental protection can be taken forward with community-wide involvement. Only in this way can we prove our worth as a city of sustainable development. Thank you, Madam President.

MR VINCENT FANG (in Cantonese): Madam President, many people used to say that rubbish is the product of a civilized society. But this saying is no longer valid nowadays. Today, economically developed countries are competing with each other in this light: Whoever produces the least amount of unrecyclable waste has environmental industries of the highest value.

In Asia, in 2000, environmental industries generated proceeds of about \$12.5 billion in Singapore, \$17.9 billion in Thailand, \$39 billion in Taiwan and even \$50.7 billion in Korea which ranked first. To this Asian cosmopolitan of Hong Kong, how much proceeds have the environmental industries generated? According to government information, the total export value of recovered materials in Hong Kong was \$1.9 billion in 2002. As the local recycling industry is still in a fledgling stage, value-addedness has not been achieved for the recovered materials. All that can be carried out is some simple processing procedures, such as smashing plastic bottles into small particles for export.

The wholesale and retail sector of which I am the representative has often been criticized as not environmentally-friendly, for a large amount of plastic bags and packaging materials is used. But this is not true in reality. The sector supports the Government's policy on environmental protection, particularly the recycling industry which can turn waste into gold. We have also actively introduced and promoted recycled products.

Besides, the sector has attached increasingly more importance to using less packaging materials. For instance, during this past Christmas and New Year, Members should have seen many products in beautifully decorated boxes when doing shopping. The purpose of these designs is the hope that consumers would give away the presents direct and hence reduce the need for packaging.

Moreover, recyclable packaging materials have become more and more popular in the sector. In some shops, for instance, environmentally-friendly shopping bags are used to replace plastic bags, paper bags, gift boxes, and so on. The most successful example is the Harrods department store in London. I think many ladies in Hong Kong must have one such bag in their possession!

In fact, the retail sector has thought about taking forward policies on environmental protection in many ways. But whether these measures will achieve the desired results depends on consumers' awareness of recycling and reuse. It is because many people do not take a shopping bag with them when

they go shopping. The reasons are, first, the paper/plastic bags provided by many shops are beautifully designed and well received by consumers; and second, many people are impromptu shoppers.

Another reason is that packaging is inevitable for some products. For example, glass bottles and tins are necessary packaging materials for many kinds of food. These waste materials are recyclable. As I mentioned in the policy debate, glass can be recycled into glass sand, a type of construction material used extensively.

No doubt the awareness of recycling is rather weak in Hong Kong at present. But in order to reduce waste in an environmentally-friendly manner, I think we should start from imparting in the public the awareness of environmental protection and providing support to the development of the environmental industries, rather than imposing a levy on plastic bags which implies that one can create waste if he can afford it. Take supermarkets as an example. Supermarkets are already offering a rebate of 10 cents to customers declining plastic bags. But many people still prefer to ask for plastic bags. Furthermore, imposing a levy on waste producers is a punishment. It can only address the symptoms of the problem, rather than solving the problem at root, making it very difficult for the public to develop on their own initiative a sense of environmental protection, which can be achieved only with long-term education and encouragement.

Many business opportunities are actually hidden in these wastes which we consider as a burden. The recycling industry is a lucrative business which, as mentioned by my colleagues, can create over 40 000 employment opportunities, and if a value-added recycling industry can be developed systematically in Hong Kong, the number of jobs and economic benefits to be created will be even greater.

Take the construction and operation costs of landfills as an example. A savings of \$125 can be achieved for producing one ton of waste less. If recovered materials are marketable, the recovery quantities will at least double, which means that hundreds of millions of dollars can be saved a year. Besides, when value-addedness is achieved for waste, the economic benefits of recovered materials can at least increase by three to four times. If we use the \$1.9 billion export value of recovered materials in 2002 for calculation, the value could have exceeded \$10 billion.

Furthermore, the development of a value-added recycling industry by recycling recovered materials into useful, innovative products can also spur the development of creativity industries, for environmentally-friendly products are very well received in the international market. We have learned of an example from the Hong Kong Trade Development Council. A Hong Kong company had once promoted a kind of pen made of environmentally-friendly materials in overseas countries and the product was very much welcome by overseas buyers. This company subsequently received unexpected orders. There are loads of such examples.

I hope that the Government can make reference to the practices adopted in Guangdong Province. Apart from the establishment of four research and development centres by the Commerce, Industry and Technology Bureau as announced in the policy address, can studies be conducted on establishing a "research and development centre on value-addedness in waste"? Or is it possible to include the recycling industry and the relevant development and design industries in the SME Funding Scheme, so that companies interested in developing waste recovery and value-added industries.....*(the buzzer sounded)*

Thank you, Madam President.

MR WONG KWOK-HING (in Cantonese): Madam President, the unemployment rate released on Monday is only 6.4%, the lowest compared with the figures over the years. But still, 214 000 people are out of job. Let us look at the figures carefully. It is true that the total number of people in employment has increased by 102 000. But what are the jobs taken up by these 100 000 people? According to the other statistics released by the Government, the unemployment rate of executives and professionals is only 2% to 4%. Those people in this stratum have apparently benefited from the economic growth. On the other hand, it goes to show that most of the unemployed workers are in the lower-middle class, and it is difficult for them to be absorbed by the knowledge-based economy. In other words, as the economy develops along this path, they may not necessarily be benefited.

Madam President, the FTU advocated the development of the recycling industry as early as in 1999, and we had organized a massive procession at the time. A characteristic of this industry is that it is labour-intensive. As there

are a dozen to tens of buildings in a housing estate, it takes at least a dozen to 20 workers to collect the waste and subsequently separate it. Imagine: Since there are so many housing estates, schools, shopping malls and factory premises in Hong Kong, the development of waste recovery and separation can provide plenty of job opportunities, and undoubtedly this is.

The Government estimated that the development of environmental industries can create 30 000 jobs, and this, I think, is an underestimation. According to the rough estimate of the industry, close to 100 000 jobs can be created. The general union of the waste recycling industry, which is not granted any government subsidy, has conducted a study on its own and provided us with some information. The information shows that in Hong Kong there is indeed a recovery chain consisting of 14 exporters, 50 barges, 14 berths, 80 trucks, 220 recyclers and 360 balers, employing a total of about 4 268 workers. Moreover, the about 80 000 cleaning workers engaging in waste recovery, scavengers and waste collectors have been working silently and making contribution to environmental protection and yet, they do not receive any subsidy from the Government at all. If the Government can provide support to them, I think through such industries as waste recovery, more employment opportunities can be provided to help the unemployed.

There are currently over 200 000 workers out of job. If the Government can effectively promote the environmental industries, the number of unemployed workers can already be reduced by half. In all parts of the world, importance is attached to environmental protection and efforts are made to promote the recycling industry. But in Hong Kong, even if we do not consider from the environment perspective, it is still worthwhile to develop this industry purely for alleviating unemployment alone.

The Secretary has stated that the Recovery Park can facilitate one-stop high value-added production by recyclers, thus enabling the recycling of recovered materials into raw materials or finished goods, and that the Government is prepared to formulate policies to help the recyclers. The FTU will certainly throw weight behind this. However, we are more concerned about the equity of the policies of the Government. To observe the principle of equity, all enterprises, big and small, should be given the opportunity to participate and engage in the recycling operations, irrespective of their capital input.

The Secretary has made arrangements for the Recovery Park to be managed by a management company. Many contractors have already expressed the concern that the management company may focus only on commercial considerations and hence charge expensive rent and management fees. In that case, small and medium enterprises cannot possibly afford relocating their operation to the Recovery Park. I think their worries are not unwarranted. The 220 recyclers, 360 balers and 14 exporters all over the territory rely heavily on the 14 berths located in different parts of Hong Kong Island, Kowloon and the New Territories. But do Members know that after a year's negotiation, they still did not know whether the lease of these berths could be renewed even in the month preceding 30 January, thus making it impossible for them to make further investment. Therefore, they could only turn to me for assistance. I assisted them in their negotiation with the Government and the Government subsequently extended the lease of the berths for six months. So, they have asked why the Government has to make things difficult for them. They are obviously creating wealth amounting to \$1 billion per annum for Hong Kong. So, they have to ask if it is the intention of the Government to force them to move into the Recovery Park, in order to take over their operations in various parts of Hong Kong Island, Kowloon and the New Territories. I think these questions do stand to reason. I also hope that the Secretary can take this opportunity today to respond to these questions that I have asked on their behalf and dispel the worries of small and medium recyclers. It is because six months later, the berths that they have been using now will be abolished and what should they do by then? So, if the Government genuinely wishes to assist the development of the waste recovery and recycling industries, I think it must take effective measures in terms of land, taxation, berths, machinery depreciation, and so on, to provide support to small and medium recyclers, exporters and balers in the territory, so that they can truly create more job opportunities for the middle age and workers with low education attainment, thus allowing them more room for survival.

With these remarks, Madam President, I wish to pay my highest tribute to the 80 000-odd workers who have long worked in the recycling industry, and I support the original motion and all the amendments. Thank you, Madam President.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, in his speech earlier Mr LEE Cheuk-yan mentioned harmony, peace, and so on. I think that is what we all hope for. But regrettably, the policy on the recycling industry,

which is under discussion today, makes me feel bad indeed and so, it is very difficult to relate it to harmony and peace in any way. Why do I say so? Madam President, many organizations or Members have over the years continuously urged the Government to develop the recycling industry, but the Government's response has been very disappointing indeed. I am not the only person who holds this view. Even Mr WONG Kwok-hing has said this earlier on.

We propose that the recycling industry should be developed, for we think that this will not only facilitate waste recycling and hence take forward our work in respect of environmental protection, but it will also provide a solution to the unemployment problem as more jobs can be provided. But what has the Government done all through these years? The most that it did was to propose in 2001 the establishment of a 20-hectare Recovery Park in Tuen Mun. What else? Are there other support measures? The stark fact is that nothing has been done. What does it mean? Is it that the problem can be solved simply by proposing the establishment of a Recovery Park? Alright, even if a Recovery Park will really be built, what has been done? This Recovery Park has not yet come into operation as of today. What does it mean, Madam President?

So, all this is utterly disappointing to us. Of course, the Secretary will surely say that over the years, the establishment of a Recovery Park is not the only proposal of the Government and it has also carried out work in other areas, such as increasing a number of fees and charges as a means to substantially reduce waste, and also increasing the landfill charges, and so on. However, increasing fees and charges is not the best way to solve the problem, because the people will dump waste anyway if they have to despite the imposition of a small fee on them. Some Members also mentioned earlier the example of giving a rebate of 10 cents to customers declining plastic bags. But still, the people have paid little attention to this and continued to ask for plastic bags.

In this connection, we must implement some effective measures. Regrettably, the Government said on the one hand that importance will be attached to environmental protection but on the other, it has been doing damage to the work of the environmental industries. Madam President, why do I say so? It is because the Government is making continuous efforts to develop waste incineration jointly with consortiums. How possibly can recycling be promoted if waste will be incinerated? This is self-contradictory and paradoxical. So, I think the Government's words and deeds do not really tally in this regard. This

is meaningless indeed and pretty upsetting. I think if the Government is genuinely determined to promote the environmental industries, it must not vigorously develop waste incineration, because when more incinerators are built, it would be impossible to take the environmental industries forward. What significance is there if all the waste is disposed of purely by way of incineration?

Moreover, when it comes to the recycling industry, there are many problems that we must resolve. For instance, as some colleagues mentioned earlier, environmental industries are viable in foreign countries and even in countries where the cost is high. Why? It all boils down to government subsidy. Without government subsidy, their development and promotion will be difficult. But much to our regret, the Government has consistently said that no subsidy would be given in consideration of fairness.

Although the Government has refused to provide subsidy, considerable public funds have been expended on waste disposal. This is, in fact, unnecessary. So, if the Government genuinely wishes to take the environmental industries forward, can it come up with some better approaches under which the resources for waste disposal can be channelled to subsidize the industries? This is a way that can kill two birds with one stone, because while waste can be recovered in an environmentally-friendly manner, employment opportunities can also be created. Why does the Government not consider this? To us, that the Government has not considered this is regrettable.

In fact, other than the lack of government subsidy, another even bigger problem besetting the environmental industries is that there is no way out. Why is there no way out? At present, most of the recovered waste is exported to the Mainland, and this is almost the only channel for disposing of such waste. But the benefits that can be generated may be very small due to keen competition. If the benefits are small, I am worried that the industries will eventually become uninterested even in this channel, for the return that can be generated is too small and so, they might as well cease their operation.

Therefore, as we discuss the recycling industry, it is most important to arrange for a way out for it, because the industry will surely be getting nowhere if there is no outlet for it. But how can we identify an outlet for it? If Hong Kong does not use the locally manufactured green products, it is downright impossible to inject vitality into the recycling industry. For example, polyfoam products were mentioned by Members earlier. If we do not use them, what use

will there be in manufacturing them? Particularly, the Hong Kong Government is an organization of such a large scale. If it can purchase more recyclable products, I think this will certainly be a stimulus to the recycling industry and will bring the industry to life. As a result, many more people will naturally become willing to join this industry. But if the Government does not have this policy or objective, and if there is no outlet for the recycling industry, the products will not have a market, in which case it would be difficult for the recycling industry to be taken forward.

Moreover, I would like the Government to give more thoughts to this. If it hopes that the recycling industry can be developed at the community level, it must vigorously facilitate its development and provide incentives. I know that the Government had funded the work of some organizations in waste recycling before, but it is a pity that the Government was very rigid in implementing the policy. I have received a complaint that the Government had told an organization which received funding from the Government that the wastes recovered or products manufactured by this organization were too limited in variety and so, government subsidy would cease on this ground. This organization is engaged in the recovery and recycling of plastic bottles. As you may know, Madam President, the recovery of plastic bottles requires a very large space, but when the bottles are compressed, they can only produce a small quantity of products. The Government said that government subsidy would cease because of the small amount of products manufactured. This organization was then forced to cease its operation, thus making it impossible for this area of work to be further taken forward. I hope the Government can reconsider this. What this organization had done is indeed a very good thing, because very few people are willing to recover and recycle plastic bottles as a lot of space is required for their collection, but the products that can be manufactured are very limited.....*(the buzzer sounded)* So, the Government cannot be that rigid in implementing policies anymore.

MR JEFFREY LAM (in Cantonese): Madam President, the theme of today's motion is to promote high-tech environmental industries. I remember that when we were small, we could hear "scrap dealers" shouting on the street to collect waste copper and iron. The environmental industries have since started to develop all the way to a high value-added and professional level nowadays. I have been in the industrial sector for many years and I am always concerned about the supply and recycling of plastic materials in Hong Kong. So, I know

very well how technology can improve the environmental industries in Hong Kong and how it can bring about new business opportunities for the environmental industries.

Hong Kong people throw away about 700 tonnes of waste plastic bags daily. In fact, if we can just recover 40 to 50 tonnes of such waste daily, there will be a reasonable supply of plastic materials to encourage investors to introduce automatic separation machinery at a cost of about \$50 million to address the difficulties in waste separation.

Plastic waste actually does not worth much, as a pound of it is worth only tens of cents. But if it is processed into recyclable materials, the price can increase by several folds, and with the application of high technology, the quality will be further improved. The business sector is, in fact, more sensitive to cost-effectiveness. Many factories using plastic in their operation have already noticed the value of recycled plastic, and they have recycled substandard plastic products or plastic scrap to lower the cost.

Plastic is durable, light in weight, water-proof and pest-proof. Better still, products made of recycled plastic are comparable to those made of brand new plastic materials. With the support of high-tech scientific research, they can be used for a great variety of purposes from the linings of sleeping bags to components in children playground. They can even be used to make sewers, horticulture tools, and so on. They can bring many business opportunities indeed.

In fact, it is not difficult for the business sector to promote recycling. The business sector has all along been very enthusiastic about environmental protection. Some enterprises already embarked on waste recovery measures a few years ago, and they can be considered the pioneers in waste recycling. For example, some companies manufacturing electronics products have sought to recover the polyfoam packaging materials of their sold products. Their initiatives are indeed worthy of our reference and commendation.

Moreover, the industrial and commercial sector has recently formed the Hong Kong Green Manufacturing Alliance to encourage companies to develop green products. We also hope that this scheme can help consumers identify environmentally-friendly products and hence promote green consumption.

I very much wish to stress that while it is important for the Government to enact legislation on environmental protection, emphasis should be put on providing an environment conducive to waste recycling and also providing more incentives in the market to encourage the use of green products. When making legislation, attention should be given to the situation in different industries or the supply of materials. In the United States, for example, legislation has been enacted to require paper manufacturers to include recycled pulp in their production. In order to comply with this requirement, importers in Canada nevertheless have to look for waste paper from other countries, and this has incurred huge transportation cost and caused other forms of pollution.

Therefore, concerning the proposal in Mr LEE Wing-tat's amendment about stipulating a waste recovery rate for contractors taking up outsourced domestic waste recovery work or setting a target recovery rate as an indicator for individual industries, I am worried that the collectors and recyclers may not be able to meet these targets in the initial stage of development of the environmental industries, and these measures would turn out to be counter-productive. As I said just now, all the Government has to do is to create a social atmosphere conducive to waste recovery and the promotion of environmental protection and persistently uphold the positive non-intervention policy. When members of the public, contractors for outsourced work and management companies in housing estates can see that a recycling economy can indeed be profitable, I think the Secretary needs not beat them with a whip or a cane before they would introduce suitable waste recovery schemes by themselves and so, this would even obviate the need for a cane, and the objective of reducing waste and minimizing damages can be truly achieved.

Although green policies and campaigns may incur additional costs, I think they are absolutely not a burden. As more and more places in the world have attached importance to the green concepts, if we can build up an image of protecting the environment and cherishing resources, we can inspire more confidence in others and impress them positively, and this will be a valuable resource for the local enterprises and Hong Kong.

Madam President, I so submit.

MR ALBERT CHAN (in Cantonese): Madam President, the environmental industries in many advanced countries have already taken off but in Hong Kong,

the local environmental industries are still progressing slowly at a turtle's pace, which is disappointing. Our environmental industries lag behind not just those in Europe, the United States, Canada and Australia. We also lag behind Japan, Korea and Taiwan. Recently, many cities in China have even caught up with us. Hong Kong people, particularly the Hong Kong Government, should feel ashamed.

I remember that a decade or so ago, a deputation of the then Regional Council visited Japan and found that incinerators were widely used to generate electricity particularly for indoor swimming pools and stadiums. At that time, I asked the Regional Council to consider following suit, but the Government pointed out that a franchise was involved for power generation and so, the Regional Council was in no position to engage in power generation projects. So, this idea was finally nipped in the bud, because the interest of consortiums overrides public interest. Earlier on a Member teased that our Government was a rubbish government, but I think Members who support this rubbish government is more like rubbish.

Turning back to the disposal of rubbish or waste, dry and wet wastes are already handled separately in many countries, such as the United States, Canada, Australia and New Zealand. In Taiwan, waste sorting and separation was launched two years ago, making it possible for the government to substantially reduce expenditure. Besides, the government has generated additional revenue from the disposal of organic waste. In 2002, a pilot programme was introduced, and an average of 102 tonnes of domestic organic waste could already be recovered daily in the first three months of implementation, resulting in a reduction of 13.58% in the amount of waste to be cleared. But in this regard, our Government has no intention at all to make improvement.

With regard to waste recovery, I wish to focus on the disposal of organic waste. In May last year, I submitted to the Government a proposal on the disposal of organic waste, and I also exchanged views with the Environmental Protection Department and the relevant government officials. In Hong Kong, a private pilot scheme is actually being carried out in Yuen Long. Although private investors have invested tens of millions of dollars on this project, we have not seen sincerity and determination on the part of the Government in respect of the disposal of organic waste.

In recent years, Innovative Thermophilic Aerobic Digestion, or ITAD in short, has been adopted in many developed regions for disposal of organic waste. Basically, it is an aerobic fermentation process of treating organic waste at a high temperature. Organic waste will first be sorted and then liquefied into serum, which will subsequently be mixed for fermentation. Under the effect of metabolism in the process of cultivating natural bacteria, the waste will be oven-dried at 75 degrees Celsius to become concentrated and made as organic fertilizers after granulation. In fact, organic fertilizers can be used for a great many purposes, because organic farming is now specified for many products to stress that no chemical is used. The production of organic waste is actually a lucrative business. If the Government can vigorously promote it, the use of landfills can be substantially reduced and better still, a new industry can be created in Hong Kong, thus stimulating the economy and creating job opportunities.

In fact, this technology has already seen application in Wuxi in the Mainland where waste is treated through ITAD. So, this technology should be technically feasible, as it has been adopted in many places. As long as our Government can provide support in policies or legislation in respect of land supply, support facilities and waste recovery, this industry will bring many benefits to Hong Kong and will be helpful to our environment.

The Government has proposed many private sector participation projects, so to speak, the largest being the West Kowloon Cultural District development. Of these large-scale projects, the Government very much supports participation from the private sector. But insofar as environmental protection is concerned, the Government has not provided financial assistance to interested private participants. Worse still, it has created many obstacles in terms of policy, land, and also administration. As a result, the operators may even have to cease their operation, thus deterring people intent on starting a business in this field. It is obvious that the Government has taken a different attitude towards different quarters of the industrial and commercial sector. The Government has particularly taken care of the interest of major consortiums, which falls outside the ambit of Secretary Dr LIAO. But it appears that the Government has not particularly shown favour to the interest or wish of these small environmental groups or organizations engaging in waste recovery. There is no collusion between business and the Government. In this context, collusion between business and the Government surely does not exist, because the Secretary has not particularly taken care of this group of people. As this problem has not been

addressed, public interest has been seriously jeopardized. I hope that the Secretary can conduct a review of this and provide assistance to the environmental industries. Thank you, Madam President.

MRS SELINA CHOW (in Cantonese): Madam President, the recycling industry constitutes a very important part of the environmental industries and the Recovery Park is one of the major projects. Last month, the Chief Executive painted a very rosy picture of the Recovery Park in the Legislative Council: The first phase of the Recovery Park will be commissioned by end 2006. As an elected Member of the New Territories West constituency, I am indeed very concerned about this: After the Recovery Park is formally established in Tuen Mun Area 38, what impact will it have on the entire Tuen Mun District?

No doubt the environmental industries can bring tens of thousands of new jobs to Hong Kong in the future, and the Recovery Park will also create a large number of jobs for the Tuen Mun District, providing more employment opportunities particularly to low-skilled workers with low academic attainment at the grass-roots level. But since the Recovery Park will be located in the more remote part of Tuen Mun, the Liberal Party considers that the Government must provide supporting infrastructure facilities to facilitate the operation of recyclers before they will be attracted to set up factories in the Recovery Park. As regards the transport arrangements, there must be convenient transportation for employees to travel to and from work, and their transport expenses should also be reduced.

But more importantly, we must be very careful with planning, so as not to repeat the mistake made in respect of the Tseung Kwan O Landfill which pollutes the living environment of residents in the vicinity. I believe that press reports about tens of tonnes of waste plastic bottles scattering in the countryside in the New Territories last year still remain fresh in Members' memory. To ensure that the Recovery Park will not degenerate into a refuse collection and handling ground, the authorities must be very careful with its management and operation. For example, it should be stipulated that the recovered materials must not contain such toxic substances as heavy metal or mercury. Otherwise, the Recovery Park to be built by the Government at a cost of over \$300 million out of public coffers would be another toxic materials collection point in substance, despite its grandiose objective of protecting the environment.

Given that most recyclers in Hong Kong can only engage in cumbersome, low value-added processes of waste collecting and baling, which will lead to other types of environmental pollution and generate little economic benefits, the Government must adopt a forward-looking vision and provide reasonable financial incentives to attract investment from high-tech consortiums, with a view to converting the recovered materials into reusable products through the application of high technologies. Only in this way can we gradually achieve the objective of developing into a regional centre of environmental industries.

However, in order to attract investment from manufacturers, I think the investors' concern about a long pay-back period cannot be dispelled simply by letting out sites in the Recovery Park on long-term leases. The Liberal Party suggests that rent in the Recovery Park should be set at a concessionary level, and tax concessions should also be provided to tenants, in order to attract more enterprises to join the recycling industry.

The Government should expeditiously take steps to properly play its part as a market enabler and step up co-ordination among various departments, in order to ensure that the relevant measures, including the Recovery Park, can be implemented smoothly. Like other industries, the recycling industry will definitely be stifled in its development if it is subject to too much red tape of the Government.

The next step is to make the waste recovery system popular and encourage members of the public to separate domestic waste at source. This will enable recyclers to obtain recyclable materials more easily, and the profits generated from waste recovery to housing estates can be used to subsidize the management fees or as bonus for cleaning workers.

Madam President, we all very much cherish Hong Kong. We must prevent our greenfields in the New Territories from being gradually turned into landfills. But the development of the environmental industries is an irreversible trend. In order to enable these industries to get rid of the image of being just scrap dealers collecting waste metal and develop to the benefit of the public, the Government should, in addition to hardware support, provide comprehensive software support to recycling and enforce the policies on these industries.

Madam President, I so submit.

MS AUDREY EU (in Cantonese): Madam President, first of all, I would like to thank Mr Andrew LEUNG for moving such a significant motion today. I would also like to extend my thanks to several other Honourable colleagues who have proposed amendments to the motion. When we pronounce the first two Chinese characters of the Legislative Council ("立法"), we must pronounce them carefully and clearly. Otherwise, people may mistake them as something else, as the pronunciation of the Chinese characters "立法" (Lap Fat) is similar to that of "垃圾" (Lap Sap), which means "rubbish". So, in the Legislative Council, Members express concern about the rubbish problem. There is nothing weird about this.

The focus of today's discussion is the policy on the recycling industry. But I would like to clarify the purpose of this motion: Is it for promoting environmental protection or for promoting the recycling industry? As we take a closer look at the motion, we will note that it is stated in its earlier part that this Council is urging the Government to implement as early as possible a sustainable development plan or principle, which includes formulating a long-term policy on the recycling industry. So the theme is very clear. Apart from the various objectives of developing the recycling industry, or improving the recycling system, creating more job opportunities, actually the most important objective is sustainable development. Therefore, the objectives of the motion should also cover other areas — which will extend to beyond the policy portfolio of the Secretary today — such as town planning, law enactment, education and so on. What should also be specified in concrete terms is the Recovery Park mentioned by us this time. The Park is mainly for recycling local rubbish, and the products manufactured from such recycled materials here are also mainly for supply to the local market. This is because the capital involved is public fund. If land is used for financing any industries, I do not hope to see the enterprises adopt the attitude of "turning rubbish into gold", just for creating job opportunities, just for developing the industries. Instead, they should make significant and concrete contribution to local waste reduction.

Madam President, today I have received a discussion paper from the Government in preparation for the meeting of the Panel on Environmental Affairs to be held next Monday, and the subject is "Management of municipal solid waste in Hong Kong". As I read on, I found that the paper contains a lot of data, and some of them were mentioned by Members in their earlier speeches.

Madam President, this paper mentions our present recovery rates. The recovery rate of our municipal waste is 40%, and the recovery rate of our domestic waste is 14%. These figures are on the lower side, a fact many Honourable colleagues have mentioned. In the paper, we can also see some important points, that is, among many of the present ongoing projects, nearly all of them are voluntary or very small-scale voluntary projects. On this side, a tonne of something is collected for recovery, and on the other side, a certain amount of rubbish is collected. All are very small-scale projects, and also regional in nature. It is certainly important to develop an awareness of environmental protection among Hong Kong people and make them do a lot of things voluntarily. However, the most effective methods are still the enactment of laws and the imposition of a green tax. Therefore, I am very happy today. Although Mr Andrew LEUNG belongs to the Liberal Party, the motion proposed by him has included the imposition of a green tax. I hope our friends in the Liberal Party can also adopt this perspective on other environmental issues such as the issue on the control of volatile organic compounds, so as to support environmental protection measures.

On the issue of a green tax. When Mr Andrew LEUNG spoke earlier, he took out a lunch box to tell us that we could actually use some lunch boxes made of a kind of polyfoam which is more environmentally-friendly, though each of which would cost 10 cents, 20 cents or 30 cents more. If we consider the issue of a green tax, we may consider imposing a green tax on environmentally-unfriendly lunch boxes. In this way, the people will become willing to buy lunch boxes which are made of environmentally-friendly materials. The case of plastic bags is similar. At present, despite a rebate provided by supermarkets to customers declining plastic bags, the customers still use such bags because it is a subconscious action. However, if the Government charges them a fee, it will be different. Therefore, if we want to make the people change their habits in their daily lives, the most effective way is to, apart from the provision of some incentives, charge them a green tax. I very much hope that the Government can actively consider this suggestion. Madam President, such suggestions have been made repeatedly on many different occasions in the past, and after listening to the speeches of Honourable colleagues today, I find that we have a consensus as well. But I cannot understand why the Government has been so slow in its reactions. From the papers, I can see that, with the exception of introducing a tyre tax, no change has been implemented in all other areas. I hope the Government can speed up its progress in this regard.

One of the amendments mentions the "polluter pays" principle. If we seriously examine the issue, it actually includes the imposition of a domestic waste charge. But before we consider whether we should impose a charge, the Government must first consider whether there are sufficient matching facilities. Very often, it is not the people who do not want to practise environmental protection principles, but many aspects of the urban designs or building designs do not allow the housewives or the people to really help in the recovery process. Therefore, I really hope that the Secretary can hold some interdepartmental discussions with other Directors of Bureau, so as to encourage the professionals involved in the designs of buildings and town planning to work out many matching facilities as soon as possible. Given the assistance from the introduction of such matching facilities, we may then really consider whether we can implement the "polluter pays" principle on a full scale, which includes the charging of a domestic waste fee, and certainly a plastic bag tax.

Besides, on the recovery work of recycling operators, they have my absolute support. Very often, regarding disposable batteries, polyfoam containers which were mentioned earlier or home appliances, including computers, and so on, the Government may consider imposing certain taxes *(the buzzer sounded)* Thank you.

MR LEUNG KWOK-HUNG (in Cantonese): Madam President, I have heard many Honourable colleagues talk about the green tax. Of course, the imposition of a green tax means charging some money from those people who cannot voluntarily observe certain environmental principles, thus making them pay a cost for not observing such. However, a penalty is in fact not a panacea. Even if the tax funds collected are used entirely on the cause of environmental protection, that is, the tax money is used directly on environmental protection, it still may not serve the purpose.

It is because, in other words, be it a tax item or a penalty, if a person finds that he can afford it, he may still break the law — or if we do not call it "breaking the law" — anyway, he can still do it then. Illegal parking, for example, theoretically, if you have a huge pack of \$1,000 notes, you can park your car right in the middle of Central or just outside the gate of the Legislative Council. No matter how many penalty tickets you have been issued, you should be able to continue to park your car there (this could happen) unless it is towed away by force. If the car is towed away, then this is no longer a matter of penalty.

Instead, the police are possibly of the opinion that the car is causing obstruction to traffic or to the free access to the Legislative Council by other users, then tow the car away by force. From this, we can see that the introduction of a green tax as a punishment may not actually be adequate.

Why do I say so? Businessmen place heavy emphasis on profits. Or we can put it this way, if a mega multinational commercial corporation is required to pay a green tax, it must be able to recoup the money by other means. For example, it may manufacture its products by adopting even harsher measures to maximize its exploitation of the environment, so as to reduce the costs of its products, thereby recouping the extra tax money it has to pay for devastating the environment. These examples are quite common. In fact, products that are causing so many environmental problems today are produced in the process of refining petroleum. In the beginning, the inventor might just thought that it was not very good to waste these materials. So he did have a good intention when he first invented the products, and he also might not be aware of the environmental problems he would cause. He just thought that he should not waste these materials. In the process of refining petroleum, some by-products could be beneficial to human beings, such as aspirin (though we now know that aspirin may not really be beneficial to us).

Therefore, in my opinion, if we just rely on a certain tax to promote the cause of environmental protection, it will not work. In fact, we must resolutely enforce some restrictive measures. What are the restrictive yardsticks and standards? It should be flexible according to different circumstances. And we must make the decisions by constantly upgrading human beings' understanding of nature. I have quoted many examples in this regard. When I worked in some organic farms in some overseas countries, I found that even though some promoters of organic farming always posed themselves as advocates of high-sounding principles and ideals, the wage he paid me was no different from those offered by other non-organic farms. But the prices of products sold by him were three times more expensive than those sold by other ordinary farms. In spite of that, the organic farm still has a large number of customers, because they think that through buying from an organic farm, they have supported a meaningful industry in an ethical way. However, the fact is the operators of these organic farms do make huge profits. Therefore, it is absolutely fruitless for us to wish that the businessmen or major manufacturers would carry out their productions without considering their profits but in compliance with environmental principles.

With regard to the plan of making them comply with the environmental standards by charging them a green tax or using any other methods, it will only lead to two possible outcomes: First, the payable tax will be transferred onto the consumers. They will surely do that. With their ability to monopolize the markets to a certain extent, for example, by opening chain stores or by establishing cartels, these enterprises must definitely be able to transfer the tax onto their consumers, or recoup the tax money. Secondly, as I have just said, they will try their best to explore ways of reducing costs. They may generate the money for meeting the tax payments by manufacturing some environmentally-unfriendly products. Therefore, even if they are made to pay the tax, this may not necessarily be a good measure.

I think it is not right for the authorities to apply the "polluter pays" principle directly to the ordinary people, because unlike the businessmen who can transfer the expenditure elsewhere, where else can they transfer the costs? Therefore, I think, firstly, environmental legislation must be enforced strictly. If such legislation are found not enforceable, then we must implement some resolute measures. As this will have a major impact on the future of human beings, and as I find that the problem has become increasingly serious, we cannot just rely on the tax option to tackle the problem. If the tax is transferred onto the ordinary people who are the consumers, it is extremely inappropriate because the responsibility of the Government is to protect the safety of all the people, including their physical health and the chances of pursuing sustainable development.

Therefore, I do not agree to just relying on imposing a green tax to tackle the problem of environmental protection, and I also do not agree to transferring the tax onto the ordinary people according to the "polluter pays" principle. I agree that the Government should resolutely enact laws to abolish certain industries which are detrimental to the environment and that it should adopt some punitive measures against manufacturers who have damaged the environment. Thank you.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr Andrew LEUNG, you may now speak on the three amendments.

MR ANDREW LEUNG (in Cantonese): Madam President, today, I am very much moved by the recognition and support of Honourable colleagues of the primary principle on environmental and recycling industry. I, in particular, have never imagined that this subject will pull the Legislative Council together. A surprise, it really is. I hereby express my gratitude to all of you. Today, we are able to convey a very clear message to the Secretary: Members support fully the recycling industry and the Government may give a big push to it.

Regarding the amendments proposed by Miss CHOY So-yuk and Miss CHAN Yuen-han, the Liberal Party and I will give our full support. We acknowledge the "polluter pays" principle provided that the measures so introduced are convenient to the public and will not increase the burden of enterprises and the public. At present, the development of recycled products is in the doldrums; as a result, the costs incurred remain high. I hope the Government will step up its effort in promotion to give the public more choices.

In respect of the amendment proposed by Mr LEE Wing-tat of the Democratic Party, I agree with it in principle. However, both the Liberal Party and I feel worried that at this very moment when the recycling market is yet to take shape, any request demanding the trade to comply with legislation on recycling or attain any targets will cause considerable difficulties to the trade. Therefore, the Liberal Party will abstain in the vote on Mr LEE Wing-tat's amendment.

As for the worries expressed by Mr WONG Kwok-hing about the Recovery Park, I would like to clarify several points. The Recovery Park is positioned to run high technology operations and engage in product research and development, which does not mean that all recycling companies have to be housed there. I, certainly, do advocate that the Recovery Park should be open and transparent in its operation. The entry of a company to the Recovery Park should be decided by the intention of the company to engage in high value-added environmental industry but not its scale.

I very much appreciate the support expressed by Ms Audrey EU on environmental protection earlier. However, to the environmental and recycling industries, the levy of a green tax seeks to promote environmental protection by altering the spending habits of consumers. In this connection, this tax will bring about marked effect. As for other taxes or issues related to VOC, she said that the Liberal Party has not given our support. But in fact, we are concerned about the minimal effect that can be achieved by the substantial input of resources. Thus, we think that each of these items should be assessed separately. No matter how, I have to thank all Members for their support for the environmental industry.

I so submit.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, it is indeed meaningful today for Honourable Members to hold a discussion on a motion on rubbish. Today, the kinds of work mentioned by Members in their speeches in fact are quite similar to those measures adopted by the Government. And they are exactly the various kinds of measures that the Government has to adopt in order to manage municipal solid waste (MSW) effectively. So regarding the issues in various aspects such as the enactment of legislation, management and financing, we need to address them all.

A large quantity of waste is produced in Hong Kong every day. The MSW to be disposed of at landfills alone amounts to 9 300 tonnes, bringing about a heavy burden to both society and the environment. We are now facing a critical waste problem. It is anticipated that our three strategic landfills will soon be filled up in six to 10 years' time. According to our past experience, addressing the waste problems at the output end cannot solve such problems at all. As a matter of fact, there are many ways of waste disposal. And in the course of today's motion debate, each Member has put forward many constructive methods in different stages. Among such methods, the waste avoidance and minimization is a very effective and fundamental principle. However, in the modern society where consumerism is widely promoted, the retailers will not discourage people from shopping for environmental reasons, as some Members of the Liberal Party said. As a second option, we may recycle and reuse certain materials, so as to enhance the fundamental value of such resources.

Recycling must be supported by a consumer market in the overall production chain. For example, in countries such as Germany, consumers will choose to buy products made of recyclable materials. As a result, the market is very prosperous. In fact, in Germany, sometimes the supply of recyclable materials may not be adequate for meeting the demand for them, which may necessitate the importation of such from other countries. For example, a piece of garment must consist of at least 10% or 5% recycled fibre. Therefore, Germany has been very proactive in recycling old clothings. Creating a market is very important, and only by doing so can we complete the production chain.

Another option is "waste to energy" conversion, which is, converting waste into energy. There are two ways: One is transporting the waste to the landfills, where it will undergo some biochemical reaction to produce methane for combustion and starting generators. However, the efficiency in this aspect is relatively low. Therefore, only waste that cannot be reduced after recycling will be delivered to the landfills for processing for this purpose. Another way is to burn waste by using the incinerators to generate electricity. This is also a way of turning waste into energy. However, although modern incinerators already have very high efficiency, its efficiency in turning waste into energy is still relatively low. Therefore, only waste which we think cannot be further reduced is suitable for delivery to incinerators for incineration.

In recent years, the Government has adopted many different measures in an attempt to minimize waste and recycle it for reuse. Between 2000 and 2004, the quantity of MSW disposed of at the three landfills each year has been maintained at 3.4 million tonnes. The figure does not show any further annual increase as it did in the past. And the overall recovery rate has also increased from 34% in 2000 to 40% last year. There has been an increase of 6%.

In order to further tackle the waste problem in Hong Kong, it is necessary to change our attitude towards waste. Many Honourable Members have mentioned that waste can be viewed as resources and may consider sustainable development as the objective in developing the recycling economy. Nowadays, many people like to use the term "recycling economy". In short, it refers to a model of economy based on sustainable development, in which recyclable resources and the environment are used as the material foundation for fully satisfying the various demands of human beings as well as co-ordinating the different modes of economy.

There are certain difficulties in developing the recycling economy for the recycling industry. As now the conventional cost-and-revenue calculation approach is adopted, very often, the costs incurred in the production of recyclable resources in the waste recovery process can be even higher than the costs incurred in purchasing new materials. But this is just an illusion. The main reason is: Public resources such as the ecology have been overlooked and regarded as free, inexhaustive and can be freely utilized. In this way, we have overlooked the production costs and social costs, and this has become a major obstacle to the development of the recycling industry. In order to change the situation, we have to borrow the experience of other successful countries, make the development of a recycling economy the conceptual base, and formulate and promote the policy on the recycling industry with reference to the unique circumstances in Hong Kong. The Government understands that the development of the recycling industry cannot become successful overnight because in the implementation of any policy, each and every citizen will inevitably be affected. Therefore, we must formulate some measures and policies with long-term and comprehensive considerations.

Earlier on, many Honourable Members have mentioned that many of the projects of recycling are very small in scale and very regional in nature and cannot be implemented in a comprehensive manner. There are some reasons for that. It is not because we do not wish to implement the projects on a full scale, but in practice, we must carry out some experimental works so as to highlight the problems for ourselves. Only after such problems have been gradually solved can we then extend these projects to a territory-wide scale. For example, in the aspect of provision of land, we have kept on applying to the Lands Department for the allocation of certain sites on short tenancy, so as to allow recyclers to make use of such sites at lower rents to operate the recycling businesses on an experimental basis. Among these projects, a large proportion of such lands are used as collection points and for packaging operations prior to the export of such waste materials to other countries. On these leased sites, many high value-added environmental industries have become successful and some have even become multinational manufacturing industries.

As for the 20-hectare EcoPark that will be built in Tuen Mun, it will be another concessionary project of environmental protection implemented on the land provided by us. It is hoped that through the concept of a large-scale EcoPark, we may encourage the manufacturers of certain high value-added products to produce such products in Hong Kong.

Through the enactment of legislation, we also hope to implement the Product Responsibility Scheme (PRS), so as to provide some financial incentives to recycling products. The enterprises are also encouraged to invest more capitals into the research and development of recycling technologies.

Another measure which we have been implementing very actively during the past few years is the stepping up of education on environmental protection through the implementation or promotion of some small projects. Earlier I was happy to hear Mr CHEUNG Man-kwong say that he would promote the concept of recycling by way of education, so as to encourage the people to sort waste at source. In doing so, everyone can fulfil his own part and this will be beneficial to the development of the chain of recycling waste.

With regard to land, we shall identify more suitable sites on short tenancy for bidding by recyclers. Ms Audrey EU asked earlier whether, in terms of building design, residential premises can be built in a way that is better suited for waste collection and recycling. We have already conveyed this suggestion to other major Policy Bureaux of the Government. The MTR Corporation is now developing the Dream City project. We have also requested the MTR Corporation to add some extra space in their garbage rooms for the separation of recyclables.

Mr Andrew LEUNG suggests that the Recovery Park proposal should be implemented as soon as possible. We very much agree to this. Mr LEUNG Yiu-chung — unfortunately he is not in the Chamber now — thinks that the Government plans to delay the implementation of the Recovery Park. But this is absolutely not true indeed. It is very unfortunate that this piece of land adjacent to Area 38 is now involved in a lawsuit (some people like to settle problems by litigation), which has affected the progress of the Recovery Park. It is absolutely not our intention to see this happen.

Earlier on, I have heard many different suggestions made by many Honourable Members on the use of this 20-hectare site. Some Honourable Members think that more high value-added industries should be established there, and the lands should not be granted on short leases, so as to enable such industries to have a long-term venue for investment input. With regard to the recycling industries mentioned by Mr Jeffrey LAM, I have also seen many such examples in overseas countries. If Hong Kong can really enable such industries

to survive and operate here, we shall enjoy a leading edge in this regard, and our environmental industries will then be able to prosper and succeed in the region. I also heard some Honourable Members say that they hoped the Government could reserve some development opportunities for small and medium enterprises, so as to enable them to take part in the operation as well, instead of just taking care of the large industrial enterprises. We hope both kinds of enterprises can qualify for entry to the EcoPark and use it as their base.

The EcoPark is also designed to have ancillary facilities in marine transport. There are about eight berthing spaces for cargo ships, which can be utilized by the recyclers. This can reduce the operating costs of recyclers substantially. With regard to the establishment of a Recovery Park in a certain district, some Honourable Members worry that the transportation of rubbish may affect the traffic in the district, and they also have some worries about other matching facilities. We shall consider these issues one by one when we proceed with comprehensive planning of the Park.

As for the introduction of a green tax, the authorities will study the feasibility of introducing the PRS, with the objective of reducing waste, stepping up waste recovery, and promoting the recycling economy. Recently, I have seen certain practices adopted by overseas countries, which I think are feasible. For example, a PRS law has been introduced in Australia which covers all kinds of products. However, the legislation has not officially come into effect, and it is now being implemented first on a voluntary basis. And the legislation will automatically exempt the responsibility of those who are willing to implement PRS. I hope we can also adopt this pattern. We shall first implement the scheme on a voluntary basis, and then we shall enact the law to enforce it in a mandatory manner only if the voluntary phase has failed. At present, as the first step, a pilot PRS on tyres is being launched. We are studying the feasibility of making use of the income generated to treat and support the recycling industries and reuse of tyres.

Earlier some Honourable Members did not understand the tax to be levied under the PRS. In fact, I do not like to call it a tax because tax revenue will usually be channelled to the public purse, and cannot be used on matters related to waste reduction. Therefore, I would like to call this kind of charges a levy. The purpose of collecting such a tax or levy must be crystal clear, that is, for waste treatment, instead of considering it an income under general revenue. It will be meaningful only if it is handled this way. Otherwise, all we are doing is

just raising the costs which will in turn be transferred onto the consumers, while the environment cannot get any improvement. We have made reference to the practices adopted by many overseas countries. In certain cities or countries, as they have their own manufacturing industries, they can make vehicle or refrigerator manufacturers to undertake the responsibility. For example, when a refrigerator is sold, an extra \$150 will be levied, and they will have the responsibility of recovering and recycling this refrigerator in future. However, with reference to the situation in Hong Kong, we only have importers but no manufacturers. In some other industries, they only account for a very small share of the market, so even if they want to recycle their products, it is simply not possible. Therefore, the Government has to centralize the collection of such levies and then handle the relevant work on their behalf in a centralized manner. In this way, such work will achieve cost-effectiveness and the invisible economy of scale. Apart from tyres at the present stage, we also have rechargeable batteries. Under the PRS, we have implemented a project in conjunction with battery wholesalers, and they are very co-operative and are willing to pay a fee to the Government. In return, the Government will formulate a plan of recovering these rechargeable batteries on their behalf on a territory-wide basis. Next, we are looking for a certain industry which will undertake the recycling process of the heavy metals in these batteries in a place out of Hong Kong, thereby enabling us to recycle and reuse some of the valuable materials from these batteries.

Many Honourable Members have asked why we only treat rechargeable batteries. I would like to take this opportunity to do some explanation. This is our priority task because rechargeable batteries contain nickel and cadmium, which are harmful materials. In the entire waste recycling programme, apart from considering the value involved, we must also consider the extent of its impact on the environment. Therefore, we use the disposal of rechargeable batteries as a start. Some people cannot distinguish between rechargeable batteries and disposable batteries. I encourage the people to buy rechargeable batteries because they are more environmentally-friendly, though the disposal of which is more difficult. As such, we shall start with rechargeable batteries. As for disposable batteries, in fact they also pose some difficulties to us. No one is willing to undertake the recycling task. The recycling task is not done not because we are unwilling to do it, or because we find the work not lucrative enough. Instead, it is because there are absolutely no recyclers who are willing to undertake the recycling job. Regarding the present new disposable batteries, among the major brands, those international brands, such disposable batteries no longer contain any mercury. Instead, they contain zinc which will not cause

pollution to the environment. Therefore, there are less recyclers who are willing to recycle them. We still have not been able to identify a reliable recycler in this regard.

We shall continue to study the issue of recycling drink containers, waste electrical appliances and electronic products. At the moment, we are doing this through some charitable organizations with some smaller projects. We hope to continue extending our recycling network in this regard, and we are looking for some technologically advanced recyclers to see if they are willing to collect waste electronic products in Hong Kong. The recycling programme of rechargeable batteries will be fully launched in April this year. By then, we hope the schools can help us in launching this programme. All the green schools under the Environmental Protection Department have already actively participated in it. I hope we can promote this project through all the schools.

The promotion of recycling and environmental education in all countries in the world starts with the children. We often say that we can only wait until the next generation before we can turn some behaviours into some inherent habits. Many habits are now taught by the little children to their parents at home. So, I hope the schools, with assistance from Honourable Members in various aspects, can do an even better job in this regard.

In order to enhance the competitiveness of recycled products, the Government will take the lead in using environmental products so as to promote the development of the local recycling industry. We have already formulated "Environmentally Responsible Product Specifications for Government Procurement Items" for use by the Government Logistics Department. We shall provide more specifications on environmental products, strive to implement more stringent environmental purchasing policies, and require all government departments to implement the environmental purchasing policies and opt for recycled products purchased by the Government Logistics Department.

Besides, we shall also study the possibility of using some recycled materials in public works projects. For example, asphalt rubber produced from waste tyres and fill materials containing crushed glass or recycled aggregates can be used for construction of road surface and for use in drainage layer, road base or non-structural concrete blocks. We are establishing a clear policy to promote the use of these products with priority, so as to increase the market potential of these products.

In order to reduce waste and enhance the recovery rate, we must have the co-operation of everyone in Hong Kong before we can succeed. I very much agree with Mr Andrew LEUNG in proposing to enhance public awareness of environmental protection and instill in them a correct attitude of waste disposal. In order to encourage the people to participate in recovering and reducing waste, we have implemented a series of activities and we have kept on experimenting how domestic waste can be effectively recovered. Many residential premises have been provided with three-colour waste separation bins. A total of 28 000 three-colour waste separation bins are provided in 9 300 places all over the territory. But the bins are still not the most convenient method, and after all, Hong Kong people are relatively lazy by nature, so sometimes even after these bins have been filled up, the relevant party will still not show up to clear them. Therefore, starting from last year, we have launched a wet/dry waste sorting pilot scheme, which has a higher efficiency and a higher recovery rate than the three-colour bins. However, the operating costs are higher. In fact, we are not abandoning the wet/dry waste sorting pilot scheme, but we would like to try another method. As the people are willing to separate the wet and dry waste, we hope they can do more, namely, to separate the waste at source with more specific categories, such as hard plastic, compact discs, electrical appliances, clothing, shoes and socks, and so on. Starting from the end of last year, the scheme has been launched on a trial basis in 13 private housing estates on Hong Kong Island. In the first few private housing estates, the results have been quite satisfactory, with 120 000 people participating in it. Besides, the separated waste can be directly collected by recyclers, so the income from this can be given to the cleaning workers, thus reducing the management fees to be shouldered by the private housing estates. We hope to extend this scheme to 87 private housing estates. As I have just said, these private housing estates are in a better position to implement this scheme, as waste separation facilities can be provided on each floor of the buildings. As there are incomes, it will be easier to have the co-operation of property management companies, and these management companies are willing to increase the waste collection frequency daily, thus eliminating the possibility of excessive rubbish accumulating in the staircases.

We have also assisted some community organizations in setting up regional recycling centres, and we are exploring how to make use of the existing refuse collection points and waste transit centres as waste recovery points, so that after some simple treatment procedures, such as baling, waste can be recovered more effectively. We have successfully financed the recovery schemes in 63

districts through the Environment and Conservation Fund. So far, \$19.6 million has been expended on this.

We believe that, by stepping up regional recycling activities through the EcoPark, we can look after the operation of the recycling enterprises, be they large or small ones, and provide employment opportunities. It will certainly provide more openings for workers.

The Legislative Council has just passed the Waste Disposal (Amendment) Bill 2004 and the related regulations. Soon we shall start implementing the collection of the construction waste disposal fee. It is expected that the fee can be implemented this summer. After learning this experience, we shall then study the charging approach of the domestic waste disposal fee. I deeply believe that we are acting according to the "polluter pays" principle. As such, I must also provide the people with a recycling system, so as to give the people an alternative. If they opt for recycling, their rubbish disposal fee will be lower than that of the option with no recycling. We hope this can be implemented full scale in future.

Lastly, since so many Honourable Members are in the Chamber now, I would like to explain this. There are many different waste treatment technologies in overseas countries. However, their application in Hong Kong may present many practical problems. One of them is composting, as mentioned by a Member earlier. Composting is not widely adopted in Hong Kong. In fact, the Government is a major user, as it is used in many parks or gardens. At present, the amount of pig manure recovered used for composting is very small. In other words, it is not fully utilized. We have also kept in touch with the relevant parties in the Mainland because there are still a lot of agricultural lands in the country. However, their requirements are very stringent, such as whether the maturity of composting can meet the specified standards, and also because it involves the hygiene problem as well. Besides, if pig manure has to be exported, it will have to undergo some very stringent tests to examine if it contains heavy metals which may make it totally worthless from an economic point of view. In our treatment of organic waste, we must consider the extent of its economic viability, and whether the subsidies from the Government should be utilized in this way. Or alternatively, after first treating all recyclable waste, we should consider whether we should, to a suitable extent, adopt the procedure of turning waste into energy in the process of treating organic waste — this is a more effective approach, be it the incineration approach

or the landfill approach. Nowadays, different cities are adopting different treatment approaches. For example, some Honourable Members have mentioned Wuxi and Pudong, the cases of which will be studied by us. However, I would like to remind Honourable Members that our fundamental problem is land application, that is, we do not have sufficient land to make use of these fertilizers.

I hope Honourable Members can continue giving their staunch support to the development of environmental industries. Be they high value-added industries or labour intensive industries, we hope they can be developed. I hope we can make use of high technologies to enhance our overall productivity and enable us to move forward with the times. I also hope that Members can provide their valuable input, so that while they work together with the Government in developing environmental industries, they can realize that this is an important link in attaining sustainable development. Thank you.

PRESIDENT (in Cantonese): I now call upon Mr LEE Wing-tat to move his amendment to the motion.

MR LEE WING-TAT (in Cantonese): Madam President, I move that Mr Andrew LEUNG's motion be amended, as printed on the Agenda.

Mr LEE Wing-tat moved the following amendment: (Translation)

"To delete "a" after "as early as possible" and substitute with "principles on"; to delete "plan" after "sustainable development"; to delete "includes" after "which" and substitute with "include"; to add "on recycling" after "facilitation council"; and to add "; furthermore, this Council proposes that the Government should: (a) provide additional recycling bins for various types of wastes in public places, major shopping malls, schools and government organizations, etc. to increase recovery quantities, and designate spaces at large refuse collection depots and other major locations as waste recovery points where recyclable waste collectors can collect and transport the waste away; as regards the refuse collection depots where waste recovery points cannot be designated, the Government should consider setting up waste transit centres to facilitate the collection and delivery of wastes by cleaning

companies and waste collectors; (b) include in its contracts for outsourcing cleaning services terms of recovery work, and stipulate a waste recovery rate in these contracts; (c) set down a specific target recovery rate as an indicator for recyclable wastes such as paper, tyres, plastic products, and study the imposition of a green tax on manufacturers of certain specified recyclable wastes; (d) for the purposes of creating a local green market and bringing about steady users of green products, encourage public organizations, subvented organizations and schools, etc. to take the lead in promoting the use of recycled products and to specify a ratio for the procurement of recycled products, as well as encourage them to purchase local or foreign recycled products in order to promote the development of waste recovery and recycling industries; and (e) enact local eco-labelling legislation to step up the monitoring of eco-labelling, so as to protect consumer rights and encourage green purchasing" after "job opportunities". "

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr LEE Wing-tat to Mr Andrew LEUNG's motion, be passed.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

Miss CHOY So-yuk rose to claim a division.

PRESIDENT (in Cantonese): Miss CHOY So-yuk has claimed a division. The division bell will ring for three minutes, after which division will start.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Ms LI Fung-ying, Mr WONG Kwok-hing, Dr Joseph LEE, Dr KWOK Ka-ki, Dr Fernando CHEUNG and Mr KWONG Chi-kin voted for the amendment.

Dr Raymond HO, Dr LUI Ming-wah, Mr Bernard CHAN, Mrs Sophie LEUNG, Mr Howard YOUNG, Ms Miriam LAU, Mr Timothy FOK, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong and Mr Patrick LAU abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Miss CHAN Yuen-han, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG and Mr LEUNG Kwok-hung voted for the amendment.

Mr James TIEN, Mrs Selina CHOW, Mr LAU Kong-wah, Miss CHOY So-yuk and Mr TAM Yiu-chung abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 22 were present, eight were in favour of the amendment and 14 abstained; while among the Members returned by geographical constituencies through direct elections, 20 were present, 14 were in favour of the amendment

and five abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

MS MIRIAM LAU (in Cantonese): Madam President, I move that in the event of further divisions being claimed in respect of the motion on "Policy on the recycling industry" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms Miriam LAU be passed.

PRESIDENT (in Cantonese): Does any Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

I order that in the event of further divisions being claimed in respect of the motion on "Policy on the recycling industry" or any amendments thereto, this

Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Miss CHOY So-yuk, you may move your amendment.

MISS CHOY SO-YUK (in Cantonese): Madam President, I move that Mr Andrew LEUNG's motion be amended, as print on the Agenda.

Miss CHOY So-yuk moved the following amendment: (Translation)

"To add "that adheres to the waste disposal strategy premised on the reduction, recovery and reuse of wastes" after "development plan"; to add "implementing the polluters pay principle," after "which includes"; to add "devising respective schemes on waste separation at source for various trades and communities," after "the recycling industry,"; and to add "priority should be given by government departments to using locally manufactured recycled products," after "reasonable green tax,"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Miss CHOY So-yuk to Mr Andrew LEUNG's motion, be passed.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Miss CHAN Yuen-han, as the amendment moved by Miss CHOY So-yuk has been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members on 22 February. In accordance with the House Committee's recommendation which I have also accepted, when you move your revised amendment, you have up to three minutes to explain the revised terms in your amendment, but you may not repeat what you have already covered in your earlier speech. You may now move your revised amendment.

MISS CHAN YUEN-HAN (in Cantonese): Madam President, though the content of my original amendment is somehow different from the amendment by Miss CHOY So-yuk, the primary direction of both is consistent. I support the original motion proposed by Mr Andrew LEUNG and the amendment proposed by Miss CHOY So-yuk. We have had discussions on the "polluter pays" principle. Some years ago, in the light of the sewage charge issues, different opinions were expressed. However, I think, after all these years, the public is believed to have gradually gained more knowledge about this issue. Certainly, in implementing the relevant schemes, the Government still has to take into account the actual situation faced by the public, which we have all along been discussing. But still, we consider environmental protection plans worth supporting.

Moreover, it is mentioned in the motion as amended that we should adhere to the waste disposal strategy premised on the reduction, recovery and reuse of wastes. I agree to this as well as the implementation of the "polluter pays" principle stated therein. The amendment also urges that government departments should give priority to using locally manufactured recycled products. Actually, this issue was raised several years ago. However, not many policies have been launched by the Government in this respect so far. The Government considers those products relatively expensive — I can see the Secretary twitching her eyebrows now, perhaps she may clarify this later.

Therefore, Madam President, we support the amendment proposed by Miss CHOY So-yuk to the original motion. However, I would like to raise one more point; I hope that as the Secretary promotes trades and industries, as well as exports, related to environmental protection gradually, a comprehensive policy should be put in place. Members have been listening carefully to the response made by the Secretary just now. However, there are still some issues which the Secretary has not given a positive response, such as berths. I hope that when the Government seeks to promote development in this respect in full swing, it should have a comprehensive policy in place. Madam President, I so submit.

PRESIDENT (in Cantonese): Miss CHAN Yuen-han, excuse me, will you please move your amendment.

MISS CHAN YUEN-HAN (in Cantonese): Madam President, I move that Mr Andrew LEUNG's motion, as amended by Miss CHOY So-yuk, be further amended by my revised amendment.

Miss CHAN Yuen-han moved the following further amendment to the motion as amended by Miss CHOY So-yuk: (Translation)

"To add "; furthermore, the Government should also implement measures in order that the waste recycling and export industries can be retained and developed, and should set up large regional recyclable collection centres outside the 'Recovery Park' as well as establish a network for collecting recyclable waste in various districts across the territory, so as to increase the opportunities for grass-roots workers and operators of small-scale enterprises to join the recycling industry" after "increasing job opportunities"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Miss CHAN Yuen-han's amendment to Mr Andrew LEUNG's motion as amended by Miss CHOY So-yuk, be passed.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Mr Andrew LEUNG, you may now reply and you have four minutes 48 seconds.

MR ANDREW LEUNG (in Cantonese): Madam President, I am so glad to hear the Secretary's commitment to the environmental protection industries. I have to express my gratitude to the many Members supporting the motion. I am pleased that the Government has once again acknowledged the contribution of high-level environmental protection industries to Hong Kong and the need for vigorous promotion of these industries.

The Secretary said that green procurement policies have been laid down, but I hope that policies formulated at the high level will not be circumvented at lower levels, that is, other government departments will not fail to enforce the policies made by the authorities. I know Members are all very tired, particularly so for the Secretary. Today happens to be the Chinese Valentine's Day, so with Members who hold dear to environmental protection on the one side and the Secretary who is well-versed in the subject on the other, it seems to be the very best moment for the good pair to tie the knot (*laughter*), multiplying their successors as soon as possible to devote more effort to the environmental protection cause in Hong Kong.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Andrew LEUNG, as amended by Miss CHOY So-yuk and Miss CHAN Yuen-han be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion as amended passed.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 2 March 2005.

Adjourned accordingly at eight minutes past Eleven o'clock.

Appendix 1**REQUEST FOR POST-MEETING AMENDMENTS**

The Secretary for Health, Welfare and Food requested the following post-meeting amendments

Line 1, eighth paragraph, page 126 of the Confirmed version

To amend ".....from 1 600 in 1997-98....." as ".....from 16 000 in 1997-98....." (Translation)

(Please refer to line 2, fourth paragraph, page 4751 of this Translated version)

Line 1, ninth paragraph, page 126 of the Confirmed version

To amend "At present, there are about 7 000 subvented places for the elderly" as "At present, about 7 000 subvented places for the elderly do not have care element" (Translation)

(Please refer to line 1, fifth paragraph, page 4751 of this Translated version)

Line 2, fourth paragraph, page 130 of the Confirmed version

To amend ".....whereas the others have chosen....." as ".....whereas the others are still in the course of choosing....." (Translation)

(Please refer to line 3, second paragraph, page 4757 of this Translated version)

Appendix I**WRITTEN ANSWER****Written answer by the Secretary for the Environment, Transport and Works to Mr LAU Kong-wah's supplementary question to Question 3**

As regards whether any of the accidents involving passengers falling onto tracks in 2004 happened in platforms retrofitted with platform screen doors (PSDs), according to the MTR Corporation Limited, amongst those 32 accidents, none of them happened in platforms retrofitted with PSDs.

Appendix II**WRITTEN ANSWER****Written answer by the Secretary for the Environment, Transport and Works to Mr LAU Kong-wah's supplementary question to Question 3**

As regards whether any of the accidents involving passengers falling onto rail tracks happened in platforms retrofitted with platform screen doors (PSDs), and the causes of the 32 accidents in 2004, we have stated in our reply of 4 March 2005 that none of these accidents happened in platforms retrofitted with PSDs, and hereby provide the causes of the 32 accidents in 2004 for Members' reference.

According to the MTR Corporation Limited (MTRCL), there are various causes for the 32 accidents, including suicide, attempted suicide, passengers trying to retrieve personal belongings from tracks, personal health conditions and deliberated trespass.

The MTRCL indicated that it would continue to adopt stringent safety standards and safety devices to facilitate the monitoring and management of platforms. The MTRCL organizes platform safety campaigns and makes available public education pamphlets as well as safety guides, to enhance passengers' awareness on using the MTR service in a safe manner. Warning labels and messages are also displayed in stations to keep passengers vigilant.