

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 20 February 2008

The Council met at Eleven o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

THE HONOURABLE LEE CHEUK-YAN

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

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

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

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

THE HONOURABLE BERNARD CHAN, G.B.S., J.P.

THE HONOURABLE CHAN KAM-LAM, S.B.S., J.P.

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI, S.B.S., J.P.

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

THE HONOURABLE WONG YUNG-KAN, S.B.S., 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, J.P.

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

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

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, S.B.S., J.P.

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

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

DR THE HONOURABLE JOSEPH LEE KOK-LONG, J.P.

THE HONOURABLE DANIEL LAM WAI-KEUNG, S.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

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

THE HONOURABLE ALBERT JINGHAN CHENG, J.P.

THE HONOURABLE TAM HEUNG-MAN

MEMBERS ABSENT:

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

THE HONOURABLE KWONG CHI-KIN

THE HONOURABLE MRS ANSON CHAN, G.B.M., J.P.

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE WONG YAN-LUNG, S.C., J.P.

THE SECRETARY FOR JUSTICE

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.

SECRETARY FOR EDUCATION

THE HONOURABLE FREDERICK MA SI-HANG, J.P.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

THE HONOURABLE AMBROSE LEE SIU-KWONG, I.D.S.M., J.P.

SECRETARY FOR SECURITY

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

THE HONOURABLE TSANG TAK-SING, J.P.
SECRETARY FOR HOME AFFAIRS

THE HONOURABLE MATTHEW CHEUNG KIN-CHUNG, G.B.S., J.P.
SECRETARY FOR LABOUR AND WELFARE

THE HONOURABLE MRS CARRIE LAM CHENG YUET-NGOR, J.P.
SECRETARY FOR DEVELOPMENT

THE HONOURABLE EDWARD YAU TANG-WAH, J.P.
SECRETARY FOR THE ENVIRONMENT

THE HONOURABLE EVA CHENG, J.P.
SECRETARY FOR TRANSPORT AND HOUSING

CLERKS IN ATTENDANCE:

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

MRS VIVIAN KAM NG LAI-MAN, ASSISTANT SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

PRESIDENT (in Cantonese): Clerk, please ring the bell. A quorum is not present.

(After the summoning bell had been rung, a number of Members entered the Chamber)

PRESIDENT (in Cantonese): A quorum is now present. The meeting starts.

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Specification of Arrangements (Government of the Grand Duchy of Luxembourg) (Avoidance of Double Taxation on Income and Capital and Prevention of Fiscal Evasion) Order.....	18/2008
Import and Export (Fees) (Amendment: Fee Revision) Regulation 2008.....	19/2008
Chemical Weapons (Convention) Ordinance (Amendment of Schedule 4: Revision of Permit Fee) Order 2008...	20/2008
Antiquities and Monuments (Withdrawal of Declaration of Proposed Monument) (No. 128 Pok Fu Lam Road) Notice	21/2008
Tax Reserve Certificates (Rate of Interest) Notice 2008.....	22/2008
Accreditation of Academic and Vocational Qualifications (Appeal) Rules	25/2008

Accreditation of Academic and Vocational Qualifications Ordinance (Commencement) Notice 2008	26/2008
Tsing Sha Control Area Ordinance (Commencement) Notice	27/2008
Tsing Sha Control Area (General) Regulation (Commencement) Notice.....	28/2008
Tsing Sha Control Area (Tolls, Fees and Charges) Regulation (Commencement) Notice.....	29/2008

Other Papers

- No. 68 — The Hong Kong Academy for Performing Arts
Annual Report 2006-2007 and the Financial Statements
and Auditor's Report for the year ended 30 June 2007
- No. 69 — Hong Kong Council for Accreditation of Academic and
Vocational Qualifications
Annual Report 2006-2007
- No. 70 — Audited Statements of Accounts and Report on Activities
of the Hong Kong Examinations and Assessment Authority
for the year ending 31 August 2007
- No. 71 — Li Po Chun Charitable Trust Fund
Signed and Audited Financial Statements together with the
Auditor's Report and Report by the Trustee on the
Administration of the Fund for the year ended 31 August
2007
- No. 72 — 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 2007 and the Results
of Value for Money Audits (Report No. 49)
(February 2008 - P.A.C. Report No. 49)

Report of the Bills Committee on Domicile Bill

ADDRESSES

PRESIDENT (in Cantonese): Address. Dr Philip WONG, Chairman of the Public Accounts Committee.

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 2007 and the Results of Value for Money Audits (Report No. 49) (February 2008 - P.A.C. Report No. 49)

DR PHILIP WONG (in Cantonese): Madam President, on behalf of the Public Accounts Committee (PAC), I have the honour to table to the Legislative Council our Report No. 49 today.

The PAC Report tabled today 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 2007 and his Report No. 49 on the results of value for money audits, which were tabled in the Legislative Council on 28 November 2007.

The PAC Report contains three main parts:

- (a) the PAC's assessment of the actions taken by the Administration in response to our recommendations made in the PAC's previous Reports Nos. 46 and 47;
- (b) our observations on the Report of the Director of Audit on the Accounts of the Government for the year ended 31 March 2007; and
- (c) the conclusions reached by the PAC on the Director of Audit's Report No. 49.

On the Director of Audit's Report No. 49, the PAC has, as in previous years, selected for detailed examination those chapters which, in our view, contained more serious allegations of irregularities or shortcomings. The Report tabled today covers our deliberations and results of one of the three

chapters selected. The PAC has decided to defer a full report on the two chapters related to Hong Kong Tourism Board, in order to allow itself more time to consider the various issues involved and the additional information provided by the witnesses, as well as to hold public hearings on issues yet to be considered by the PAC. We will endeavour to finalize our report on the two chapters at the earliest opportunity.

I now report the PAC's main conclusions and recommendations on the subject of "Outsourcing of the management of public rental housing estates".

In considering this chapter, the PAC is particularly concerned about the protection of non-skilled workers engaged in outsourcing contracts. The PAC is dismayed and finds it unacceptable that the Housing Department (HD) had adopted a lenient approach in the management of property services agents (PSAs) and contractors, with HD staff not taking regulatory actions against the defaulted PSAs and contractors if the irregularities were not committed wilfully.

Moreover, Audit's case studies showed that there were instances where HD staff had not adequately followed up those cases with suspected employment-related irregularities and had not taken effective regulatory actions against the defaulted PSAs and contractors, such as issuing default notices or adverse performance reports.

Regarding the monitoring of the performance of PSAs, the PAC is also dismayed and finds it unacceptable that some PSAs did not report to the Property Service Administration Units of the HD the hawking activities in their estates. And the HD did not have a central record of the hawking activities in all PSA-managed estates to facilitate its monitoring of the hawker problem. Furthermore, since PSA staff do not have the legal powers to take enforcement actions against illegal hawking activities, they are not always effective in tackling the hawker problem.

The PAC notes that the Director of Housing has requested the Efficiency Unit (EU) to conduct a study to review the types of estate management work, including taking enforcement actions against illegal hawking activities, which should be handled by HD staff instead of PSA staff. The results of the study will be available by April 2008.

The PAC recommends that the Director of Housing should, having regard to the results of the study conducted by the EU, expeditiously take effective actions to address the hawker control problem, including considering whether HD staff instead of PSA staff should be deployed to take enforcement actions against illegal hawking activities.

Madam President, as always, the PAC has made its conclusions and recommendations in this Report with the aim of ensuring the achievement of value for money in the delivery of public services.

Lastly, I wish to register my appreciation of the contribution made by members of the PAC. Our gratitude also goes to the representatives of the Administration who have attended before the PAC. 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. First question.

Hygiene Conditions of Civilian Passenger Aircraft

1. **DR RAYMOND HO** (in Cantonese): *Madam President, thank you for allowing me to ask the first rat-related question in the Year of the Rat. May I take this opportunity to wish the President all wishes come true and success in every endeavour.*

Madam President, reports of rats found on civilian passenger aircraft are heard from time to time. In addition to spreading germs and posing hygiene hazards, rats may even bite and damage the electrical wires on the aircraft, jeopardizing flight safety. In this connection, will the Government inform this Council whether:

- (a) *it knows if there were cases of rats found on arriving civilian passenger aircraft in the past five years; if there were such cases, of the number; and*
- (b) *the hygiene conditions of arriving civilian passenger aircraft are subject to regulation under the laws of Hong Kong; if so, of the regulatory measures adopted by the responsible government department(s) to ensure that the hygiene conditions of aircraft are satisfactory, to avoid passengers' health or even flight safety from being affected?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, first, I thank Dr Raymond HO for making use of the opportunity of the Year of the Rat to put a question that meets the time, and for allowing me to make use of the opportunity to introduce air transport safety and port hygiene facilities in Hong Kong.

Madam President, airlines are duty-bound to ensure the hygiene and flight safety of their civilian passenger aircraft, while the Government plays the monitoring role.

- (a) Over the past five years, the Department of Health (DH) did not receive any complaint about rats found on aircraft. During the period between July 2006 and December 2007, the DH conducted inspections on over 100 arriving planes and no rat was found. According to the records of the Civil Aviation Department (CAD), there have been no cases of rats being spotted, nor cases of aviation safety being affected by rats in passenger aircraft arriving in Hong Kong in the past five years.
- (b) In Hong Kong, hygiene matters relating to international civilian passenger aircraft are subject to regulation under the Quarantine and Prevention of Disease Ordinance (Hong Kong Law Cap. 141). The Port Health Office (PHO) of the DH is responsible for the enforcement work.

The scope of work involved in safeguarding the hygiene of international civilian passenger aircraft includes monitoring the hygiene condition of water and food supplied to aircraft crew members and passengers, the environmental hygiene of the airport passenger terminal, its surroundings and aircraft, as well as conducting surveillance of disease vectors (such as mosquitoes and rodents) at the airport. PHO staff will conduct inspections at the airport and on aircraft to monitor their hygiene conditions and collect samples from water supply points, air caterers and aircraft for examination. The PHO will initiate investigations and follow-up actions after a complaint about hygiene conditions on aircraft has been received. Moreover, the PHO will also maintain close co-operation with the Food and Environmental Hygiene Department (FEHD) and the Airport Authority Hong Kong (AA) to monitor the environmental hygiene and disease vectors at the airport. Where necessary, it will give advice to the AA, airlines and other related parties such as restaurants on the improvement of environmental hygiene.

On flight safety, the CAD requires our airlines to maintain the highest safety standard in both their flight and maintenance operations in accordance with the standards and recommended practices of the International Civil Aviation Organization and the Laws of Hong Kong. For example, to uphold aviation safety, the CAD requires rigorous inspections of aircraft by the flight and maintenance crews before each flight to ensure the normal operation of all aircraft systems. The CAD conducts regular inspections to ensure compliance with the relevant requirements by the airlines.

DR RAYMOND HO (in Cantonese): *I believe rats will not come out to let the DH officers find them when the latter inspect the aircraft. I also believe that the parties concerned are not always required to report the sighting of rats to the Government whenever rats are found. May I ask the Secretary whether he will consider requiring the staff in charge of the flight to submit a report on the environmental hygiene conditions of the aircraft at the end of each flight, for instance whether there are any rats, cockroaches, flies, mosquitoes or other conditions that warrant reporting? Does the staff in charge of the flight need to fill in and submit such a form to the Government?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, airlines are duty-bound to ensure that the safety and hygiene inspection is properly done for each flight. Since the World Health Organization formulated the International Health Regulations (2005), the PHO has conducted inspections and detailed investigations on different planes. Apart from rats, other aspects also fall within our scope of inspection, that is, the other hygiene needs I mentioned just now. Since July 2006, we have been conducting inspections relating to this concern on a regular basis, covering almost all civilian passenger aircraft. Certainly though, we will not check every flight but we will make random checkings. For every flight, however, there is a checklist which has to be completed before the plane can take off. Hence, we will ensure that all such work is duly done.

Dr HO pointed out just now that rats will certainly hide themselves when people are present, but experts say that they are able to find traces left by rats on the aircraft, for instance, whether there are dead rats, live rats, their droppings, traces, footmarks or even tracks left behind. If things have been bitten by them, the experts are able to tell from the traces that the bites are made by rats. The experts can spot these things, but we may not be able to do so. I myself know very little about problems related to rats. I thus hope Members will understand that experts working at the port and especially those in charge of the airlines will duly perform their tasks in this regard. As far as I know, not only in the past five years, but in the past 15 years, no rat was found on aircraft in Hong Kong.

DR RAYMOND HO (in Cantonese): *Madam President, my supplementary question just now asked the Government whether it has required that an environmental hygiene conditions report of the aircraft be prepared for every flight, such as whether there are any rats and cockroaches? The Secretary did not specify in his reply just now the information required in the report. Can the Secretary elaborate?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, I am not sure of the details of the form required to be submitted to the PHO for every flight. I can give a reply in writing. (Appendix I)

MR WONG YUNG-KAN (in Cantonese): *President, it is certainly a serious matter if rats are found on aircraft. May I ask the Secretary if an aircraft passenger, the airline staff or aircraft inspectors do find rats, through what channels and to what department(s) they can make reports? What penalties will be administered for this?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, upon receipt of a complaint of traces of rats or possible presence of rats on aircraft, the PHO will immediately dispatch its staff to conduct an investigation and they may even cordon off the entire plane for inspection. During the inspection, staff will be deployed to first check all potential hiding places of rats, including storage rooms or other places. Rats often hide in pillows or blankets on aircraft. Furthermore, lures (such as traps) will be set to attract rats, or powdered boards will be placed on the planes to test for any footmarks left by rats. These are the measures they can take. If rats are found, a thorough cleanup will have to be done. The aircraft concerned will only be allowed to leave until no more traces of rats are found. Such a case happened in Beijing recently and the aircraft concerned was not allowed to leave the Beijing airport until three days later.

As regards penalties, I do not have the information with me now, but I think the key is to maintain the hygiene and safety conditions inside the plane and to ensure that the plane will not serve passengers until it is free of any traces of rats. I have to look up further information on the penalties before I can give the Member a reply. (Appendix II)

MR DANIEL LAM (in Cantonese): *President, can the Secretary inform this Council whether he in consider establishing a mechanism to inspect on a regular basis aircraft in poor environmental hygiene conditions so as to protect the passengers?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, we certainly will pay special attention to airlines the aircraft of which have poor cleanliness records or other causes of concern. Although I believe there is currently not a particular airline the aircraft of which fail to meet the standard, we are concerned about plague, in particular the last port of call of the aircraft. In fact, among regions neighbouring Hong Kong, not many have a plague broken out. Over the past five years, only India and Mongolia have had an outbreak of plague, and countries with more incidences of plague are mostly in Africa.

MR MARTIN LEE (in Cantonese): *Madam President, we cannot take the issue of rats found on planes lightly just because this is the Year of the Rat. Otherwise, the consequence will be grave if we find a tiger on a plane in the Year of the Tiger.*

May I ask the Secretary whether one rat or more than one rat were found this time?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, may I ask what is "more than one rat"?

MR MARTIN LEE (in Cantonese): *My question is whether one rat or more than one rat were found on the plane?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, as I have stated just now, we have never found any rat on aircraft in Hong Kong. I believe the flight Dr Raymond HO mentioned just now where rats were found was the one flying from the United States to Beijing. It was reported that officers boarded the plane for investigation when rats had been sighted. Six rats were found in total. After a cleanup was carried out, some rat traps were placed on the plane. Two more rats were then caught. That is, eight rats were caught in total. After another round of cleanup, no more rats were found. We are in fact very concerned about the incident, hoping that it will not happen in Hong Kong. Despite the absence of evidence indicating that the rats carried any serious bacteria or viruses, we will, nevertheless, maintain a close watch on any disease vectors being brought here by the planes. I wish to stress that apart from aircraft, the PHOs at land crossings and the port are earnestly doing such work.

MR HOWARD YOUNG (in Cantonese): *President, be it through the land, sea or air, if rats are found on any mode of transport, I believe the source is the land. The Secretary mentioned that the PHO is responsible for inspecting places such as the airport of its environmental hygiene and other conditions, but there are many restaurants in the airport. May I ask the Secretary whether these restaurants in the airport are inspected by the PHO, or like restaurants in the urban area, they are inspected by the FEHD? Do the inspections of restaurants in general include the checking of the presence of rats, or is the emphasis placed mainly on food safety?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, the FEHD is duty-bound to inspect all restaurants in Hong Kong. If any food safety or environmental hygiene problems are reported, the Department will send officers to conduct an inspection. If the problem is confirmed, they will take appropriate prosecution actions. As for restaurants within the airport, however, I believe the AA is also duty-bound to effect due supervision.

MISS CHOY SO-YUK (in Cantonese): *President, the Secretary mentioned in the main reply that apart from rats, other small insects such as mosquitoes may also carry bacteria. May I ask the Secretary whether special inspections will be conducted of aircraft coming from places (such as the tropical area) with more mosquitoes, or aircraft coming from places with more rats to ensure that they will not bring mosquitoes or rats into Hong Kong?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, first of all I have to say that mosquitoes are more difficult to spot during inspections, but insofar as the inspections are concerned, other than rats, complaints of other kind, if any, will also be investigated during inspection of the aircraft. Moreover, random checking of individual aircraft is also conducted. Since July 2006, inspections of different aircraft have been conducted on a regular basis. As I have just mentioned, if the aircraft management carried out by a certain airline is proved to be unsatisfactory, its aircraft will be inspected more frequently. Furthermore, aircraft coming from places with more infectious diseases are also inspected more frequently.

In the past, we found the problems in this regard not that serious. Over the past three years, we have received only six complaints relating to aircraft, four of which related to food safety and the other two being sightings of cockroaches. Six complaints in three years is not a great number. In our inspections, we also occasionally found some minor irregularities, such as stains or refuse leftover after cleaning. All such complaints are taken seriously and duly recorded.

PRESIDENT (in Cantonese): We have spent more than 16 minutes on this question. Last supplementary question.

MR LAU KONG-WAH (in Cantonese): *The Secretary mentioned just now that six American rats had illegally sneaked into Beijing — it should be eight. Has the Government examined why these rats could so easily leave their place of origin? In addition, is the track record of American aircraft not so satisfactory?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, I do not have detailed information on this. We certainly will ask the authorities concerned to provide a more detailed report and investigation result whenever we find such a problem. I do not have the information at hand to answer the question.

PRESIDENT (in Cantonese): Second question.

Promotion of Local Art

2. **MR BERNARD CHAN** (in Cantonese): *President, since the launch of the West Kowloon Cultural District (WKCD) Development project consultation exercise, there has been a growing interest in the relevant issues among members of the community, and quite a number of organizations even bring in famous*

foreign artistic works for exhibition in large shopping arcades and other venues in Hong Kong. Some members of the public have reflected to me that such activities help encourage art development and enhance the quality of life of members of the public. However, there seemed to be very few local artistic works among such exhibits. In fact, the quality of many local artistic works is also very high, and they should be given opportunities for exhibition. In this connection, will the Government inform this Council:

- (a) whether there is currently a policy specifying that the authorities should earmark space in public places, premises of government departments or properties and venues under their management for displaying artistic works (especially the local ones); if so, of the details; if not, the reasons for that;*
- (b) in the past three years, of the average annual amount of funds expended by the Government in acquiring or hiring local artistic works for exhibition purposes, as well as the average quantity of artistic works involved per year; and*
- (c) apart from those measures mentioned in the paper provided for the meeting of the Panel on Home Affairs of this Council on 9 November 2007, what other measures the authorities currently have to promote local art in the community; and whether they will consider making reference to overseas practice to require the individuals or organizations concerned, when constructing new buildings in urban areas, to earmark capital of not less than a certain percentage of the construction costs of such buildings for developing public art, so as to further promote local art?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President,

- (a) Mr Bernard CHAN has raised in the main question the issue of displaying and installing artworks in public space, reflecting the views of some people.

The development of public art provides artists with more space to develop their talents and enables the public to come across and take part in activities relating to culture and the arts in their living environment.

The SAR Government is actively promoting the development of public art. Currently, there are displays of more than 40 pieces of artworks created by 30 local artists in public areas where flows of people are particularly frequent, such as the Kowloon Park, the piazza of Hong Kong Cultural Centre, the area outside Hong Kong Museum of Art (HKMA), the piazza of Hong Kong Science Museum, the Tsim Sha Tsui Centenary Garden, the Tsim Sha Tsui East Promenade, and so on. In addition, art objects are also displayed in major housing complexes, commercial buildings and university campuses.

The Art Promotion Office (APO) of the Leisure and Cultural Services Department (LCSD) is a dedicated government office for the promotion of public art. Its mission is to bring art out of the museum to everyone's life. From time to time, the APO jointly organizes public art projects with different partners to display local art objects in public area. For instance, the APO jointly organized the project, "Installation of Public Artworks at Yat Tung Estate, Tung Chung" with the Housing Authority from 2000 to 2006. Twenty-six local public artworks were commissioned by this project. The APO also collaborated with the Yuen Long District Council and the Highways Department between 2004 and 2007 to decorate a pedestrian subway in Yuen Long with tiles that featured pictures taken by local photographers. Furthermore, the "Public Art Scheme" which was launched by the LCSD in 1999 has since then involved 17 local artists who created a total of 18 art objects (including sculptures and murals) which are currently displayed in the following different venues to embellish our living environment, namely, the Tai Po Central Plaza, Tsing Yi Complex, Kwai Tsing Theatre, Tseung Kwan O Public Library, Tuen Mun Public Library, Fanling Public Library, Hong Kong Central Library, Yuen Long Theatre, Man On Shan Public Library and Hong Kong City Hall. Furthermore, the Hong Kong Heritage Discovery Centre in Tsim Sha Tsui, Ko Shan Road Park and Po Hong Park will soon be installed with public artworks. In addition, under two LCSD's programmes "Artists in the Neighbourhood Scheme" and "Mobile

Art Gallery", 276 local artworks were temporarily displayed in a wide range of public areas which covered almost all the 18 districts. These public areas include hospitals, MTR stations, buses, bus stops, ferries, piers, shopping malls, bookstores, the airport, and so on. The LCSD will continue to collaborate with different organizations and institutions, for examples, the Hong Kong Arts Centre and the commercial sector, to further promote the installation and display of artworks in public space.

Collecting and exhibiting local artworks are the core acquisition and exhibition strategy of the HKMA and the Hong Kong Heritage Museum (HKHM). Apart from in-gallery display, the museum collections would also be made available to loan to other organizations for display. For example, 43 pieces of local artworks are currently displayed in the Hong Kong International Airport. The artworks at the airport will be changed regularly.

The essential issues which we have to consider for displaying museum collections in public areas include whether the venue concerned is equipped with a constant climatic environment that prevents deterioration of the exhibits and whether security control would be sufficient to prevent theft of the exhibits. We would therefore have to take into account these issues when we assess any loan-out requests.

- (b) The HKMA, HKHM and the APO of the LCSD are actively promoting local art and encouraging creation by local artists. Their collection strategy is "Hong Kong" based focusing on preservation and collection of Hong Kong artworks to reflect the development and cultural characteristics of local art as well as the achievements of local artists. The museums also commission different artists to display or install artworks in public areas.

The expenditure used on acquiring and commissioning artworks by the two museums and the APO is \$5.64 million (of which \$5.03 million was expended on acquiring and commissioning 268 local artworks), \$6.14 million (of which \$5.04 million was expended on acquiring and commissioning 111 local artworks) and \$5.05 million (of which \$3.93 million was expended on acquiring and

commissioning 211 local artworks) for 2004-2005, 2005-2006 and 2006-2007 respectively. This reflects that a substantial proportion of the expenditures were spent on the acquisition and commissioning of local artworks.

Apart from acquiring collections for exhibition or display, the Government makes use of other channels to promote local art. For instance, the Hong Kong Central Library and the Hong Kong Arts Development Council (HKADC) are jointly organizing the "Artwork on Loan" scheme to promote local art. Under this scheme, 132 artworks have already been created by 27 local artists and reproduced into 608 replicas for loaning out. Since the launching of the scheme in 2003, the artworks have been loaned out for 4 900 times and the schools participated (including secondary and primary schools, kindergartens, nurseries and the Hong Kong Institute of Vocational Education) amounted to 90. In addition, the general public and other organizations and institutions are eligible to borrow these art reproductions. Institutions which took part in the scheme include the Hong Kong Juvenile Care Centre, Causeway Bay Baptist Church, the Society of Rehabilitation and Crime Prevention, Hong Kong, and Lok Kwan Social Service.

The LCSD works closely with local art groups to promote local art, and the examples of partnership between these two parties are numerous.

- (c) We have made reference to overseas policy and measures in the promotion of local art. The division of labour in Hong Kong is similar to that of other places, that is, collecting and displaying artworks are usually undertaken by institutions like art museums, whereas sponsorship to artists and art groups is entrusted to organizations like arts development council and foundations. Some overseas countries and cities have implemented the "Percent for Art" scheme which requires the setting aside of a certain percentage of the sum spent on construction works for acquiring or commissioning artworks, or organizing public art activities. The percentage normally is within the range of 0.25% to 2%. The effectiveness of the scheme varies in different places owing to the different levels of maturity of the community in culture and the arts

and controversy was aroused in some places. In cross-reference we can see that the effectiveness of various local art promotion efforts and strategies would be different given the unique cultural, social and economic development of individual places.

While we do not have any "Percent for Art" scheme in Hong Kong, the Government is actively promoting local art through different channels and means.

The HKADC is actively widening the window for the community and the public to appreciate culture and the arts through sponsorship and proactive projects on community art activities and related researches. In addition, the HKADC supported community art activities, such as community dance contest, community drama programme and community Cantonese Opera competition, which were all very well-received. The HKADC also jointly worked with different institutions and shopping malls to organize activities, such as "Gallery Ferry", "Mobile Art Expedition", "Art Boutique" and "Artwork on Loan" to raise the public's interest in the arts, and pioneered to bring artworks into homes. It is currently formulating the "Emerging Community Arts Promotion" and "Community Arts Award", which are to be launched within this year and details and budget of which are being discussed.

Meanwhile, the 18 District Councils encourage local artists and organizations to organize art activities and exhibitions in community through sponsorship. These activities are intended to raise the public's interest in art at community level. The District Councils have co-organized or sponsored some 40 such programmes in the past three years.

We attach great importance to the public views on the development of local art and therefore maintain close contact with local art sector. We also collect public views through the opinion survey conducted by the LCSD once every two years and other established channels to help update and implement new art promotion strategies.

MR BERNARD CHAN (in Cantonese): *President, first of all, I would like to thank the Secretary for explaining the government policies in detail in the main reply. But apart from the many museums, art museums and parks mentioned in the main reply where artworks are displayed, there is basically no collection and display of local artworks in many government departments, quasi-government organizations, or even the Legislative Council.*

President, although a few paintings are displayed on the wall in the stairways of the Legislative Council Building, they are only replicas — though this is the Legislative Council and not a government institution — why do we not encourage government institutions or departments to acquire local artworks, provided that they are provided with the resources as an incentive? The majority of local artists in Hong Kong do not work full-time because the market is not large enough for them to work as full-time artists. In this connection, what policies does the Government have to encourage government departments to take the lead to do this?

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, the Government encourages government institutions and non-governmental organizations to display artworks or replicas of artworks by local artists. We are in great support of this.

Moreover, if the Legislative Council is willing to deploy its resources to acquire and display artworks by local artists, we and the Home Affairs Bureau will very much support and appreciate it.

PRESIDENT (in Cantonese): Members, the question and answer between Mr Bernard CHAN and the Secretary for Home Affairs have taken almost 15 minutes. It has broken the record of the time used for one Legislative Council question in history. The Secretary for Home Affairs used more than 11 minutes for his main reply. I will thus exercise my discretion to extend the time a little to let Members ask supplementary questions.

DR YEUNG SUM (in Cantonese): *Madam President, the Secretary mentioned in the second paragraph of part (b) of the main reply the expenditures on acquiring and commissioning artworks by the two museums and the APO. For example, the expenditure for 2006-2007 was \$5.05 million, of which \$3.93 million was expended on acquiring and commissioning local artworks.*

May I ask the Secretary, in view of the enormous fiscal surplus this year, whether the Secretary will seek additional resources from the Financial Secretary to acquire more local artworks, in a bid to encourage creation of local artworks?

SECRETARY FOR HOME AFFAIRS (in Cantonese): *As we are prepared to actively promote the development of the WKCD, prior to the delivery of the budget for this year by the Financial Secretary, we have indeed expressed our aspiration for earmarking more resources for culture and the arts and stepping up support for local culture workers and artists. As for how much will be appropriated for this in the budget, we have to wait until the Financial Secretary announces his budget.*

DR KWOK KA-KI (in Cantonese): *President, Mr CHAN must have a reason for asking this main question. As a matter of fact, it is no news that many members of the public and people in the arts circle hold that the Government is half-hearted in promoting local arts.*

The Secretary has listed in the main reply many examples indicating how the Government has supported the local artists, but the \$5-odd million or \$6-odd million expended is negligible compared to the \$20-odd billion to be injected into the WKCD.

May I ask the Secretary, apart from facilitating the development of the WKCD, which is the hardware, how the Government will undertake to enhance the development of local artists and specifically demonstrate through funding, provision of opportunities or expenditure on acquiring exhibits that from this year onwards (as what you have cited just now are past figures) that it will truly implement such work?

SECRETARY FOR HOME AFFAIRS (in Cantonese): When we come to the Finance Committee again to brief Members on expenditure proposals for the new financial year, Members will be able to see that the Financial Secretary has given due consideration to the development of culture and the arts in Hong Kong. However, as the budget is not yet announced, it is inappropriate for me to say too much on the additional commitment earmarked for culture and the arts.

DR RAYMOND HO (in Cantonese): *I notice that inside stations of the MTR Corporation Limited (MTRCL), for instance, on the walls along the platform of the Central Station, there is a beautiful mosaic. In this regard, in view of the Government being lagging behind other cities in the promotion of public arts, whether it will encourage the MTRCL to hold more such art exhibitions such as inviting artists to display their artworks on the walls along platforms? I believe this is an excellent opportunity for local artists to showcase their talents. May I ask whether the Government will encourage them to do so?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, Dr HO is right. It has been our policy to encourage public organizations to provide more opportunities for the display of public arts, particularly in venues where the flow of people is high.

MISS CHOY SO-YUK (in Cantonese): *President, in his reply the Secretary mentioned the display of artworks donated by individuals in public places, but is the display restricted to artworks by local artists? I note that a few years ago other countries intended to donate some artworks to us. For instance, the Philippines wanted to donate a statue of Rizal to Hong Kong but the Home Affairs Bureau at the time turned it down, and neither did it accept a stone statue of Matsu donated by Fujian Province. Is it government policy to accept only artworks by local artists, or has this government policy already changed?*

PRESIDENT (in Cantonese): Miss CHOY So-yuk, your supplementary question bears little relevance to the subject of the main question, but as it is the last supplementary I will allow Members to ask, the Secretary may answer it if he has the information with him now, or it will be subject to whether the Secretary is prepared to give a reply in writing.

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, regarding artworks donated to Hong Kong by foreign countries or cities, they have been displayed. An obvious example is at the reunification of Hong Kong with China, mainland provinces and municipalities donated many artworks to the Hong Kong Special Administrative Region, which have been displayed in different places one after another such as government institutions and buildings.

PRESIDENT (in Cantonese): Third question.

Police's Handling of Searches of Detained Persons

3. **MR RONNY TONG** (in Cantonese): *President, according to the Police General Orders (PGOs), the Duty Officer of a police station, or an officer detailed by him, will search a detained person prior to the person being secured in a Temporary Holding Area or cell block, and the search may involve the removal of the person's clothing worn next to the skin (strip searches). In this connection, will the Government inform this Council:*

- (a) *whether the responsible police officers are required, when conducting strip searches, to comply with any other guidelines, in addition to the police's internal guidelines and the PGOs; if so, of the details of those other guidelines; who may make the final decision on whether or not a strip search is necessary; and the consequence of a detained person's refusal to a strip search;*
- (b) *whether the responsible police officers will ensure the detained persons' privacy during strip searches; if they will not, of the reasons for that; if they will, of the measures to be adopted (whether such measures include ensuring that police officers or other persons who have nothing to do with the searches will not appear at the places where the strip searches are conducted); and what measures the police will adopt to ensure that the procedures for strip searches comply with the requirements under Article 28 of the Basic Law and Articles 3 and 6 in Part II of the Hong Kong Bill of Rights Ordinance (BORO); and*

- (c) *of the total number of complaints regarding strip searches received by the Complaints Against Police Office (CAPO) of the Hong Kong Police Force and the Independent Police Complaints Council (IPCC) in each of the past five years, and among these complaints, the number of substantiated cases, the number of unsubstantiated cases and the reasons why these cases were found unsubstantiated, together with a breakdown of all the cases by the receiving organization, year of receipt of the complaint and outcome of investigation?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, when there is a need for the police to detain an arrested person, the police are also under a responsibility to ensure that all arrested persons are kept in a safe environment and the detainees' rights regarding their privacy is properly protected. The police will strive to achieve a proper balance between these factors when conducting a search on a detained person. Regarding the questions raised by the Member, my reply is as follows:

- (a) and (b)

Police officers are required to follow the PGOs and the Force's internal guidelines in handling detained persons. Procedurally, a Duty Officer of a police station is required to first arrange to conduct a search on an arrested person to ensure that the person does not possess any item that would assist him to escape or assist others to do so; injure himself or others; destroy or dispose of evidence, or commit further crime, and so on.

The PGOs stipulate that searches involving the removal of clothing worn next to the skin shall be conducted upon the direction of an officer of or above the rank of Sergeant, and the incident shall be recorded. To respect the detainees' privacy, the PGOs also require that searches involving the removal of clothing worn next to the skin shall only be carried out in the privacy of a police station, a police launch or a location providing equal privacy to the individuals to be searched. Under no circumstances will a police officer search a detained person of the opposite gender.

The scope of a search is decided in accordance with the prevailing circumstances and the purpose of the search. However, police officers are obliged to observe the relevant requirements of the PGOs and internal guidelines when conducting a search. The search arrangement of the police complies with the Basic Law and the BORO.

Any detained person who refuses to co-operate when he is required to be searched could place himself open to offences, such as section 63 of the Police Force Ordinance (Cap. 232) and section 36 of the Offences against the Person Ordinance (Cap. 212) in relation to resisting or wilfully obstructing a police officer in the execution of duty.

The police officer will explain the purpose of a search to the detained person before conducting the search. If the detainee has any concerns about the search, he can make them known to the Duty Officer of the Police Station or the Supervisor of the Police Station. If the Duty Officer or the Supervisor upholds the decision to conduct the search after considering the concerns expressed by individual, and yet the detainee continues to refuse to co-operate, the police officer will warn him of the offences he may commit as a consequence of obstructing a police officer in execution of duty. The detained person may lodge a complaint with the CAPO if he has any grievance after the search.

- (c) In the past five years, the CAPO received a total of 41 complaints relating to requests made by police officers in conducting searches for detainees to remove clothing worn next to the skin. The number of complaints received each year ranged from six to 14. The investigation results of these complaints were submitted to the IPCC for examination. Nine cases are currently being considered by the IPCC. Of the remaining 32 cases for which the IPCC has completed its examination, 13 were withdrawn by the complainants, 13 were found "Unsubstantiated", four "Not Pursuable", one "No Fault", and another one was resolved by way of informal resolution.

MR RONNY TONG (in Cantonese): *I think the Secretary has not responded to the last part of part (b) of my main question. In reply to my question on what measures the police will adopt to ensure the procedures for strip searches comply with the requirements under Article 28 of the Basic Law and Articles 3 and 6 in Part II of the BORO, the Secretary merely gave an affirmative answer without making further comments.*

President, may I ask whether there are any provisions in the PGOs giving a clear direction that police officers responsible for searches are required to respect the dignity of detainees and avoid treating the detainees in an insulting manner? Are there any provisions, guidelines or instructions giving police officers a clear understanding of what sanctions will be imposed should they act in violation of basic human rights?

SECRETARY FOR SECURITY (in Cantonese): Madam President, I have actually answered Mr Ronny TONG's question already.

I have already pointed out in the main reply that our current practice complies with the Basic Law and the BORO. The police are required to respect the privacy of a detainee in the course of training or a search, and the search will be conducted in accordance with existing legislation and established procedures. Police officers acting in contravention of the law or guidelines would be subject to disciplinary action. In the event of serious cases, they would even be subject to legal sanctions.

MR RONNY TONG (in Cantonese): *President, the Secretary has not answered my question. There is a difference between privacy, basic dignity and insulting behaviour.*

My question is very simple. I merely asked the Secretary whether there are any provisions in the PGOs requiring police officers to respect the integrity and dignity of detainees and avoid insulting behaviour. These are the terms used in the BORO.

SECRETARY FOR SECURITY (in Cantonese): Madam President, I have answered Mr TONG's question.

MR RONNY TONG (in Cantonese): *President, the Secretary has not answered my question. He should give either an affirmative or a negative reply.*

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

SECRETARY FOR SECURITY (in Cantonese): Madam President, I have nothing to add.

MR CHEUNG MAN-KWONG (in Cantonese): *President, the Secretary indicated in the main reply that, before conducting a strip search, the responsible police officer would explain the purpose of the search to the arrested person. Will the police officer make a written record of the purpose of and reasons for conducting the strip search for confirmation by the detainee to prevent police officers from infringing human rights by abusing their authority and prevent the occurrence of an excessive number of "Unsubstantiated" and "Not Pursuable" cases when complaints are received by the IPCC in future? If not, what are the reasons? Will the police consider this proposal to ensure there are steps to follow in handling complaints and the dignity and human rights of arrested persons will not be infringed?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, records will be made whenever police officers conduct any searches, irrespective of whether the arrested persons are required to remove their clothing worn next to the skin. As regards whether a person being searched is required to sign the relevant record, the police officer will definitely explain to him the purpose of the search but, at that stage, he will not be required to sign, but he will definitely be requested to sign after the search.

(Post-meeting Note: In respect of the verbatim record of the Secretary for Security above, the Administration wishes to make the following clarification: According to the existing practice, after the police have conducted a search on a detainee, the police would ask the person concerned to sign on a document for record to confirm the items which have been extracted from him during the search and which would be temporarily kept by the police. Following further amendments to the Force's internal guidelines, the officer responsible for the search will also inform the detainee of the reason for and the scope of the search, and the detainee will sign to acknowledge that he has been so informed.)

MR CHEUNG MAN-KWONG (in Cantonese): *My supplementary question actually has a follow-up. I would like to raise a follow-up question.*

PRESIDENT (in Cantonese): Mr CHEUNG Man-kwong, you need only repeat the part not answered.

MR CHEUNG MAN-KWONG (in Cantonese): *Right, President, my follow-up question is: Will the Secretary consider requesting the detainee, when explaining to him the purpose of and reasons for the search, to sign to confirm the reasons for the search to avoid disputes arising from this part in future?*

SECRETARY FOR SECURITY (in Cantonese): I would like to thank Mr CHEUNG's for his suggestion. I can tell Honourable Members that the police are now studying what improvements can be made to the existing mechanism. We will convey Mr CHEUNG's views to the police.

DR FERNANDO CHEUNG (in Cantonese): *The Secretary indicated in the last paragraph of part (b) of the main reply that the police officer would explain the purpose of the search to the detained person before conducting the search. If the detainee has any concerns about the search, he can make them known to the Duty Officer of the Police Station or the Supervisor of the Police Station.*

May I ask the Secretary whether the police officer, when explaining to the detainee, will make it clear that if the detainee has any concerns about the search, he has the right to make them known to the Duty Officer of the Police Station or the Supervisor of the Police Station? Has the point been clearly included in such explanation?

SECRETARY FOR SECURITY (in Cantonese): I am not sure if the question is about whether it is clearly spelt out in the document so that it is clearly visible to the detainee. When conducting a search, a police officer will make it clear by saying something to this effect: "I am now searching you. I am telling you that

you are entitled to express or convey your concerns to a more senior officer." However, I do not have on hand the information about whether this is clearly stated. I will probably give Dr CHEUNG a reply in writing.

DR FERNANDO CHEUNG (in Cantonese): *President, besides whether this is clearly specified, will the police officer include in his explanation the rights of a person being searched? In other words, will the police officer explain to the person being searched that should he have any doubts about the intended strip search, he can make them known to the Supervisor of the Police Station?*

SECRETARY FOR SECURITY (in Cantonese): I will give a reply in writing. (Appendix III)

MR LI KWOK-YING (in Cantonese): *The Secretary mentioned in part (c) of the main reply that, of the cases for which the IPCC has completed its examination, four were found "Not Pursuable". However, in his reply to Mr CHEUNG Man-kwong's question, the Secretary indicated that records would be made for all strip searches. Will the Secretary inform this Council why four cases were found "Not Pursuable"?*

SECRETARY FOR SECURITY (in Cantonese): By "Not Pursuable", it means that either the identity of the police officer being complained cannot be confirmed, the investigation cannot be continued because of a lack of information or the complainant has refused to co-operate. A complainant might have merely lodged a complaint without providing adequate information and, when he was requested by the police to provide information, he failed to do so, thus making it impossible for the police to continue with their investigation.

MR LI KWOK-YING (in Cantonese): *President, the record should have clearly indicated the identity of the police officer responsible for conducting the search and the place of the search. The relevant record should be very clear. Unless the complainant is no longer willing to co-operate by providing information, as stated by the Secretary just now, the investigation will continue to be pursued. Should that happen, will the police take action against the complainant?*

PRESIDENT (in Cantonese): Mr LI Kwok-ying, you have asked a good question. However, it is not a follow-up question as it is not part of the supplementary question raised by you earlier. The Panel on Security will discuss this issue again on 4 March. You may wish to follow up the issue then.

MS MARGARET NG (in Cantonese): *President, from the Secretary's reply, we can see that there is great flexibility. In other words, when the police consider it necessary to detain a person, a search will be conducted. Moreover, a strip search can be conducted of a detained person provided that a direction from a senior officer is obtained before the search.*

Under such circumstances, does the Secretary agree that the guidelines are very flexible, and it is extremely dangerous for a detainee, who is poorly protected, to refuse to co-operate with the police for doing so could lead to serious consequences, and it will still be futile even if he lodges a complaint? Does the Secretary agree that the current situation is like what I have described? This is most unfair. What will the Secretary do to assure the public that the procedures are fair?

SECRETARY FOR SECURITY (in Cantonese): Madam President, I do not agree that the existing search procedures are particularly unfair. Actually, the Duty Office of a police station is in general an officer of the rank of Sergeant. Not only are they highly professional in making judgment, they have also accumulated years of police experience. It is appropriate for them to determine the scope of a search depending on the prevailing circumstances.

However, after the previous incident — I cannot comment on the case because it has been taken to court for examination — I have also discussed this issue with the police to examine if the existing general handling procedures can be improved to, first, uphold our enforcement efficiency and, second, which is equally important, uphold and protect the dignity and privacy of the persons being searched. The police have completed the first stage of the review and will report to members of the Panel on Security at its meeting on 4 March.

The second stage of the review will be carried out. It is hoped that, upon the completion of the hearing of the case, the second stage of the review can be conducted to examine where improvements can be made after the incident.

MR ALBERT HO (in Cantonese): *The Secretary mentioned in the main reply that police officers would explain the purpose of a search to a detained person before conducting the search. According to my understanding, it is very likely for police officers to cite such reasons mentioned by the Secretary in parts (a) and (b) of the main reply as it is feared that the detainee will escape or carry other items.*

May I ask whether the authorities have considered whether these reasons are justified when a review has to be conducted after a complaint is lodged against a police officer or when the CAPO has to handle a complaint received? For instance, the police have even conducted strip searches of peace demonstrators without any special background one by one. What are the justifications for doing so? Have the police considered that such action is incommensurate with the offence in question, and these people will be seriously insulted as a result?

SECRETARY FOR SECURITY (in Cantonese): Madam President, perhaps let me repeat this again. Actually, training on conducting searches will be included when police officers receive induction training or when experienced police officers, especially the so-called Duty Officers, receive in-service training. Police officers deployed to act as Duty Officers are required to receive in-service training to learn ways to protect the safety of detained persons and areas warranting attention. In the course of training, they will be trained how to conduct searches in a safe manner. Moreover, police officers are constantly reminded in these training programmes that the dignity of detainees must be upheld. In particular, police officers responsible for manning duty rooms are required to receive such training, and it will be clearly pointed out in the training programmes that, should they contravene the PGOs or internal guidelines, they would be subject to disciplinary action and, in serious cases, even legal sanctions.

If anyone considers that he has been unreasonably, or unnecessarily, requested to take off his clothing when being searched, and when he lodges such a complaint, I can assure Honourable Members that the CAPO or the IPCC would definitely examine, when conducting an independent examination, whether the strip search is sufficiently justified, in addition to such reasons as preventing him from escaping, injuring himself or others, as pointed out by me earlier. The relevant police officer must produce concrete evidence as proof before he can make such a claim. The CAPO or IPCC will not believe in him by solely relying on his words. I can assure Mr HO that these cases will definitely be handled in a fair and impartial manner.

PRESIDENT (in Cantonese): This Council has spent more than 20 minutes on this question. We will now proceed to the fourth question.

Scheduling of Mid-term Examinations by Schools

4. **MR ALBERT CHAN** (in Cantonese): *President, recently, quite a number of parents of primary and secondary school students have reflected to me that their children could not enjoy the Christmas and New Year holidays, nor could they join their families in travelling abroad during the holidays, because they have to prepare for the mid-term examinations scheduled to be held immediately after the holidays. In this connection, will the Government inform this Council whether:*

- (a) *it knows the respective numbers of primary and secondary schools which held the mid-term examinations immediately before and after the Christmas and New Year holidays in the current school year; and*
- (b) *it will advise schools to avoid scheduling the mid-term examinations to be held immediately after the Christmas and New Year holidays; if so, of the details; if not, the reasons for that?*

SECRETARY FOR EDUCATION (in Cantonese): President,

- (a) In response to the Member's question, we have collected some statistical information based on the school calendars provided by schools. We found that 100 primary schools and 120 secondary schools conducted mid-term examinations before the Christmas and New Year holidays. The numbers of primary schools and secondary schools that held mid-term examinations after the Christmas and New Year holidays were 450 and 320 respectively.
- (b) In fact, examination is one of the multiple modes of assessment. Teachers could diagnose students' learning difficulties through assessment in the learning and teaching process and provide timely quality feedback to enhance students' learning.

No particular arrangement of assessments would fit all schools at different key stages or levels of learning as an appropriate schedule. We should allow schools to exercise some flexibility over the allocation of various learning and teaching activities, including arranging the time for examinations and holidays to suit schools' day-to-day running and students' needs. However, schools have to adopt effective measures to enhance learning and avoid spending too much time on tests and examinations.

MR ALBERT CHAN (in Cantonese): *I would like to first highly praise those 220 primary and secondary schools that held examinations before holidays, which I consider to be a benevolent measure.*

President, I always wonder if some people of the education sector really like tormenting the children. Holidays, especially Christmas and New Year, should be very enjoyable. However, in order to prepare for the examinations, many students, President, including my children, were instead very distressed in those days and did not enjoy the festive mood at all. Will the Secretary consider allowing the students, who belong to the younger generation of Hong Kong, to genuinely enjoy the holidays by way of advice or internal guidelines, so that the tests and examinations of all schools will be held by all means before the holidays

— *Christmas and New Year in particular — thereby enabling our students to enjoy these happy days and have healthier physical and psychological growth, rather than being tormented or pressurized?*

SECRETARY FOR EDUCATION (in Cantonese): I have actually explained the situation in the main reply. Still, I wish to point out here that Christmas and New Year are not the only holidays in a school year, but just two of them. We also have the Easter holidays, which is pretty long too. Certainly, Members may say that there is still the risk of having an examination afterwards, which will probably put the students under pressure. However, in addition to these holidays, we should not forget that there is also the long summer holiday, which is precisely when students can recuperate or join their families in travelling abroad. We must give some degree of flexibility to the school authorities in making arrangements according to their learning and teaching progress and school activities, and should not rigidly require all schools to adopt a certain mode for particular reasons. We should allow the schools to exercise flexibility in making adjustments and arranging the time for teaching and learning in a way which they consider best.

MR ALBERT CHAN (in Cantonese): *President, the Secretary has not answered my supplementary question. I said that holding examinations after holidays will put students under great pressure, and asked if the Secretary would let them have an enjoyable holiday that is free from torture and pressure. President, holidays are very important.*

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

SECRETARY FOR EDUCATION (in Cantonese): I have nothing to add indeed. All I can say here is, just as I have explained earlier, examination is one mode of assessment. Our main objective is that through this process, teachers could diagnose students' learning difficulties and then rectify their mistakes. It is therefore an interactive process and we should not simply focus on the pressure borne by the students. Such an interactive process can enhance the learning abilities of students.

DR KWOK KA-KI (in Cantonese): *I am a parent and also a victim. Whenever my children were due to have examinations, very often not to say travelling abroad, it is even not possible to go to the Ocean Park as they had to prepare for the examinations. I wish to know if the Education Bureau has conducted any relevant assessment or investigation. Being the education authority or an education expert, has it considered how quality education can be fostered in Hong Kong? One thing that we promote is the leading of a quality life or a quality family life, but will the arrangement to hold examinations after the holidays affect students' incentive to develop a balanced life? Has the Government conducted any assessment on this?*

SECRETARY FOR EDUCATION (in Cantonese): I have no idea if relevant assessments have been conducted. Please allow me to give a reply in writing on this matter. (Appendix IV)

I would like to talk about the purpose of examinations here. As I have explained just now, if all examinations are unnecessary and can be cancelled according to the Member, will it be the best learning approach then? I believe Members would have serious doubt about this.

Therefore, we must understand that examination is actually a way to help students face the many different problems. We always say that nowadays students in Hong Kong, especially those younger ones, cannot withstand the pressure of living, and attribute this to the absence of such teaching in schools. In fact, there is a positive way of looking at examinations. If examination is deemed a kind of pressure, students should learn how to balance it and relieve it, and then figure out how they can learn better and do better in order to face all examinations with ease. This is the positive way of looking at examinations. For the supplementary question raised earlier, I will reply in writing.

MR LAU KONG-WAH (in Cantonese): *President, while I felt very miserable both before and after the holidays when I was a student, parents would probably look at the issue from their own angle. In fact, the management or other arrangements of schools that are currently the responsibility of school principals and teachers, should also allow the engagement of parent representatives. Will the Secretary encourage the school-based management committees to discuss this matter? Is the Secretary aware of any previous discussions on the matter with the engagement of parents?*

SECRETARY FOR EDUCATION (in Cantonese): As Members may be aware, with the implementation of school-based management, school-based management committees were established to allow full participation of parents. Not only parents, students, teachers and school sponsoring bodies also have their parts to play, such that different factors would be considered. They should be empowered to make judgment and arrangement which they consider best. Just as I said earlier, teaching and learning are interactive, and this warrants the consideration of numerous factors which they would certainly take into account.

MR LAU KONG-WAH (in Cantonese): *The Education Bureau issued to all schools a sample of a whole day school calendar for the 2007-2008 school year, and informed them that the first-term examination was scheduled from 7 to 11 January. However, the Christmas holidays were from 21 December to 1 January. Are all schools required to follow this sample issued by the Education Bureau and should not go beyond the guidelines therein?*

SECRETARY FOR EDUCATION (in Cantonese): I am not aware of the content of the sample concerned, so please allow me to check it afterwards. If the sample is intended as a guideline, it is indeed a guideline. President, Mr LAU said that while a sample has been issued, there are different factors to be considered, hence the details and dates would definitely be determined by the schools themselves.

MR LEUNG YIU-CHUNG (in Cantonese): *President, some time ago, we saw on the television an advertisement saying that "learning is more than scoring". I believe the major reason for many educational institutions or schools to schedule their examinations after the holidays is probably to allow the students to study during the holidays so as to score better results. Having said that, President, may I ask the Secretary, while the Education Bureau advocates that "learning is more than scoring", the schools are very eager to highlight the outstanding scores of their students in the examinations, what message the Secretary would spread to the education sector in this case? How examinations and scoring, especially in respect of the relevant arrangements, can be balanced?*

PRESIDENT (in Cantonese): Although this supplementary question bears little relevance to the subject of the main question, it is indeed a very good question. I believe the Secretary will be interested in talking about his vision for education. Will the Secretary please try to give a reply?

SECRETARY FOR EDUCATION (in Cantonese): I believe whether or not learning is for scoring depends on how Mr LEUNG Yiu-chung interprets that advertisement. School authorities may not necessarily interpret it in the same way, nonetheless, the purpose of arranging assessments is probably worth discussing. What is the purpose of examinations? It is not for scoring. Our prime objective is to diagnose the students' learning progress, whereby teachers can gain knowledge of how much students have learnt from books or in class and assess their learning abilities, and then adjust the pace of teaching accordingly with a view to enabling learning and teaching to achieve the greatest effect. The prime objective of education is to achieve this effect, but definitely not for scoring. Of course, different people may have different requirements during the process, but these are definitely not the requirements and intentions of the Education Bureau.

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

MR LEUNG YIU-CHUNG (in Cantonese): *Yes, President, the Secretary has not given an answer, but merely stated his personal understanding. The supplementary question put by me just now mainly asked how he would spread to the educational institutions or schools the message of striking a proper balance. While the Secretary said earlier that some schools probably shared the same view, but what will the Education Bureau do to get this message across? In other words, how does the Education Bureau guide the schools into understanding this issue?*

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

SECRETARY FOR EDUCATION (in Cantonese): I think Members should all know that the school authorities may not listen to whatever the Education Bureau says. I cannot instruct the schools to make certain arrangements as they have full autonomy. As for the scheduling of examinations, different arrangements will be made by schools according to their understanding, with a view to achieving the desired result. I actually explained it in detail earlier on, and I am just taking this opportunity to reiterate this point.

MR LI KWOK-YING (in Cantonese): *The Education Bureau will issue to all schools a circular regarding the school holiday list in June every year. Generally speaking, the School Management Committees (SMCs) will listen to the advice of the school principals and accept the schedule as stated. However, if the school holiday list is supported by the parents Although there are also parent representatives in the SMCs, their views are very often divergent. If some of the parents disagree with it, what channels are available for them to reflect their disagreement? Or what will the Education Bureau do to deal with this situation?*

SECRETARY FOR EDUCATION (in Cantonese): I think many SMCs would not agree with the remarks made by Mr LI just now, namely that school principals may sometimes dictate the position of the SMCs on individual matters. According to my limited experience, parents can fully reflect their views in most cases as it is their children who are receiving education. Should they have any suggestion on a better mode of education, they will voice it and the school authorities will make the necessary arrangement as far as possible. But if for some reasons, be it administrative or technical, that the schools cannot do so, I know that they would still give a detailed explanation to the parents.

MR LI KWOK-YING (in Cantonese): *President, just now I said that the school principals even though the SMCs may not necessarily take the advice of the school principals, the latter would explain*

PRESIDENT (in Cantonese): Mr LI Kwok-ying, are you asking a question

MR LI KWOK-YING (in Cantonese): *No, he failed to answer the second part of my supplementary question*

PRESIDENT (in Cantonese): Did he not? Which part has he not replied?

MR LI KWOK-YING (in Cantonese): *The second part of my supplementary question asked what channels are available for parents who disagree with the views of the parent representatives in the school-based management committee to reflect their disagreement, and what will be done by the Education Bureau. The Secretary has not answered this part.*

SECRETARY FOR EDUCATION (in Cantonese): The school-based management committee runs a school on its own. Being the highest authority, members of the committee have to seek compromise by all means. Earlier, I said that in case no consensus could be reached on the expressed views, or the school authorities failed to make the necessary arrangement due to either administrative or technical reasons, the school would give an explanation on the situation. Regardless of whether or not the explanation is accepted, it is the reality and they should resolve the issue on their own.

PRESIDENT (in Cantonese): We have spent more than 16 minutes on this question. Last supplementary question now.

DR KWOK KA-KI (in Cantonese): *President, I learnt from the Secretary's reply that he has tendered many pieces of advice. It will be great if he can actually inform the schools of these. And yet, this is not what I am going to ask about.*

When reference was made to the schedule for examination in the main reply, it was said that schools had to adopt effective measures to "enhance learning and avoid spending too much time on tests and examinations". May I

ask the Secretary whether the Education Bureau will conduct any study or assessment to consider the possible arrangements that can be made before or after holidays, so as to enhance the students' learning and avoid spending too much time on tests and examinations?

SECRETARY FOR EDUCATION (in Cantonese): I have serious doubts about whether such investigations are necessary. However, just as I said earlier, I have no idea if relevant studies have been conducted before, so I must check it.

DR KWOK KA-KI (in Cantonese): *President, I asked the Secretary if an investigation would be conducted in the future. Is the Secretary telling me that no investigation will be conducted by the authorities?*

(Someone yelled in the public gallery)

PRESIDENT (in Cantonese): The persons in the public gallery be quiet. Please sit down and listen, and do not speak. Secretary, did you hear the question put by the Member clearly? Is it necessary to call upon him to repeat it?

SECRETARY FOR EDUCATION (in Cantonese): No, I heard that.

PRESIDENT (in Cantonese): Fine, please reply.

SECRETARY FOR EDUCATION (in Cantonese): I do not consider it necessary to conduct any special investigation or prepare any special report.

PRESIDENT (in Cantonese): Fifth question.

Extension of Franchises for Air Cargo Terminals

5. **MR ANDREW CHENG** (in Cantonese): *It is learnt that the Airport Authority (AA) is conducting an open tender exercise for the development of a new cargo terminal. In this connection, will the Government inform this Council whether it knows:*

- (a) *the expiry dates of the franchises granted to the two existing air cargo terminal operators at the time when they signed the relevant agreements with the AA in 1995 and 1996 respectively, and the latest expiry dates of such franchises; if the franchises have been extended, the respective amounts of payment made by the operators concerned for such extension; if no payment was required, of the reasons for that;*
- (b) *the circumstances under which the franchise granted to the new cargo terminal operator will be extended, and the amount of payment to be made to the AA for such extension; if no payment is required, of the reasons for that; and*
- (c) *if the AA has taken specific measures to ensure that all interested tenderers are aware, before submitting their bids, that the successful bidder has the chance of the franchise being extended; if so, of the details; if not, the reasons for that?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, before answering the question, I would like to point out that as the tendering process is going on, our reply to the question has to be very cautious so that the tendering process will not be undermined.

- (a) When the franchise agreements of Hong Kong Air Cargo Terminals Limited (Hactle) and Asia Airfreight Terminal Company Limited (AAT) were first granted, the franchise periods were 20 years in both cases (that is from 1998 to 2018). Subsequently in 2001, having considered the difficulties faced by the aviation industry at that time, the AA offered to all the ground handling franchisees the extension of their franchise periods subject to conditions, and discussed with each franchisee the specific conditions. As a result,

the AA agreed with some of the franchisees on the extension of the franchise periods, whilst other franchisees declined the offer. AAT's franchise period was extended to 30 years (that is expiring in 2008). At present, Hactle's franchise period is still 20 years, but has been paying the AA an annual fee to keep open the option of extending the franchise period by 10 years to 2028.

Without consent from the franchisee in question, the AA is in no position to disclose the details relating to the amount of franchise fee payable by a franchisee during the extended franchise period, which is sensitive commercial information between the AA and that franchisee. However, generally speaking, the AA would have the opportunity to share the profits of the franchisees over the extended franchise periods.

- (b) The tender document for the new cargo terminal at the Hong Kong International Airport sets out the terms of the franchise, including a 20-year franchise period. Based on these terms, the AA has invited potential tenderers to draw up their business plans for the cargo terminal. Moreover, in accordance with the relevant provision in the tender document, tenderers may submit alternative proposals for the AA's consideration. They may, before the specified date, submit enquiries to the AA regarding the content of the tender document. In order to ensure that all potential tenderers would receive the same information at the same time for the preparation of their business plans, the AA collated all the enquiries and sent out to all the potential tenderers its responses to all enquires, including those submitted by other potential tenderers. The tender document also sets out the considerations and evaluation criteria adopted by the AA in selecting the preferred tenderer. In accordance with the provisions of the tender document, after evaluating the submitted business plans, the AA may invite the short-listed tenderer(s) to enter into commercial negotiations on the specific terms of the franchise agreement.

The tender document does not provide for automatic extension of the franchise period. The AA considered that the franchise period of 20 years could provide a sufficient economic incentive for investors to bid for the project, and on the other hand allow the AA to review the arrangements for air cargo handling services in a reasonable timeframe.

- (c) To ensure the fairness of the tendering process, the AA has invited the Independent Commission Against Corruption (ICAC) to advise on the tendering and evaluation procedures as an independent observer so that the tendering process meets the principle of fairness. The ICAC has specifically recommended that the AA ensure that all potential tenderers have equal access to information. During the tendering process, upon enquiries from potential tenderers on the question of possible extension of the franchise period, the AA referred all potential tenderers in writing to the relevant provision in the tender document that they might submit alternative proposals to the AA for consideration.

MR ANDREW CHENG (in Cantonese): *President, as pointed out in the last part of the main reply, the AA will only refer all potential tenderers in writing to the relevant provision in the tender document. However, the relevant provision does not include a provision for the automatic extension of franchise period. Thus, successful bidders in the past could have their franchise periods extended for 10 years by paying a sum of money which is unknown to the public. This appears to be extremely unfair and lacking in transparency because other potential tenderers would have offered a better price if they had known that the franchise period could be extended for 10 years, thus boosting the AA's profits. May I ask the Secretary, on the premise of fair competition and protecting the public interest, will there be a fresh round of tender for the new cargo terminal whereby a provision for the extension of the franchise period will be set out so that the competition will be more impartial and the public interest can be protected?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, I believe there are lots of misunderstandings in Mr Andrew CHENG's question. First, I would like to reiterate that there is no provision on the automatic extension of franchise period. Regarding the ground handling franchisees, it is provided in their contract that the AA has the power to consider an extension of their franchise periods but they are not entitled to such extension. Neither is there any mechanism or provision on automatic extension of their franchise periods. This is the point which I would like to clarify.

Regarding why we have to stipulate 20 years in the tender document, as I have explained in the main reply, the air cargo terminal is a rather important and strategic facility. The AA should have the flexibility to review and adjust its strategy in handling the air cargo terminals within a reasonable and suitable timeframe. In this aspect, we think a 20-year period is appropriate and the period granted in 1998 was also 20 years. Another reason why we consider a 20-year period suitable is that from the perspective of the operators, this has provided a sufficient economic incentive to them to make investment, evident in the two franchises granted in 1998. So, we have detailed the tendering process in the tender document this time and considered this a fair process. As I explained just now, the ICAC has given us advice and served as an independent observer with regard to the procedures and in the whole process from preliminary selection to scrutiny of business plans. We are therefore confident that this is a very fair tendering process.

PRESIDENT (in Cantonese): Mr Andrew CHENG, has your supplementary question not been answered?

MR ANDREW CHENG (in Cantonese): *President, the Secretary has not fully answered my supplementary question. Besides, as she said that I have some misunderstandings, I have to make a clarification and hope that she can give me a better answer.*

The crux of my supplementary question is

PRESIDENT (in Cantonese): Mr CHENG, general, no clarification is allowed in question time

MR ANDREW CHENG (in Cantonese): *I know, I am not going to clarify. She has not fully answered my supplementary question.*

PRESIDENT (in Cantonese): In that case, please repeat the part of your question which has not been answered.

MR ANDREW CHENG (in Cantonese): *My question to the Government is as follows. The Government has not informed the potential bidders in the tender document that the franchise period can be extended by paying a sum of money. On such a premise, why does the Government not think that it is unfair to all bidders, public interest cannot be protected and fair competition cannot be upheld? The Government has not answered this part of my question but kept saying that this is fair. But how can this be considered fair because other bidders are not informed?*

PRESIDENT (in Cantonese): This is not a debate. Please sit down. Secretary, do you have anything to add?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, I can answer Mr Andrew CHENG's supplementary question fully. In the tender document, there is no provision concerning the payment of a small sum of money for the extension of franchise period, so to speak. As I explained just now, there is no mechanism or provision allowing automatic extension of franchise period either in the tender document for this tendering exercise or in the existing air cargo terminal contract.

The extension of franchise period in 2001 was not only for the air cargo terminals but also the ground handling franchisees as a whole. The AA considered the situation at that time extremely severe because the aviation industry was facing an immense challenge in 2001, which included the financial situation of the shipping industry and the September 11 incident. So, the AA thought that it would help consolidate Hong Kong's status as an aviation hub if all operators were offered this chance. Some operators had made response but some had not. Of course, there is no free lunch. Even though they wished to extend the franchise period, as I explained just now, we are unable to provide information concerning each and every contract. However, generally speaking, the AA will share the profits of the operators. So, I believe I have fully answered Mr Andrew CHENG's supplementary question and there is absolutely no question of a so-called provision or mechanism. We therefore believe that this will be a very fair tendering process.

MR JAMES TIEN (in Cantonese): *President, regarding the Secretary's reply to Mr Andrew CHENG's question, if the 20-year franchise period can be discussed openly, why has the extension of the period for 10 years become sensitive commercial information not available to the public? Secondly, when the AA reached an agreement with the operators, did the two sides agree that this is sensitive information not to be disclosed to the Legislative Council?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, regarding the extension by 10 years, I believe I have given a clear explanation in part (a) of my main reply concerning the franchise periods. Mr Andrew CHENG has also asked how much money is paid for the extension of franchise period. Since this is sensitive commercial information in the contract, the AA cannot unilaterally release it without the consent of the operators. We are still in the tendering process and generally speaking, the content of the tender document is certainly sensitive commercial information.

MR JAMES TIEN (in Cantonese): *Is it set out in the contract that the details of contract renewal are sensitive commercial information not to be disclosed?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): As far as my understanding goes, both sides consider the whole contract sensitive commercial information. But regarding the franchise period, the AA has in fact mentioned whether or not the period has been extended by 10 years. So we can provide such information. However, regarding how much they have paid for the extension by 10 years, it is sensitive commercial information itself.

MR SIN CHUNG-KAI (in Cantonese): *President, I believe the main reply has indicated that there are at least three franchises. Now we are talking about the third one, the franchise of the new cargo terminal. The first operator has already had its franchise period extended by 10 years and the second one has kept open the option of extending its franchise period. According to part (a) of the main reply, it has been paying the AA an annual fee to keep open the option. Under such circumstances, will this lead to a reasonable expectation by the third new cargo terminal operator that its franchise period can be extended by 10 years upon payment of a sum of money as a payment mechanism has been established by the two existing operators although there is no such provision in the contract? Will this lead to a reasonable expectation of the operator?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, we will handle this problem most carefully. As I said just now, generally speaking, the AA is entitled to considering the offer of an extension of the franchise period to the operators although they themselves do not have such a right. Nor is there any provision in the contract stipulating under what circumstances the franchise periods can be extended automatically. Such mechanism is not in place. In principle, we will work within this framework. So, regarding the reasonable expectation mentioned by Mr SIN Chung-kai, we believe there is consistency in this practice.

MS MIRIAM LAU (in Cantonese): *Madam President, in the main reply, it is mentioned that the extension of the operators' franchise periods is subject to the condition that they have to pay fees. But it is also mentioned in the main reply that AAT's franchise period was extended to 30 years without mentioning the payment of a fee. Meanwhile, Hactle has been paying a fee to keep open the option of extending the franchise period. I would like the Secretary to clarify one point. As both air cargo terminals have met the relevant conditions, are both of them required to pay fees to the AA in order to extend their franchise periods or be granted an option to extend their franchise periods?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, I do not think it is appropriate for us to discuss in detail the contract terms of each cargo terminal with the AA. Generally speaking, however, if the AA is willing to exercise its right to extend the franchise periods, the operators, in principle, will offer an economic incentive to the AA. In other words, the AA should be able to share their profits. I believe the nature of the Hactle case is quite different from what I just said because it has only paid a fee for keeping open the option of extending the franchise period instead of having extended it. It has not yet come to the stage of negotiating an extension of its franchise period.

MR ANDREW CHENG (in Cantonese): *I would like to follow up Mr James TIEN's supplementary question because the Secretary mentioned time and again*

that the franchise period was extended because of the immense challenge and the severe situation at that time. As a result, AAT decided to extend its franchise period because it could see that 10 more years of franchise were needed to increase its turnover. However, at this moment, if Hactle is still allowed to keep open the option of extending the franchise period by 10 years by paying an unknown sum of fee, Hactle may be in a much more advantageous position than other potential bidders in the tender for the third air cargo terminal. Under such circumstances, does the Secretary not think that it is extremely unfair to allow Hactle to keep open the option of extending the franchise period under the macro environment where fair competition is emphasized? Should the Legislative Council understand how much is being paid so that the public will know how much the AA is charging, thus protecting the public interest?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, why did the AA offer the option to all operators in 2001? I think it is because of the situation at that time. But now the situation is quite different and we are now talking about the third cargo terminal operator which will certainly face a competitive environment, and that is, the existence of two cargo terminals. AAT has extended its franchise period and entered the second phase of its construction project. So, it has constructed the first and second phases of cargo terminals. I cannot rule out the possibility that Hactle will also put in capital to expand its capacity. From the AA's perspective, this is certainly a good thing because the cargo handling capacity can be enhanced. So, we will have the third cargo terminal operator to increase competition.

Each company has to consider its own operational and competitive environment in order to decide whether its franchise period should be extended and whether its facilities within the AA's precinct should be enhanced. So, for the third operator or even the fourth operator in future, we cannot guarantee that the first and the second operators will never extend its franchise period or invest in an expansion of their capacity. We wish to have a competitive environment after all. So, regarding the existing or future operators, no one will have any unique advantage over the others. Neither will any one of them be in a totally disadvantageous position as they all have to face the market alike.

In our opinion, the current practice is due to the situation in 2001, resulting in the extension of the franchise period of a company and the keeping open the option of doing so by the other. However, it does not mean that we will not introduce a third operator, the tendering process for which is ongoing. In terms of both the handling capacity and the number of cargo terminals or companies, the situation will certainly change and develop. So, on the whole, this is advantageous to the AA and none of the cargo terminals will be put into a particularly miserable situation in operation.

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

MR LAU KONG-WAH (in Cantonese): *The manner in which the franchise period is extended obviously is different from one company to the other. When the practice is inconsistent, people may easily suspect that there is unfairness. May I ask the Secretary whether the authorities had considered comparing the revenue generated from re-tendering and an extension of franchise period before deciding to adopt the latter approach? Particularly for the latter cargo terminal, has the Secretary considered the possible scenarios and made an assessment?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, I would like to emphasize that the practice is not inconsistent as the AA offered the option to all ground handling franchisees in 2001 when the new international airport had only operated for a short time. But in view of the overall economic condition and the dire situation faced by the shipping industry, it would be advantageous to us if the operators had a commitment to Hong Kong and would operate in Hong Kong in the long term. So, the AA offered all operators such a chance in a most impartial manner. Some had declined and some had accepted, thus leading to the current situation.

In my opinion, however, the extension of the franchise period and the tendering exercise currently under way cannot be mentioned in the same breath. In the current tender, the bidders can fully understand the current situation that there are two cargo terminals and it is clearly spelt out in the tender document

that a 20-year franchise period is considered ideal and reasonable. It can provide sufficient economic incentive and enable the AA to deal with its cargo handling strategy in a flexible way. So, in view of the prevailing competition as a whole and the fairness of the procedure, we think it is acceptable.

MR LAU KONG-WAH (in Cantonese): *When I said different practices had been adopted, I meant the consistency in the final point. For instance, a cargo terminal is required to pay a fee while the other one shares its profits with the AA. But what the Secretary said is the consistency in the starting point which seems not a proper answer to my question. Why is this so?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, the nature is in fact different. I would like to talk about the principle because I cannot discuss the terms and conditions of each contract. In principle, if the franchise period can be extended, it will either be an unconditional extension or conditional extension. Generally speaking, the AA can share their profits. Regarding the other operator, since it has not come to the stage of extending its franchise nor has it exercised its option to extend its franchise, other than its desire to retain such option, the AA has only requested that a fee be paid to keep open the option. When it has really requested an extension of its franchise, it will certainly enter into commercial negotiations with the AA. I believe the sharing of profit, one of the general principles I just mentioned, will be taken into account then.

PRESIDENT (in Cantonese): Last oral question.

Hygiene Conditions and Product Safety of Disposable Tableware

6. **DR LUI MING-WAH** (in Cantonese): *Regarding hygiene conditions and product safety of disposable tableware, will the Government inform this Council:*

- (a) *of the quantities of various kinds of disposable tableware used by restaurants, universities and secondary and primary schools annually; and*

- (b) *whether it has monitored the hygiene conditions and product safety of such tableware, such as by conducting regular sample tests for bacteria content on the surfaces of such tableware, and for determining whether it will release harmful substances when coming into contact with hot, fatty or acidic substances; if so, of the monitoring results in the past two years; if not, the reasons for that, and whether a monitoring mechanism will be established?*

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

- (a) The Food and Environmental Hygiene Department (FEHD) does not collect data on the quantities of food containers and utensils used by the food business.
- (b) The Government pays close attention to the cleanliness and food safety aspects of food containers and utensils, and has been monitoring the situation through various means.

The Public Health and Municipal Services Ordinance (Cap. 132) stipulates that all food offered for sale in Hong Kong must be fit for human consumption. Should the food be rendered unfit for human consumption due to a problematic container, it would be an offence to offer such food for sale. Under the Food Business Regulation (Cap. 132 sub. leg. X), every person who carries on any food business shall ensure that all equipment and utensils are kept clean and free from noxious matters, and shall not use any utensil that has not been washed and sterilized. In the licensing conditions imposed by the FEHD on food factories that supply meal boxes, it is specifically stipulated that all food containers shall be made of material which will not release toxic chemicals into food as a result of the high temperature or acidity in the food.

Disposable containers are commonly used for take-away meals in local food establishments. These containers can be categorized into four types: polypropylene (PP), expanded polystyrene (EPS) (commonly called poly-foam), polystyrene (PS) and polyethylene terephthalate (PET). Among them, PP has the best heat resistance

and is suitable for keeping food at temperatures ranging from 100°C to 120°C for a long period. The other three types of plastic containers are not suitable for keeping food at temperature over 100°C. According to the information provided by the Environmental Protection Department (EPD), lunch suppliers no longer use poly-foam meal boxes for providing meals in schools. Instead, PP meal boxes or reusable containers are used.

The FEHD issued the "Guidelines on the Use of Disposable Plastic Containers" in 2006 to give advice on the selection, receiving and storage of containers as well as food packaging and transportation, and so on, for food business operators' reference.

Apart from issuing guidelines to the trade, we also take samples of disposable containers available in the market for testing on migration of chemical substance from time to time. Over the past three years, the FEHD has taken 26 samples of disposable food containers, including bottles, cups, bowls, boxes made from plastic, polystyrene and paper, for tests on migration of chemical substance in order to examine whether such containers would have an impact on food safety. All the test results were satisfactory. The FEHD will continue to conduct relevant tests in order to monitor the situation. In addition, the FEHD in 2005 collaborated with the Consumer Council to conduct a study on the safety of disposable food containers. The study included various tests on 80 samples. The results showed that plastic disposable food containers provided by local food establishments, retailers and school lunch box suppliers, if properly used, would unlikely cause food safety problems. Results of the study were published in the *CHOICE* Magazine on 15 December 2005. The FEHD is planning to conduct a risk assessment study on cup noodle containers this year.

Moreover, the Customs and Excise Department (C&ED) collects samples of disposable tableware available in the market, such as in supermarkets and convenience stores, to ensure that the tableware meets the general safety requirements stipulated in the Consumer Goods Safety Ordinance. Over the past three years, the C&ED has collected 39 items of disposable tableware including meal boxes,

cups, bowls, dishes, forks, spoons and bamboo/wooden chopsticks for safety testing. The results showed that none of the sample exceeded the safety limits of harmful substances.

DR LUI MING-WAH (in Cantonese): *President, the Secretary has given us a very detailed reply and a lot of useful information. But he has not answered the part of my question concerning the bacteria content on the surfaces of such tableware. Let us take a look at part (b) of the main reply about safety: "Every person who carries on any food business shall ensure that all equipment and utensils are kept clean and free from noxious matters, and shall not use any utensil that has not been washed and sterilized." This is a requirement for the users. Let us take a look at the requirement for the suppliers: "In the licensing conditions imposed by the FEHD on food factories that supply meal boxes, it is specifically stipulated that all food containers shall be made of material which will not release toxic chemicals into food as a result of the high temperature or acidity in the food." There is no mention of the bacteria content on the surfaces of such tableware in these two aspects. The food factories will not conduct any test while the users or the food shops will not wash them before use after procuring them. In that case, how can we assure that there are no bacteria on the surfaces of such tableware?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, in the guidelines to the trade, we have also advised them on how to procure, store and use the tableware. So, the most important point is that the FEHD will conduct tests on food should any problem arise rather than tests for ascertaining whether there are bacteria on the surfaces of plates or lunch boxes because they are not sterilized and totally bacteria free. There are lots of bacteria on the bowls and plates carrying food we eat. So, I think the most important thing is that if any problem concerning food safety arises, we will, first of all, conduct tests on food. Of course, we will issue guidelines to the trade on how to deal with food containers. Even if bacteria are found on the surfaces of these containers, it may not necessarily lead to any adverse consequence or problem if hot food is put onto them. It is therefore not easy to make positive assessments on the hygiene level in different aspects. Most importantly, we have to ensure that the food is safe, healthy and hygienic. At the same time, we have to issue sufficient guidelines to the trade so that they can deal with the containers properly and know how to use the disposable containers.

PRESIDENT (in Cantonese): Dr LUI Ming-wah, has your supplementary question not been answered?

DR LUI MING-WAH (in Cantonese): *Does the Secretary mean that tableware with bacteria on their surfaces can also be used? He said that the presence of bacteria does not matter. In other words, tableware with bacteria on their surfaces can also be used.*

PRESIDENT (in Cantonese): Dr LUI Ming-wah, this is not part of your supplementary question just now. You can press the button for another turn.

DR LUI MING-WAH (in Cantonese): *All right.*

MS AUDREY EU (in Cantonese): *President, part (a) of the main question in fact asks the Government whether relevant data are available. But in the reply, the Secretary only said that the FEHD does not collect such data. President, my concern is the quantity of disposable tableware used in secondary and primary schools. May I ask whether other government departments, in particular, the Education Bureau, have collected data in this aspect? If not, will the authorities consider doing so? As far as the authorities are concerned, is it because they think that it is difficult to do so or because it is not necessary to do so? Will the authorities think that the collection of such data will encourage the schools to be more environmentally-friendly? If disposable tableware is not used, it will at least obviate the need to conduct so many safety tests and much waste can be reduced.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, I think the Environment Bureau has data on these food containers which, however, are territory-wide instead of concerning those used by the schools or food establishments only. As I said in the main reply, PP meal boxes have become more and more popular in schools and are used instead of poly-foam meal boxes. As PP can be recycled and re-used, if meal containers are recycled and re-used by schools, waste can be reduced. According to some raw information I have, there was a small drop in the quantity of waste arising from such disposable containers in the past year. I will request the Environment Bureau to provide Members with the relevant data. (Appendix V)

MS AUDREY EU (in Cantonese): *The Secretary has not answered another part of my supplementary question.*

I hope the Secretary can provide some data concerning part (a). I am also surprised to note that as the question seeks an answer from the Government about the problem and the EPD is one of the government departments, why did the Secretary only mention that the FEHD did not have the data? I hope the Government can provide relevant information after the meeting.

However, President, he has not answered another part of my supplementary question. I asked the reason for the authorities not collecting the data and whether the authorities would consider collecting them. In addition, I also asked whether the authorities did not do so because they found it difficult or not necessary to do so. If such data are collected, will this encourage people to be more environmentally-friendly, thus avoiding the use of disposable tableware? My question is about disposable tableware, not recycling of these materials.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): According to my understanding, the EPD has also issued guidelines on green lunch to some schools. In this regard, different arrangements have certainly been made in the hope that the schools will use containers which are reusable in lieu of disposable tableware by all means. In other words, reusable and recyclable containers are used by all means. I will follow up this issue with the Education Bureau and the Environment Bureau to see if they have planned to conduct any surveys on this.

MR WONG KWOK-HING (in Cantonese): *President, tests on containers have been conducted recently in foreign countries with the findings revealing that most of them are problematic. In the third paragraph of part (b) of the main reply, the Secretary said that over the past three years, the FEHD had taken 26 samples of disposable food containers for tests, meaning that just over eight samples are*

taken every year on average. Has too little effort been made in this aspect? Is there any room for improvement by the FEHD in this aspect? The Government said that close monitoring would be conducted. May I, through the President, ask the Secretary whether the FEHD could be requested to step up its tests and efforts in this respect? Because concerning the four types of containers, only two-odd samples have been taken for each type on average. Has too little effort been made? I hope the Secretary can tell us what can be done to strengthen monitoring and whether more samples can be taken for tests?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, we do not conduct our tests in a separate number of times in a year. Rather, tests are conducted in batches. So, the containers in the market or commonly used by the people have all been tested in one go. The most important point is that after our survey in 2005, the FEHD issued a guideline to the trade immediately, particularly the food suppliers and their retailers. They all have received our guidelines. So, they are very clear about our guidelines and have strictly followed it. In the past few years, we have not discovered any food safety problem which is directly related to containers. All food safety blunders were directly related to the food itself rather than the containers. So, in my opinion, the risk in this aspect is lower than that of food safety and our expert committee shares the same view. As far as the issue is concerned, our effort will continue. However, our work must be done in a systematic manner. Unlike food sampling tests which are conducted every week, tests will be conducted of the same type of containers in different time slots. In 2008, we will conduct a test on cup noodle containers across the board.

MR WONG KWOK-HING (in Cantonese): *President, the Secretary has cited a lot of reasons but he has not answered my question on whether more samples will be taken for test. My criticism is that the authorities have only taken 26 samples of containers in the past three years. Let us disregard the number of batches. The fact is that only 26 samples have been tested, meaning that just more than eight samples are taken each year. This is in fact quite inadequate.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, we have to heed experts' advice. Samples are required for whatever test and the fact that the number of tests is small does not necessarily mean that they are not acceptable. For those commonly used containers, tests will also be conducted. The most important point is that our methodology is correct and a scientific approach has been adopted in compliance with international standard.

MR ALBERT CHENG (in Cantonese): *President, I hope the Secretary can clarify one point. In answering Dr LUI Ming-wah's supplementary question, he said that it did not matter even if bacteria were found on the surfaces of containers and the most important thing was that food would be safe for consumption if thoroughly cooked. This is what I heard and I was shocked. In his reply to Mr WONG Kwok-hing's question, the Secretary reiterated that the cleanliness of containers was not important. May I seek an elucidation from the Secretary whether this is true? Does he mean that no washing is needed of plates even if they are dirty, and food which is clean and has been thoroughly cooked is safe for consumption even though it is served with dirty plates? I hope he can clarify this point.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): According to my explanation just now, bacteria can be cultivated from those containers which are commonly used, including the glass I am now using and the plates provided in the Ante-Chamber. It is impossible that no bacteria are cultivated as if they have been stored in sterilized boxes. We have issued guidelines to contractors and food suppliers who are required to properly clean all the utensils. This is the most important point. So, our utmost concern is whether the food is free from bacteria or noxious matters rather than carrying out tests of micro-organisms on the plates. If the plates are clean and tests are conducted of them, the bacteria which can be obtained are those which will be cultivated from the air or any other places in our daily life. So, I have to make it clear that tests must be targeted at the key factors affecting food safety.

MR ALBERT CHENG (in Cantonese): *It seems that he has not answered my supplementary question. I asked whether the dirtiness of plates was not important. He has not answered my question but only said that food safety is the most important concern.*

PRESIDENT (in Cantonese): Secretary, perhaps you should repeat your answer.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): We will certainly not allow the use of dirty plates. Neither will we request anyone to use dirty plates for serving food. I just told Members that bacteria could be cultivated even if the plates were clean.

PRESIDENT (in Cantonese): We have spent more than 18 minutes on this question. Last supplementary question.

MR LEUNG KWOK-HUNG (in Cantonese): *President, regarding the Secretary's answer, I think two issues have been discussed and one of them is about whether tableware used in food establishments will be thoroughly washed and clean. I think the crux of Dr LUI Ming-wah's question is that washing is not necessary for disposable tableware, otherwise we will not use them. Assuming that 1 000 pieces of such utensils have been infected with bacteria during the production process, what should be done as they will not be washed? Through the President, may I ask the Secretary whether he will be interested in taking samples of such products for test to see if bacteria are found? My question is so simple. Because I have read a newspaper report about some mainland cases in which the containers were infected with bacteria instead of users being affected by chemical substances in contact with hot or acid food.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, we have clearly pointed out in our guidelines to the trade how these containers should be packed and stored after purchase. So, generally speaking, these containers are suitable for containing food once opened for use if not contaminated. Just now, Mr LEUNG mentioned that foods were found by tests to have been contaminated in some places. This may be due to the manufacturing process or other aspects including the noxious matters contained

in the plastics or other problems. In Hong Kong, we have issued guidelines pointing out what kind of plastics is suitable for use. So, during the past period, it has been proved that the utensils bought by the trade do not contain excessive undesirable substances or other matters which will lead to health problem. So, we consider this a relatively low-risk food safety problem. However, we will not slacken our efforts as a result. As I just said, relevant tests will be continued in a systematic manner.

MR LEUNG KWOK-HUNG (in Cantonese): *I would like to ask a simple follow-up question. In part (b) of the main reply, the Secretary mentioned two departments, the C&ED and the FEHD. Both of them will take samples of containers. Will they conduct tests to see if bacteria are found on these containers as well?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, as I said just now, these containers are not 100% sterilized and bacteria can be cultivated in any bacteria tests. The most important point is that they look clean and the number of bacteria may be small, unlikely to cause any hazards to people's health. This is the most important point.

PRESIDENT (in Cantonese): Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS

Collection of Data According to Races of Stakeholders

7. **MR LAU CHIN-SHEK** (in Chinese): *President, will the Government inform this Council:*

- (a) *in the past five years, whether the Government had collected relevant data according to the races of stakeholders when it implemented policies and measures on education, employment, health care, housing, social welfare or security, as well as provided the related public services, so as to facilitate more comprehensive consideration by the Policy Bureaux concerned when formulating*

policies; if it had, please list such policies, measures and public services; if it had not, what measures (other than legislating against racial discrimination) the Government has in place to ensure that its policies, measures and public services can cater for the needs of local residents of different races, and promote racial harmony and sustainable development of a pluralistic society;

- (b) *whether the Government has any measure or plan to require all government departments to collect relevant data according to the races of stakeholders, so as to review if the relevant policies, measures and public services will effectively promote racial equality and racial harmony; if so, of the details; if not, the reasons for that; and*
- (c) *in the past three years, whether various Policy Bureaux and government departments, either on their own or through commissioning community organizations, had conducted surveys or researches with local residents of different races as their targets; if they had, of the following about the survey or research projects: when they were conducted, the responsible government departments or organizations, the expenditure involved, whether they have been completed and (if completed) the results thereof, broken down by project name; if no such surveys or researches had been conducted, the reasons for that?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Chinese): President, the reply to the three-part question is as follows.

- (a) The Government firmly upholds the principle of equality among people of different races and endeavours to promote racial harmony. Statistics and data on the ethnic origins of stakeholders are collected when necessary to facilitate the formulation and implementation of its policies. Also, where appropriate, we take into account census statistics and results of surveys conducted by community organizations and academic institutions.

In the past five years, the relevant statistics and data collected include:

- (i) the Education Bureau has, since the 2006-2007 school year, started collecting information on students' ethnicity and spoken language at home through the annual Student Enrolment Survey. The information helps the Bureau map out and provide appropriate education support services for non-Chinese speaking students, notably ethnic minority students, with a view to helping the students to attain all-round development;
 - (ii) to facilitate planning and design of dedicated placement-tied training courses launched for ethnic minorities on a pilot basis since mid-2007, the Employees Retraining Board has been collecting data on the number of applicants, as well as the enrolment and placement situations of students, to these courses since their introduction;
 - (iii) to help cater for the service needs of ethnic minority job-seekers, the Labour Department collects information on the ethnic origin of job-seekers at its Job Centres and on the Interactive Employment Service website since 2007; and
 - (iv) the Security Bureau maintains the Central Registry of Drug Abuse which collects data regarding the age, sex, ethnicity, type of drugs abused, reason for abusing drugs, and so on, of drug abusers who have come into contact with and been reported by reporting agencies. This is a voluntary reporting system which is aimed at facilitating the analysis of the drug abuse trend over time, so as to complement the formulation of anti-drug policy and measures. It is not targeted specifically at particular racial groups.
- (b) At the moment, the Government collects statistics on the races of stakeholders when necessary, having regard to the needs of the bureaux and departments concerned and the specific issues involved. This arrangement is appropriate and will continue.
- (c) According to the information we have gathered, a list of surveys and studies on local residents of different races undertaken by various bureaux and departments in the past three years is set out at the Annex.

Annex

List of surveys and studies on local residents of different races
undertaken by bureaux and departments
From January 2005 to December 2007

<i>Bureau/ Department</i>	<i>Project Names</i>	<i>When the project was conducted</i>	<i>Organization</i>	<i>Expenditure</i>	<i>Results</i>
Census and Statistics Department	Hong Kong 2006 Population By-census	From 15 July to 1 August 2006	Census and Statistics Department	Absorbed in the By-census	Compiled based on the results of the 2006 Population By-census, a report entitled "Hong Kong 2006 Population By-census Thematic Report: Ethnic Minorities" was published on 28 December 2007. It provides a comprehensive range of statistics on ethnic minorities in Hong Kong including their characteristics in such areas as demography, education, employment, living arrangement and geographical distribution.
Department of Health	Community Development Project for Ethnic Minority Groups: Health Needs Assessment Studies	From December 2005 to February 2006	Department of Health	\$704,460	The study captured respondents' self-reported "good health", commonest chronic disease types, usual modalities adopted to manage acute health problems, healthy lifestyle practices, preferred ways of receiving health information, and so on. In conclusion, the study found that the general health profile of ethnic minority groups was similar to that of the local population.
Education Bureau	Research Study to Track Adaptation and Development of Non-Chinese Speaking Children in Mainstream Schools	From 2004-2005 to 2006-2007 School Year	The Chinese University of Hong Kong	\$1,237,400	Research report will be completed in mid-2008

<i>Bureau/ Department</i>	<i>Project Names</i>	<i>When the project was conducted</i>	<i>Organization</i>	<i>Expenditure</i>	<i>Results</i>
Education Bureau	Collaborative Study on Chinese Language Standards of Ethnic Minorities (Non-Chinese Speaking) Students in Local Schools of Hong Kong	Phase I since July 2007, Phase II since April 2008, expected to complete towards the end of 2008	Phase I — University of Hong Kong; Phase II — pending	Phase I — \$399,000; Phase II — pending	Study findings will be used for the development of the "Supplementary Guide to the Chinese Language Curriculum (Non-Chinese Speaking Students)"
Education Bureau	Review of Literature and Learning/Teaching Resources on Chinese Language Learning for Non-Chinese Speaking Students in Hong Kong	From April 2007 to March 2008	The Hong Kong Polytechnic University	\$182,500	Study findings will be used for the development of the "Supplementary Guide to the Chinese Language Curriculum (Non-Chinese Speaking Students)"
Health, Welfare and Food Bureau (and subsequently the Labour and Welfare Bureau)	To evaluate the overall impact and effectiveness of the social capital strategies promoted by the Community Investment and Inclusion Fund (CIIF). (Within the seven study items, one of them was related to investigating the effectiveness of the development of social capital on improving the quality of life of the disadvantaged groups (including ethnic minorities))	From December 2004 to March 2006	The CIIF Evaluation Consortium was formed by seven research teams from various universities in Hong Kong. The study that focused on ethnic minorities was undertaken by The Hong Kong Polytechnic University team.	The cost for the study involving ethnic minorities was around \$198,000.	Research results showed that the CIIF funded projects (including those participated by ethnic minorities) have been effective in building mutual help networks and promoting mutual trust relationships amongst people from different generations and socio-economic backgrounds.
Security Bureau (Narcotics Division)	Study on drug abuse situation among ethnic minorities in Hong Kong	From March 2005 to June 2006	The Chinese University of Hong Kong	\$150,000	The study revealed that heroin was the most common drug abused by the responded ethnic minority abusers, followed by cannabis and cough syrup. Responded ethnic minority abusers were also found to have encountered more or less similar problems as Chinese drug abusers. For example, they experienced relationship problems with family members, difficulties in job seeking, and so on.

Promoting Arts Education in Schools and Community

8. **MR TIMOTHY FOK** (in Chinese): *President, the Recommendation Report of the Consultative Committee on the Core Arts and Cultural Facilities of the West Kowloon Cultural District (Recommendation Report) recommends that efforts be made to promote arts education on a much wider scale in schools and the community. In this connection, will the Government inform this Council:*

- (a) *whether discussions on the aforesaid recommendation have been held with the local arts and cultural sector; if so, of the suggestions and comments made by members of the sector; if not, the reasons for that; and*
- (b) *of the suggestions made by schools and the community for implementing the above recommendation?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President,

- (a) The Recommendation Report points out that "..... the Leisure and Cultural Services Department (LCSD), the major professional arts groups and the Hong Kong Arts Development Council (HKADC) have already been doing a lot in promoting arts education and audience building during the past few years. The Committee considers it timely that such efforts be made more structured and strategic on a much wider scale in schools and the community, particularly on enhancing appreciation of and exposure to the arts in the run-up to the commissioning of the West Kowloon Cultural District (WKCD)"

The Government has been in frequent discussion with the local arts and cultural sector on the subject of arts education since the establishment of the Culture and Heritage Commission (CHC) in 2000. The local arts and cultural sector subscribes to the need to expand and deepen arts education.

The CHC recommended in its Policy Recommendation Report in 2003 that arts education should be coherent and continuous and the curriculum should be diversified and comprehensive. Strengthening teacher training and quality teaching support should also be provided. The report also put forward the vision of the

family as the driving force and the school as platform for arts education. The Policy Recommendation Report also discussed the need to motivate community involvement and the role of the mass media in promoting culture and the arts.

In November 2004, the Government set up the Committee on Performing Arts to follow up the policy recommendations of the CHC relating to the performing arts. The current term of the Committee on Performing Arts has set up an arts education working group to discuss the subject.

The Home Affairs Bureau and the Education Bureau co-organized two "Forums with Secondary School Headmasters and Teachers" on 8 and 9 November 2007, which introduced the development of the WKCD and the development of arts education in the new secondary school curriculum to the management team of schools and collected their views on the recommendations, amongst others, on expanding the work on arts education as set out in the Recommendation Report. The Home Affairs Bureau, LCSD and Education Bureau also conducted exchange sessions with various arts groups and artists on 10 December 2007 and 28 January 2008 respectively to introduce to them the arrangements under "aesthetic experience" in the curriculum of the new academic structure for senior secondary schools and to collect their views on the promotion of arts education in secondary schools.

At the four discussions, the participants recognized the need for further collaboration amongst the Home Affairs Bureau, LCSD and Education Bureau in their work on the promotion of arts education. The attending artists and arts groups welcomed the arrangements for arts education in the new academic structure for senior secondary schools. They were of the view that the inclusion of "aesthetic experience" under "other learning experience" would help to promote arts education more effectively and agreed that arts education would help to nurture the creativity of students. They also shared the view that enhanced promotion of arts education would help to improve the perception of artists in the community. The participants considered that the Government could render assistance in providing a platform for schools to allow them a more ready access to information on arts programmes/activities so as to

help strengthen the schools' communication with artists and arts groups in promoting arts education.

In addition, representatives of the Home Affairs Bureau also attended a forum on the WKCD organized by the HKADC for the arts and cultural sector on 17 November last year. At the meeting, representatives of the sector expressed support for enhanced co-ordination among government departments in the promotion of creative industries and at the same time, the development of arts education. Regarding the new senior secondary school curriculum, the representatives considered that a balance should be struck between the importance to be attached to language learning and to the learning of a language of the arts. It was also suggested at the meeting that there should be synergy between arts training at schools and arts education outside schools. A platform should be made available in the community to enhance the artistic atmosphere in the community as well as to preserve and encourage the flourishing of local characteristics in our community culture. The arts and cultural sector also believed that the arts should be integrated with the community to allow an interaction between them.

At the meeting of the Legislative Council Panel on Home Affairs on 15 February 2008 which discussed the development of cultural software, representatives of the arts and cultural sector reiterated that universal arts and cultural education must be introduced to raise the cultural literacy of the public, to build a harmonious society and to increase the creative assets of the community. The representatives also reiterated that the mass media should play a more important role in implementing universal arts and cultural education. They also urged the Government to set up a television channel on culture as soon as possible.

In response to the views expressed by the arts and cultural sector, the Home Affairs Bureau, LCSD and Education Bureau will step up co-operation in the promotion of arts education. Specifically, such co-operative efforts will include exploring later this year the provision of a platform to share with the education sector information about arts education activities that the arts and cultural groups can offer to tie in with the implementation of the new senior secondary school curriculum.

To further improve on the existing provision of arts education, the "Working Group on Arts Education" under the Committee on Performing Arts, established under the purview of the Home Affairs Bureau, will commission an independent consultant to conduct a thematic study on arts education in the coming two months. The study will cover four areas. Firstly, there will be an objective and critical examination of the policy, framework, vision, objectives, direction, implementation method, quality and quantum of arts education. Secondly, a review and analysis of the views and comments of the stakeholders of arts education, including not only the recipients of arts education but also arts practitioners, on the present provision will be carried out. Thirdly, reference will be drawn to international experience on arts education. Fourthly, specific recommendations will be made.

As to the proposal to set up a television channel on culture, the Home Affairs Bureau and HKADC are studying carefully how best to implement the concept.

- (b) The mainstream views collected from schools and the community on the recommendations concerning the implementation of arts education and audience-building during the three-month public engagement exercise on the WKCD project are listed below.

From the schools, we have received views suggesting that the Government should provide more opportunities for the public to participate in arts and cultural activities, especially for young people so that they could have a better understanding of culture and the arts. In addition to strengthening arts education at school, there were suggestions that the Government should also enhance arts education for the public as well as enhance the training of arts professionals to tie in with the development of the WKCD. There were also views expressed that there should be arts and cultural facilities in the community to attract the public and visiting tourists.

From the community, we have received views that arts and culture should become part of everyday life. The Government should not only proactively enhance the training of arts and cultural talents, but should also make arts education a compulsory subject in schools. Arts education should start in childhood. In addition, there were

also views from the community that government-subsidized arts organizations should cater for the needs of schools and the local communities in more remote areas by organizing arts and cultural programmes as well as arts education activities in those areas on a regular basis.

Work of Employees Retraining Board

9. **MRS ANSON CHAN** (in Chinese): *President, while the Employees Retraining Board (ERB) published a Consultative Document on the Future Directions for the Employees Retraining Board in the middle of last month, the ERB had, in December last year, relaxed the enrolment requirements for its courses in respect of minimum age (lowered from 30 to 15 years old) and highest education attainment (elevated from below Secondary Three to sub-degree or below). It is reported that 1 200 young people had enrolled in ERB courses in December last year alone, and the ERB plans to provide courses at Qualifications Frameworks (QF) Levels One to Four and make further efforts to seek recognition by tertiary institutions of the credits obtained upon completion of its courses. In this regard, will the Government inform this Council if it knows:*

- (a) *the reasons for the ERB not conducting any consultation before relaxing the minimum age and highest education attainment requirements for enrolment; and the reasons for the ERB relaxing the age and education attainment requirements for admission prior to the publication of the said Consultative Document, given that the consultation period on the Consultative Document will last from 24 January to 31 March this year;*
- (b) *whether the 1 200 young trainees mentioned above have attended or are attending courses organized by the Vocational Training Council (VTC) or Labour Department, such as the Youth Pre-employment Training Programme; if so, the titles of the courses, and the number of ERB trainees who have taken or are taking such courses, broken down by course titles;*
- (c) *the progress made by the ERB in seeking recognition by tertiary institutions of the credits obtained upon completion of its courses; whether any specific articulation arrangement and implementation timetable have been formulated;*

- (d) *as it is reported that these 1 200 young people were mainly enrolled in courses on property management, hotel, catering and clerical personnel and the ERB also plans to launch courses relating to finance and accounting, exhibition, logistics, and so on, of the annual numbers of places of similar courses provided by the VTC, annual expenditure thus incurred, as well as the service targets of these courses;*
- (e) *whether there are any differences between the higher diploma courses of the VTC and those of the ERB covering the same subjects in terms of academic qualifications; if there are, of the details; if not, whether it has assessed if there is any duplication of resources; and*
- (f) *as many sub-degree graduates of recent years have encountered difficulties both in moving on to senior year undergraduate articulation courses and in employment, how the ERB ensures that those people who have completed its courses, in particular courses at Levels Three and Four, will not encounter the same difficulties; and how the ERB ensures that prospective employers will recognize the academic qualifications it awards?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President,

- (a) There is a pressing need to address the relatively high unemployment rate among young people below 30 and the difficulty of those relatively less educated in adjusting to the changing needs of the manpower market. The eligibility criteria of the Employees Retraining Scheme (ERS) were thus relaxed from December 2007 to cover young people aged between 15 and 29 and those with education level at sub-degree or below. In making the decision, we took into account the views expressed by various stakeholders including employers, training providers and labour unions which generally favoured the relaxation. The relaxation marked the first step in expanding and enhancing the training and retraining services of the ERB. The consultation document in question covers the more long-term strategic directions of the ERB.

- (b) As applicants for the ERB's existing programmes are not required to provide information on other training programmes they have attended or are attending, the ERB does not have such data.
- (c) Through provision of training courses ranging from Level One to Level Four of the QF, the ERB aims to help the working population attain recognized qualifications and map out the progression ladder such that graduates could continue to pursue lifelong learning and rise beyond training programmes offered under the ERS. To this end, the ERB will work closely with tertiary institutions in the design of its higher level training programmes and for possible articulation to awards beyond QF Level Four. The ERB is also in the process of admitting a number of the continuing education arms of tertiary institutions as its training bodies. There is no fixed timetable for the proposed articulation arrangement as it depends on the progress of discussion with the tertiary institutions and the development of a credit accumulation and transfer system under the QF.
- (d) and (e)

The VTC offers Secondary Seven and Secondary Five school leavers a range of Higher Diploma (HD) courses in nine different disciplines¹. Course duration ranges from two to four years depending on the education attainment of the students. At present, the VTC provides a total of 33 300 full-time HD places each year, of which 18 200 are funded by the Government's recurrent subvention of \$620 million and the remaining 15 100 are run on a self-financed basis.

There is no duplication of resources as the ERB does not currently provide any HD courses. As regards new training programmes for the new target groups, the ERB will discuss with the relevant stakeholders, including the VTC, before introducing such programmes to avoid any duplication.

¹ The nine disciplines include Applied Science; Business Administration; Child Education and Community Services; Construction; Design, Printing, Textiles and Clothing; Electrical and Electronic Engineering; Hotel, Services and Tourism Studies; Information Technology; and Mechanical, Manufacturing and Industrial Engineering.

- (f) The programmes under the ERS are basically employment-oriented, market-driven and non-academic. To meet the training needs of those trainees with higher education attainment (for example, at sub-degree level), the ERB will develop more advanced programmes pitched at Levels Three and Four of the QF. The ERB will also require all its training programmes to be quality assured for the purpose of uploading onto the impending Qualifications Register (QR), thus gaining recognition under the QF. The registration of ERB programmes in the QR will help the trainees attain recognized qualifications for sustained employment or further progression.

Offsetting Long Service Payments and Severance Payments by Accrued Benefits in Employees' MPF Accounts

10. **MR CHAN KAM-LAM** (in Chinese): *President, in accordance with the Mandatory Provident Fund Schemes Ordinance (Cap. 485), an employer may apply for withdrawal of money from the employer-funded portion of the accrued benefits in an employee's Mandatory Provident Fund (MPF) account for offsetting the long service payment or severance payment made to the employee. In this connection, will the Government inform this Council whether it knows the following in respect of each year since the implementation of the MPF system in 2000:*

- (a) *the number of cases of accrued benefits in MPF accounts being used to offset long service payments or severance payments, and the total amount of money involved; among such cases, the number of those in which the full amounts of long service payments or severance payments were offset by accrued benefits, as well as the percentage of such cases in all cases; and*
- (b) *the number of cases in which employers who made long service payments or severance payments to their employees and did not apply for withdrawal of money from the MPF accounts of the employees concerned for offsetting the relevant expenses; among such employers, the number of those who had made voluntary contributions to MPF trustees for their employees?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, based on the information provided by the Mandatory Provident Fund Schemes Authority (MPFA), we reply as follows:

- (a) According to the data collected from approved trustees by the MPFA, the amount of severance payments or long service payments paid from the accrued benefits in each year since 2001 under section 12A of Mandatory Provident Fund Schemes Ordinance (Cap. 485) are shown in the following table:

<i>Year</i>	<i>Amount (\$ million)</i>		
	<i>Deduction from the employers' mandatory contributions</i>	<i>Deduction from the employers' voluntary contributions</i>	<i>Total</i>
2001 (since 1 July)	67	99	166
2002	449	301	750
2003	888	286	1,174
2004	1,024	244	1,268
2005	1,208	221	1,429
2006	1,429	205	1,634
2007 (as at 30 September)	1,153	175	1,328

(Note: The total asset value of MPF schemes as at end December 2007 is over \$264.7 billion.)

The MPFA does not have information on the number of cases involved in relation to the offset amounts (including the number of cases in which long service payments or severance payments were fully offset by accrued benefits).

- (b) The MPFA does not have information on companies or employers which, of their own accord, did not offset long service payments or severance payments by the employees' accrued benefits. Regarding voluntary contributions, the MPFA does not have a breakdown of the amount of contributions made by employers, employees or self-employed persons respectively. The total amount of voluntary contributions made over the years is as follows:

<i>Year</i>	<i>Total amount of voluntary contributions (\$ million)</i>
2001 (since 1 July)	1,003
2002	2,088
2003	2,074
2004	2,313
2005	2,669
2006	3,254
2007 (as at 30 September)	3,010

Provision of Barrier-free Access and Facilities in Special Schools

11. **DR FERNANDO CHEUNG** (in Chinese): *President, it is the Government's policy to develop a barrier-free physical environment for people with disabilities (PWDs). In accordance with this policy objective, newly constructed or substantially altered private buildings are required by the Building (Planning) Regulations (Cap. 123, sub. leg. F) and other relevant subsidiary legislation under the Buildings Ordinance (Cap. 123) to provide access and facilities for PWDs, and the obligatory and recommended design requirements for the provision of the access and facilities are set out in the "Design Manual: Barrier Free Access 1997" (Design Manual). Yet, quite a number of disabled students who are currently studying in special schools and their parents have told me that no upgrading works had been carried out in accordance with the Design Manual to improve the access and facilities in such schools, and the disabled students, especially those who are wheelchair bound, find the inadequate provision of barrier-free facilities in the schools very inconvenient. They have also pointed out that as wheelchairs occupy more space, some special schools which were converted from primary schools simply cannot provide sufficient manoeuvring space for students. In this connection, will the Government inform this Council:*

- (a) of the current number and types of special schools the premises of which do not comply with the obligatory design requirements stipulated in the Design Manual;*
- (b) whether the Government has formulated any specific plan to carry out redevelopment or improvement works for the special schools referred to in (a) to ensure that their school premises comply with the requirements stipulated in the Design Manual; if so, of the details of the plan; if not, the reasons for that; and*

- (c) *whether the Government has any policy of requiring all special schools in Hong Kong, including those constructed or converted before 1997, to achieve the target of providing barrier-free access and facilities?*

SECRETARY FOR EDUCATION (in Chinese): President,

- (a) Of the existing 60 special schools in Hong Kong, 58 have already had barrier-free access and facilities, and only two schools for social development do not have such access and facilities for the time being.
- (b) Among the foregoing two schools for social development, one is situated on a slope and hence has problem in providing ramps with a suitable slope, while the other also has problem in providing ramps because of small school premises. However, we will explore with the schools concerned the possible improvement including the installation of an elevator so as to provide barrier-free access.
- (c) The majority of special school premises had been built before the relevant regulation came into force. By means of the School Improvement Programme, reprovisioning or redevelopment projects, the Education Bureau, where feasible, have provided barrier-free access and facilities for these schools.

Gratuities and Medical Benefits for District Council Members

12. **MR LAU WONG-FAT** (in Chinese): *President, some members of the public have pointed out to me that, although the Government considers District Council (DC) membership as a form of public service, it is indeed necessary for DC members to devote much time, attention and efforts to council work. With the enhancement of the functions of DCs and the increasing aspirations of members of the public, DC membership is actually not different from a full-time job, but DC members do not have medical benefits, employees' compensation insurance cover or retirement protection. On the other hand, with effect from the Fourth Legislative Council, the Government will provide Legislative Council Members with end-of-service gratuities as a form of protection to help them tide over a period of time should they decide not to seek re-election or fail to be re-elected. In this connection, will the Government inform this Council whether it will:*

- (a) *consider, with reference to the gratuity package for Legislative Council Members, offering end-of-service gratuities to DC members, so that they need not worry about their future and can fully dedicate themselves to the work of DCs; and*
- (b) *provide DC members with medical benefits which are on par with those for civil servants?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, DCs are district organizations established in the Hong Kong Special Administrative Region in accordance with the Basic Law. They are important consultative bodies on issues of district and territory-wide interests. Apart from reflecting public opinion and promoting community building programmes in the district, DCs play an active role in monitoring the delivery of public services at district level and promoting government initiatives. Over the years, DC members have devoted time and effort in the discharge of their duties.

With the enhancement of their role in the new term DCs, DC members are expected to be involved, and assume greater responsibilities, in the management of district facilities. As such, we have invited the Independent Commission on Remuneration for Members of the DCs of the Hong Kong Special Administrative Region (the Independent Commission) to advise on how the remuneration package of DC members could be improved in the new term (from 2008 to 2011) as we examined the scope for strengthening the functions of DCs. The recommendations of the Independent Commission were approved by the Finance Committee of the Legislative Council. The package of improvement measures include a 10% increase in the honorarium of DC members, introduction of a new miscellaneous expenses allowance (MEA) (\$48,000 per annum), introduction of a setting-up allowance (\$100,000 per term) and a winding-up allowance (\$72,000 per term).

The MEA of \$48,000 per annum is a non-accountable allowance which may be used to cover expenses incurred by DC members, including the arrangement of medical or any other personal protection services.

We will continue to regularly review the remuneration package for DC members and ensure that the arrangements will meet the needs of changing circumstances.

Childhood Immunization Programme

13. **DR JOSEPH LEE** (in Chinese): *President, since the launch of the Hong Kong Childhood Immunization Programme (CIP) by the Department of Health (DH) in the 1960s, except for the addition of the hepatitis B vaccine in 1988 and the introduction of the combined diphtheria, tetanus, acellular pertussis and inactivated poliovirus vaccines in February 2007 to replace the original oral poliovirus vaccine and whole-cell pertussis vaccine, no other vaccines have been added, and no major reform on the CIP has been carried out. In this connection, will the Government inform this Council:*

- (a) *of the differences between the CIP and similar programmes in the West and developed places in the Asian region;*
- (b) *whether the World Health Organization (WHO) has laid down a set of international recommendations on childhood immunization; if it has, whether the CIP complies with such recommendations; if it does not, of the reasons for that; and*
- (c) *given that the DH has indicated that apart from the vaccines recommended in the CIP, some private doctors may inoculate children with other self-financed vaccines (including pneumococcal vaccine, influenza vaccine, chickenpox vaccine, hepatitis A vaccine, meningococcal vaccine, Japanese encephalitis vaccine and Haemophilus influenzae type B vaccine), whether the Government will consider including some of those vaccines in the CIP within the next three years; if it will, of the vaccines to be included and the time for implementation; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): *President, the Expanded Programme on Immunization (EPI) of the WHO is developed to target at six high-risk infectious diseases, namely, tuberculosis, poliomyelitis, diphtheria, pertussis, tetanus and measles. The WHO has also suggested to its member states that they should assess whether vaccines for other infectious diseases should be included in their childhood immunization programmes having regard to their local epidemiological profiles. In other words, the types and numbers of vaccines included in such programmes will differ amongst different countries and places. There is also no indication that the more the diseases covered the better. My reply to the three parts of the question is set out below:*

- (a) A comparison of the childhood immunization programmes of Hong Kong and some developed countries in the West and Asia is shown in the table below:

	<i>Hong Kong</i>	<i>Japan</i>	<i>Republic of Korea</i>	<i>Singapore</i>	<i>The United States</i>	<i>Canada</i>	<i>The United Kingdom</i>	<i>Australia</i>
Tuberculosis	√	√	√	√	-	-	*	-
Poliomyelitis	√	√	√	√	√	√	√	√
Diphtheria	√	√	√	√	√	√	√	√
Pertussis	√	√	√	√	√	√	√	√
Tetanus	√	√	√	√	√	√	√	√
Measles	√	√	√	√	√	√	√	√
Hepatitis B	√	-	√	√	√	√	*	√
Mumps	√	-	√	√	√	√	√	√
Rubella	√	√	√	√	√	√	√	√
Rotavirus infection	-	-	-	-	√	-	-	√
Pneumococcal infection	-	-	-	-	√	√	√	√
Influenza	#	-	*	-	√	√	*	-
Chickenpox	-	-	√	-	√	√	-	√
Hepatitis A	-	-	-	-	√	-	-	*
Meningococcal infection	-	-	-	-	*	√	√	√
Japanese encephalitis	-	@	√	-	-	-	-	-
Haemophilus influenzae type B infection	-	-	-	-	√	√	√	√

* Provision of vaccinations to children in high-risk groups only

Provision of free influenza vaccinations to children aged from six to 23 months from families receiving Comprehensive Social Security Assistance (CSSA)

@ Ceased to be in the "actively recommended" category with effect from 30 May 2005

Some Western countries such as the United Kingdom, the United States and Canada have included in their childhood immunization programmes several new vaccines including those against Haemophilus Influenzae Type B infection and pneumococcal diseases in recent years in the light of their epidemiological profiles. For Asian countries which have epidemiological profiles similar to that of Hong Kong such as Japan, Republic of Korea and Singapore, such vaccines are not included in their childhood immunization programmes.

- (b) The EPI of the WHO mainly targets at six diseases, namely, tuberculosis, poliomyelitis, diphtheria, pertussis, tetanus and measles. The objective of the EPI is to encourage WHO member states to adopt the vaccines in the EPI as a basis for developing their childhood immunization programmes and to provide them with technical support where necessary. However, member states should include other vaccines in their programmes having regard to the local epidemiological profiles and other factors. Besides, the WHO issues position statements on vaccine application and updates for reference by member states. Currently, the Childhood Immunization Programme of the DH is in line with the principles of the WHO's EPI and includes three other vaccines, that is, vaccines against hepatitis B, mumps and rubella.
- (c) At present, the DH's CIP provides prevention against nine childhood infectious diseases, namely tuberculosis, poliomyelitis, hepatitis B, diphtheria, pertussis, tetanus, measles, mumps and rubella. Parents may approach the DH for information and brief guides on vaccines not included in the programme.

Among the seven vaccines which are mentioned in the question but not included in the programme, pneumococcal vaccine, hepatitis A vaccine, chickenpox vaccine and Haemophilus influenzae type B vaccine are covered in a government-commissioned cost-effectiveness study being conducted by a local university. The study is expected to complete in the first quarter of 2008. Having regard to the findings of the study, the recommendations of the Scientific Committee on Vaccine Preventable Diseases (SCVPD) under the DH's Centre for Health Protection (CHP) as well as other relevant factors, the Government will make a decision on the matter.

As regards the influenza vaccine, the Government has already taken account of people in financial difficulties in its Influenza Vaccination Programme. Free vaccinations against influenza are provided to infants aged six to 23 months from CSSA families.

The incidence of invasive meningococcal infections is relatively low in Hong Kong. About half of the meningococcal infections were caused by *Neisseria meningitidis* serogroup B, which is not protected against by the available quadrivalent meningococcal vaccine (which protects against serogroups A, C, Y and W-135).

Furthermore, the duration of protection of the vaccine is short, and it is relatively ineffective in children aged under two. Therefore, the SCVPD concludes that there are insufficient justifications to include the quadrivalent meningococcal vaccine in our CIP.

Japanese encephalitis occurs mainly in Asia and the Western Pacific Region, but is rare in Hong Kong. Between 1967 and 2007, zero to five cases were recorded annually in Hong Kong. The findings of the studies conducted by the CHP also show that the disease is not prevalent in Hong Kong over the past 40 years. Besides, Japanese encephalitis vaccination can cause adverse reactions to a certain extent. In view of this, the CHP's Scientific Committee on Vector-borne Diseases concludes that the need for vaccination is not indicated except for people who are going to travel to endemic areas for 30 days or more.

Protection of Personal Data

14. **MR ALBERT HO** (in Chinese): *President, schedule 1 to the Personal Data (Privacy) Ordinance (Cap. 486) (PDPO) sets out the Data Protection Principles (DPPs) and, among them, DPP4 requires data users to take all practicable steps to ensure that personal data held by them are protected against unauthorized or accidental access, processing, erasure or other use. However, the Ordinance does not impose an express mandatory legal responsibility on data users to inform the Privacy Commissioner for Personal Data (the Commissioner) and the persons affected when there are problems with the security of data or leakages of the personal data held by them. The Commissioner is reviewing whether contravention of the DPP in the PDPO should be made an offence. In this connection, will the Government inform this Council:*

- (a) *of the number of cases involving problems with security of personal data or leakage of such data which had been brought to the attention of the Commissioner in the past three years and, among them, the number of cases in which the data users took the initiative to inform the Commissioner and the persons affected of the relevant situation;*
- (b) *whether it has studied if the aforesaid legal responsibility should be added to the PDPO; if so, of the outcome of the study; if not, whether it will carry out such a study; and*
- (c) *of the progress of the above review?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Chinese): President,

- (a) During 2005 to 2007, the Commissioner received 389 complaint cases (46 complaints were related to the same data leakage incident) alleging breach of DPP4. Upon formal investigation and as at 11 February 2008, contravention of DPP 4 was substantiated in 51 cases, of which 46 cases were related to the same data leakage incident. All the data users in question did not notify the Commissioner of the data security/leakage problem. The data user of the 46 cases in question notified the data subjects affected by the data leakage. Of the remaining five data users, one indicated that they would notify the data users concerned about the data leakage while the others did not make such notifications. For the remaining 338 complaint cases, the Commissioner does not keep statistics on whether the data users concerned notified the Commissioner and the data subjects affected on the data security/leakage problem.

The Commissioner also conducted 69 self-initiated compliance checks on suspected breach of DPP4 during the same period. As the objective of compliance checks is to ensure that an intended act or an act, which may breach/have breached DPP4 would cease immediately, no formal investigations were conducted to establish whether contravention of DPP4 was substantiated. The Commissioner does not keep statistics on whether the data users concerned notified the data subjects concerned on the data security/leakage problem.

- (b) As regards the imposition of an express mandatory legal responsibility on data users to inform the privacy authority and the persons affected when there are problems with the security of data or leakage of the personal data held by them, such a mandatory notification requirement does not itself prevent data leakage, although in some situations it may help contain at an early stage the spread of any leakage of personal data, which in turn may minimize the possible damage that the data subjects concerned may suffer.

- (c) At present, contravention of DPPs is not an offence under the PDPO. The Commissioner has undertaken a comparative study of overseas data protection legislation and found that the current provisions under the PDPO are in line with international jurisprudence on privacy legislation. Making non-compliance with DPPs an offence will have a significant impact on civil liberty as a data user would face criminal liability for an inadvertent act or omission.

Education for Non-Chinese Speaking Students

15. **MISS CHAN YUEN-HAN** (in Chinese): *President, regarding the provision of education to non-Chinese speaking (NCS) students, will the Government inform this Council:*

- (a) *of the criteria for selecting schools designated for receiving intensive on-site support to enhance the learning and teaching of NCS students (whether the criteria include the number of NCS students in the school concerned and the need for providing support due to insufficient teachers with relevant experience); details of the related on-site support; the channels and ways to become a "designated school"; in the past two years, the annual expenditure on the provision of intensive on-site support to each of the "designated schools" by the Government, and the number of schools which had applied to become "designated schools" but were rejected by the authorities;*
- (b) *which university had been commissioned by the Education Bureau (the Bureau) to run the Chinese Learning Support Centre (the Centre); in the past three years, of the respective numbers of primary and secondary schools which had been provided with remedial programmes after school hours or during holidays by the Centre, the respective numbers of primary and secondary schools which had been assisted in developing related teaching resources and provided with professional advice by the Centre, and the annual expenditure of the Centre;*

- (c) *in the past three years, of the total number of Primary One to Primary Four NCS students participated in the four-week Summer Bridging Programme provided by the Bureau, the percentage of such students in the total number of NCS students, the annual expenditure of the Programme, and whether the Bureau had conducted any evaluation on the teaching efficacy of the Programme; if it had, of the evaluation results; and*
- (d) *although the Executive Summary of the Consultation Paper on Developing a "Supplementary Guide to the Chinese Language Curriculum for Non-Chinese Speaking Students" is available in both Chinese and English, why the Consultation Paper proper is available only in Chinese but not English; whether the authorities will consider providing the English version of the Consultation Paper proper and extend the consultation period for the Paper; if not, how the authorities ensure that ethnic minority groups, NCS students and their parents who are illiterate in Chinese can fully understand the contents of the Paper and respond to it, so that the Guide, which is to be issued in future, can actually and effectively facilitate NCS students to learn Chinese?*

SECRETARY FOR EDUCATION (in Chinese): President,

- (a) There are 19 "designated schools" in the 2007-2008 school year. When selecting the "designated schools", the Bureau will take into account a number of factors including whether the schools have admitted a critical mass of NCS students, the experience and capability of the schools in taking care of the NCS students, their readiness to partner with the Bureau to develop supporting teaching materials for such students and share their experience with other schools admitting NCS students, and so on. The Bureau will also consider the spread of the "designated schools" to ensure that they can cater for the needs of NCS students in various districts. In accordance with the above criteria, the Bureau will invite suitable schools to become "designated schools" and the process does not involve the submission of applications. If individual schools wish to become "designated schools", they may approach us to express their interest.

The Bureau provides on-site support to these "designated schools" through regular visits by our officers who assist the schools to develop school-based Chinese Language curriculum, formulate teaching strategies, revise school-based teaching materials, design learning and assessment activities and conduct collaborative lesson planning, and so on. School-based professional development activities with experience sharing are also arranged for the schools to enhance the effectiveness of learning and teaching and the continued professional development of teachers.

The above school-based support services for "designated schools" are provided by different sections of the Bureau and the deployment of staff may be adjusted having regard to the needs of individual schools. The relevant manpower resources and expenses are subsumed in the overall expenditure of the Bureau and a breakdown of expenditure by items is not available.

- (b) The Bureau has commissioned the University of Hong Kong to operate the Centre. The Centre has started operation since April 2007 at the borrowed premises of five "designated schools", offering remedial programmes after school hours or during holidays for NCS students, in particular those in secondary schools, who have a late start in the learning of Chinese. In the 2007-2008 school year, about 250 NCS students have been recruited and divided into 14 groups to facilitate learning. The Centre also participates in the development of related teaching resources for reference and use by all schools with an intake of NCS students. Moreover, workshops and experience-sharing sessions aiming at providing training and professional advice are organized for the teachers of NCS students.

The Centre has an estimated expenditure of approximately \$5 million in the 2007-2008 school year.

- (c) Starting from summer 2007, the four-week Summer Bridging Programme previously confined to incoming NCS Primary One entrants has been extended to cover also NCS students proceeding to Primary Two, Primary Three and Primary Four, in order to help the

students consolidate what they have learnt at the early Key Learning Stage. During the summer of the past three years, a total of some 1 800 NCS students have participated in the Summer Bridging Programme organized by the schools concerned with funding support from the Bureau, representing some 60% of the total number of NCS students eligible for the programme. The related expenditure for the past three years was about \$400,000, \$400,000 and \$1.03 million respectively.

The Bureau staff visit the schools during the course of the programme. We also review the post-programme self-evaluation reports submitted by the schools. The outcome indicates that school heads, teachers, parents and students are positive about the programme. They believe that the programme can help NCS students integrate into mainstream schools.

- (d) The Consultation Paper on Developing a "Supplementary Guide to the Chinese Language Curriculum for Non-Chinese Speaking Students" mainly discusses professional issues concerning the curriculum and learning and teaching. Given this focus, the Consultation Paper proper is first published in Chinese to facilitate consultation with the teaching profession such as Chinese Language teachers teaching NCS students and educationalists specializing in the Chinese Language. The English version is expected to be available in end February. Noting that some measures mentioned in the Paper will be of interest to the parents of NCS students and even members of the community who are concerned about the learning of the Chinese Language by NCS students, we have prepared an Executive Summary in both Chinese and English for early reference by members of the public. The Executive Summary is also being translated into major ethnic minority languages. We will also publish the full text of the finalized Supplementary Guide in both Chinese and English. Apart from publishing the Consultation Paper, we have met with stakeholders including primary and secondary school heads and teachers, tertiary scholars, educational bodies, school councils and non-governmental organizations providing services for the ethnic minorities since mid-January, explaining in detail the contents of the Paper and

listening to views expressed by various sectors. We aim to finalize the Supplementary Guide as soon as possible to strengthen the support for NCS students and enhance the effectiveness of their learning of Chinese Language. This being the case, we have no plan to extend the consultation period at this stage.

Problem of Young Children Being Left Alone at Home

16. **MR JAMES TIEN** (in Chinese): *President, as young children often encounter accidents while they were alone at home, will the Government inform this Council:*

- (a) *of a breakdown, by the type of accident, of the number of accidents concerned which occurred in the past three years;*
- (b) *whether it has looked deeply into the reasons for parents leaving their young children alone at home; if so, of the outcome, and any plans in place to enhance assistance to parents in need in taking care of their young children; and*
- (c) *whether it has studied if it should be legislated to expressly prohibit the leaving of young children alone at home; if so, of the outcome?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President,

- (a) According to information provided by the police, in the three years from 2005 to 2007, the police handled a total of 49 child neglect cases involving children being left unattended at home. In seven of these cases, accidents and casualties resulted from parents' or carers' negligence. Of the nine children involved in these seven cases, five inhaled excessive smoke or sustained burns during fire, three were injured due to falls at home and one fell from height and died.

- (b) As revealed in the above cases handled by the police, children were left unattended at home by their parents for different reasons. It is the responsibility of parents to take care of their young children. It is extremely dangerous to leave young children at home alone. Apart from the danger of harm being caused to the children, the safety of neighbours could be put at risk. Parents and carers may also face criminal liability arising from their negligence in caring for the children.

If, for various reasons, parents are unable to take care of their young children temporarily, it is incumbent upon them to arrange for their relatives, neighbours or child minders to assist, or make use of the various child care services available. The Administration and service organizations will endeavour to assist families in need, including providing them with fee assistance.

At present, the non-governmental organizations (NGOs) subsidized by the Administration provide a wide range of day child care services, including standalone child care centres, kindergarten-cum-child care centres and the more flexible Mutual Help Child Care Centre (MHCCC) services.

To support parents who are unable to take care of their young children because of unforeseen circumstances or long working hours, the Social Welfare Department (SWD) also subsidizes some of the above centres to operate extended hours service and occasional child care service. To further promote different and more flexible forms of child care services, the SWD has been subsidizing the MHCCCs to strengthen their operation in the evenings, at weekends and on holidays since January 2008. The SWD has also started subsidizing foster homes and some small group homes to provide non-residential day care service since October and December 2007 respectively.

NGOs also operate After School Care Programmes that offer half-day support for children aged six to 12 on a self-financing and fee-charging basis, so that parents can be released for work or employment training. Parents in need may apply for half fee reduction or full fee-waiving subsidies.

Moreover, the Administration also assists the community in establishing mutual help networks through the Community Investment and Inclusion Fund (CIIF). Over the past five years, the CIIF has provided over \$110 million to fund more than 140 projects. About one third of these projects have a child care or after-school care element.

- (c) There is existing legislation to deal with the problem of children being left unattended at home. In accordance with the Offences against the Person Ordinance (Cap. 212), any person who unlawfully abandons or exposes any child, being under the age of two years, whereby the life of such child is endangered, or the health of such child is or is likely to be permanently injured; or any person over the age of 16 years who wilfully assaults, ill-treats, neglects, abandons or exposes any child or young person under the age of 16 years under his custody, charge or care in a manner likely to cause such child or young person unnecessary suffering or injury to his health, shall be guilty of an offence. If convicted, the maximum penalty is imprisonment for 10 years.

Between 2005 and the first half of 2007, the police made use of the above provision to prosecute a total of 10 parents who left their children unattended at home. Six of them were convicted, and the remaining four were given bind-over orders.

There are suggestions that the Administration should consider making leaving children unattended at home a criminal offence. We are of the view that such a proposal, though well-intended to protect children from harm, may not achieve its desired objective. For instance, some parents may seek to circumvent the legal responsibility by asking their children to wait outside their homes or wander in shopping centres and on the streets. These situations cannot be prevented by making it a criminal offence to leave children unattended at home. On the contrary, the existing legislation on child neglect focuses on whether a certain conduct has caused harm to the child, whether the person involved has a duty of care, whether he/she has an intent to neglect the child and is aware of the possible harm done to the child due to such conduct, and so on, irrespective of where the child is located. We believe that such an approach can offer more effective protection for children, and there have also been successful prosecutions.

We have made reference to the practice in some overseas jurisdictions. As we understand it, the criminal provisions for handling child neglect under the relevant legislation in the United Kingdom, Canada, Australia and Singapore are similar to the provisions in the Offences against the Person Ordinance mentioned above. Moreover, these jurisdictions do not have separate provisions which make leaving children unattended at home a criminal offence. Having regard to the above considerations, the Administration has no plan at this stage to make leaving children unattended at home a criminal offence.

Apart from legislation, it is more important to step up public education and remind parents of their responsibilities in looking after their children and the danger of leaving young children unattended at home. The Administration and NGOs will also provide assistance and support to families in need to minimize the incidence of children being left unattended at home.

Electronic Water Bills

17. **MS AUDREY EU** (in Chinese): *President, recently, I have received complaints from members of the public that the Water Supplies Department (WSD) does not provide electronic bills to the public, and has thus failed to save paper and public money as far as practicable. In this connection, will the Government inform this Council:*

- (a) *of the total number of water bills issued by the WSD last year; and*
- (b) *whether the WSD will provide electronic bills; if so, when it will be tried out and then fully implemented, of the estimated number of users who will opt for receiving such bills, and the estimated average amount of paper to be saved each year upon implementation; if electronic bills will not be provided, the reasons for that?*

SECRETARY FOR DEVELOPMENT (in Chinese): *President,*

- (a) The WSD issued a total of some 7.2 million water bills last year.

- (b) The WSD plans to provide electronic bill service and has started to upgrade its computer system for delivery of water bills to the users' electronic accounts. The WSD is also working with departments concerned on legislative issues for the provision of electronic bill service.

Subject to the progress of the above work, the WSD aims to provide the electronic bill service in stages starting from 2009. At the first stage, users who pay their water bills by autopay will be invited to opt for the electronic bill service. The WSD will review the actual performance of the service at the first stage before setting the schedule for the full implementation of the service to all users.

At this moment, no information is available for a reliable estimate on the number of users who will opt for the electronic bill service. However, when the service is ready to be taken forward, the WSD will publicize and promote it to encourage patronage.

The amount of paper to be saved each year upon provision of the electronic bill service depends on the number of electronic bill service users. On average, each user can help save the paper for at least three water bills per annum.

Promotion of Wireless Internet Access

18. **MR CHEUNG HOK-MING** (in Chinese): *President, the Government has awarded a contract for the provision of wireless Internet access facilities at 350 government premises by June 2009 and since last month, tenants in about 120 public rental housing estates can enjoy free wireless Internet access service at designated areas within the estates. In connection with the promotion of wireless Internet access, will the Government inform this Council:*

- (a) *whether it plans to provide free wireless Internet access in commercial districts so as to strengthen Hong Kong's status as an Asian business centre;*
- (b) *whether it knows which Asian countries or cities provide free wireless Internet access for their citizens; if it does, of the details;*

- (c) *whether it plans to provide any form of financial assistance to indigent families that cannot afford the expenses on purchase of personal computers and monthly charges for Internet access; and*
- (d) *as some people are ignorant about the computer and Internet, whether the Government will organize in various districts free courses on basic computer operation and Internet surfing for them?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, regarding the question raised by Mr CHEUNG Hok-ming, my reply is as follows:

- (a) The Government has earmarked some \$217 million for the "GovWiFi" Programme which will progressively roll out free Wi-Fi wireless broadband Internet services at some 350 government premises with high public patronage between March 2008 and mid-2009. Some of these government premises are located in commercial districts.

The Government also encourages private service providers to provide Wi-Fi services at commercial premises in accordance with the market needs. Whether the services are charged or not is a business decision of the service providers. To facilitate the industry in providing and extending the coverage of wireless service and network, the Government offered public facilities such as flyovers and lamp posts at nominal rent for network operators to install wireless access points. At present, there are some 6 400 Wi-Fi hotspots serving over 4 100 locations in Hong Kong. In major commercial districts, such as Yau Tsim Mong, Central and Western, and Wan Chai Districts, the private service providers have already operated over 1 000 Wi-Fi hotspots to provide commercial Wi-Fi services to the public and businesses.

As a result of the Wi-Fi initiatives in both the private and public sectors, we expect that ubiquitous access to Internet services would be provided in most built-up areas, including commercial districts, of Hong Kong.

- (b) In Asia, Singapore and Taiwan have launched programmes to provide public Wi-Fi services in the cities. Some of these services are free of charge. An overview of their programmes is provided below:

Taiwan

In October 2003, the Taiwan Government allocated NT\$37 billion (approximately HK\$8.9 billion) for the M-Taiwan project. One of the project objectives is to build up a wireless telecommunications infrastructure for wireless Internet access. The project will provide wireless broadband Internet services in 10 cities including Taipei, Kaohsiung and Taichung, together with 15 special mobile districts. The wireless networks will cover major public areas such as railway stations and department stores, and so on. This project adopts the Public-Private-Partnership approach for operations. Individual service providers have different charging models for their respective services.

According to information on the Taiwan Government's website, the Taichung City Government is offering free Wi-Fi services to the public. We do not have related information of other cities in Taiwan at present.

Singapore

The Singapore Government has launched a three-year "Wireless@SG" programme to provide Wi-Fi services to its citizens progressively between January 2007 and December 2009. Citizens can use the basic services, which only provide bandwidth of 512 kbps or below, free of charge before December 2009. Users are required to pay for services with higher bandwidth, and the free services will no longer be offered after December 2009. This programme also adopts the Public-Private-Partnership approach for operation. The Singapore Government will spend SG\$30M (HK\$151M) while the operators have to invest SG\$100M (HK\$504M) on implementing the programme. The services will

be available in most parts of Singapore except residential areas. The programme covers the main shopping belt, the central business district and major town centres.

- (c) In recent years, the Government has been implementing a number of initiatives to help the needy people (including those from indigent families) to access and adopt information technology (IT). For example, during 2005 to 2007, the Government collaborated with the Hong Kong Council of Social Service to implement a Computer Recycling Scheme under which students from low-income and indigent families were provided with recycled computers after refurbishment and with one-year free Internet connection. At present, about 96% of primary and secondary school students have access to computers at home, mostly with broadband connectivity. The Government will continue the Computer Recycling Scheme, and will discuss with telecommunications companies to offer students under this Scheme Internet connection service at a concessionary rate after the initial year of free connection.

The Government has also set up the Central Fund for Personal Computers to assist people with disabilities having financial difficulty in acquiring personal computer and required facilities to enable them to lead a more independent life. On the other hand, the Government provides about 5 600 personal computers with Internet connection at about 1 000 convenient locations across the territory for free access by the people in need such as members of indigent families. In addition, the Government has joined hands with non-government organizations to set up district cyber centres to provide free access to computer and the Internet for the public including members of indigent families.

- (d) Under the "IT Hong Kong" campaign which has been running since 2000, the Government has been promoting the awareness and wider adoption of IT in the community, as well as educating the public about appropriate IT ethics. Free IT awareness and basic training courses including PC usage, Internet surfing and information security have been organized for all sectors of the community, including the elderly, female homemakers, new arrivals and people with disabilities. So far, more than 100 000 people have participated in these courses.

In addition, the Government has joined hands with non-government organizations to set up district cyber centres to enhance ICT accessibility and to provide training opportunities for the public, the underprivileged groups in particular. We will also explore with the private sector and non-government organizations the possibility of setting up more cyber centres staffed by people with technical knowledge to help the public gain access to online information and services, as well as educate them about relevant knowledge.

Health Care Expenditure

19. **DR YEUNG SUM** (in Chinese): *President, regarding health care expenditure, will the Government inform this Council:*

- (a) *of the respective public, private and overall health care expenditure as a percentage of the Gross Domestic Product (GDP) in each of the past five years;*
- (b) *of the number of attendances and the total bed-days in each of the past five years in respect of non-eligible persons (NEPs) receiving in-patient health care service provided by the Hospital Authority (HA); the total expenditure and income in this respect; and after deducting the expenditure on the provision of health care service to NEPs, the ratio of the HA's annual expenditure to the Hong Kong population;*
- (c) *of the per capita public health care expenditure in each of the past five years;*
- (d) *whether the public health care expenditure had increased correspondingly with population growth in the past five years; and*
- (e) *given that the Government will increase its recurrent expenditure on public health care from the present 15% to 17% in 2011-2012, of the estimated increase in per capita public health care expenditure in 2011-2012 after discounting population growth and increase in unit cost of health care service?*

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

- (a) Statistics on the public and private health expenditure of Hong Kong are compiled in accordance with the International Classification of Health Accounts Framework developed by the Organization for Economic Co-operation and Development (OECD) in 2000. Detailed statistics are collated under the Hong Kong Domestic Health Accounts (DHA) and are published on the webpage of the Food and Health Bureau (<<http://www.fhb.gov.hk/statistics/cn/index.html>>). The DHA provide comprehensive and detailed information on the public and private health expenditure, facilitating comparison with other advanced economies that have also compiled their own Health Accounts using the same framework. We regularly update the DHA and the latest update to be released soon will include statistics up to 2004-2005. The compilation of statistics for 2005-2006 and 2006-2007 will also commence shortly and is expected to be completed in 2009.

In general, the public health expenditure under the DHA covers a wider scope than the government expenditure under the health policy area in the General Revenue Account (GRA), and is therefore often higher than the latter. Under the GRA of the government budget, only direct expenditure by the Food and Health Bureau and the Department of Health (DH) (including the Bureau's allocation to the HA), and those expenditure directly related to health by departments such as the Government Laboratory are counted as government expenditure under the health policy area. Whereas under the DHA framework, apart from those already classified as health expenditure under the GRA, public health expenditures also cover other health-related functions performed by other government departments. For example, the DHA include health expenditure on nursing homes, rehabilitation and medical social services under the Social Welfare Department, and ambulance service under the

Fire Services Department and Auxiliary Medical Service, and so on. These are not included in the government expenditure under the health policy area in the GRA.

The public, private and total health expenditure as a percentage of the GDP from 2000-2001 to 2004-2005 according to the DHA are set out in Table 1. The decline in public health expenditure in 2004-2005 was mainly due to the downward adjustment of the civil service pay in 2004 and 2005, and the subsidy provided by the Government for the HA was adjusted accordingly. As mentioned above, the statistics for 2005-2006 and 2006-2007 have yet to be compiled.

- (b) The total number of discharges and deaths of NEP in-patients and day patients, numbers of bed-days utilized by NEPs, and the total in-patient fees collectable from NEPs, as well as the ratio of the HA's total costs to the Hong Kong population in each of the past four years are set out in Table 2. The HA's services provided to eligible persons and NEPs are basically the same in terms of content and quality and so the costs of service for both categories of patients are more or less the same. Hence, the HA does not maintain statistical data specifically on the costs of services provided to NEPs.
- (c) The per capita public health expenditure and its growth rate for the five years from 2000-2001 to 2004-2005 (at 2000 price level), according to public health expenditure under the DHA and population data from the Census and Statistics Department (C&SD) are set out in Table 3.
- (d) According to Table 3, after discounting the effects of inflation and population growth, there had been a real increase in the per capita public health expenditure between 2000-2001 and 2004-2005 except for 2004-2005. As mentioned above, the decrease in public health expenditure in 2004-2005 was mainly attributed to a downward adjustment of the civil service pay in 2004 and 2005, and the subsidy provided by the Government for the HA was adjusted accordingly.

- (e) The Government is committed to increasing its recurrent government expenditure on health from the present 15% to 17% by 2011-2012.

Since we are unable to make an accurate estimation of the amount of recurrent government expenditure in 2011-2012 at this juncture, we cannot provide an estimate of the increase in recurrent government expenditure on health by that financial year. If we estimate on the basis of the recurrent government expenditure in 2007-2008, the recurrent government expenditure on health after increasing to 17% will amount to \$35.0 billion, representing 14.5% increase over the present estimate of \$30.5 billion. According to the population projection of the C&SD, the present population will increase by 3.3% by 2011. Discounting the effect of population growth, there will still be 11.2% increase in per capita public health expenditure (based on the C&SD's Hong Kong Population Estimates for 2007 and Projections for 2007-2036).

Table 1

Public, Private and Total Health Expenditure
as Percentage of GDP from 2000-2001 to 2004-2005
according to Hong Kong's DHA

	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Public health expenditure as percentage of GDP	2.8%	3.0%	3.0%	3.2%	2.8%
Private health expenditure as percentage of GDP	2.2%	2.2%	2.2%	2.3%	2.3%
Total health expenditure as percentage of GDP	5.1%	5.3%	5.2%	5.5%	5.2%

Table 2

Number of discharges and deaths of NEPs in-patients and day patients,
 Number of Bed-days Utilized by NEPs, Total In-patient Fees Collectable
 from NEPs and Ratio of the HA's Total Costs to Hong Kong Population ^(Note 1)

	2003-2004	2004-2005	2005-2006	2006-2007
Number of bed-days utilized by NEPs	43 260	45 470	45 890	43 120
Number discharges and deaths of NEP in-patients and day patients	Data not available	Data not available	18 599	16 528
In-patient fees collectable from NEPs (in \$ million)	71.2	93.4	188.4 ^(Note 2)	250.8 ^(Note 2)
Ratio of the HA's total cost to Hong Kong Population ^(Note 3)	4 800:1 (that is, \$4,800 <i>per capita</i>)	4 500:1 (that is, \$4,500 <i>per capita</i>)	4 500:1 (that is, \$4,500 <i>per capita</i>)	4 400:1 (that is, \$4,400 <i>per capita</i>)

Note 1: Prior to 2003-2004, NEPs whose spouses were holders of Hong Kong Identity Cards and non-eligible children aged under 11 whose parent was a holder of Hong Kong Identity Card are charged by the HA at the rate applicable to "eligible persons". In 2003-2004, the HA changed its fee charging arrangements by charging the aforementioned NEPs and non-eligible children at the rate applicable to "NEPs" starting from 1 April 2003. This change has made it difficult to compare the data of 2002-2003 and those in the ensuing years. Therefore, only the data of 2003-2004 and after are provided in the Table.

Note 2: In 2005-2006 and 2006-2007, there was an increase in the in-patient fees collectable from the NEPs as starting from 1 September 2005, the HA has charged the NEP pregnant women with a fee of \$20,000 for the Obstetric Service Package for a stay of three days and two nights in hospital. The fee for the Obstetric Service Package has been further increased to \$39,000 (for booked cases) and \$48,000 (for cases without booking) with effect from 1 February 2007.

Note 3: The ratio of the HA's total costs to the Hong Kong population does not reflect the total or public health expenditure spent on each Hong Kong citizen on average. This is because not every Hong Kong citizen use health care services provided by the HA, and the expenditure incurred for health care services provided by institutions other than the HA were not included in the above Table.

Table 3

Per capita public health expenditure and its growth rates during the five years from 2000-2001 to 2004-2005 (at 2000 price level)

	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Per capita real public health expenditure (at 2000 price) (\$)	5,571	6,005	6,160	6,820	6,416
Year-on-year growth rate (at 2000 price level)	6.4%	7.8%	2.6%	10.7%	-5.9%

Civil Service Entry System

20. **MR CHEUNG MAN-KWONG** (in Chinese): *President, on 1 June 2000, the Government implemented a new civil service entry system under which recruits joining basic ranks in civil service grades would be appointed on three-year probationary terms, to be followed by three-year agreement terms (commonly known as the "3+3 model"), before they can be considered for appointment on the prevailing permanent terms. In this connection, will the Government inform this Council:*

- (a) *of the up-to-date number, broken down by grade (excluding the teaching grade), of employees appointed under the 3+3 model who have completed the three-year probationary period and three-year agreement period and, among them, the respective numbers of those who have been and those who have not been offered further appointment on permanent terms, as well as the reasons why some of them have not been offered further appointment on permanent terms;*
- (b) *of the up-to-date number of teachers appointed under the 3+3 model who have completed the three-year probationary period and three-year agreement period and, among them,*
 - (i) *the number of those who have been offered further appointment on permanent terms, together with a breakdown by their current rank and the type of schools (that is, secondary school or primary school) in which they are teaching;*

- (ii) *the number of those who have not been offered further appointment on permanent terms, the reasons thereof and their current remuneration package; and*

- (c) *whether it will comprehensively review the impact of the 3+3 employment model on attracting talents to join the Civil Service and retaining staff; if it will, of the review proposal; if not, the reasons for that?*

SECRETARY FOR THE CIVIL SERVICE (in Chinese): President, under the new civil service entry system implemented on 1 June 2000, new recruits at basic ranks are normally appointed on three-year new probationary terms¹, to be followed by three-year new agreement terms (referred to as the "3+3" system²), before they can be considered for appointment on new permanent terms. Departments will consider whether further appointment on new permanent terms should be offered to the officers concerned, having regard to the established criteria, including service need, the availability of vacancies on the permanent establishment to accommodate such officers and their work performance.

In the light of the above, my reply to the question is as follows:

- (a) A breakdown by grade (excluding the teaching grade) of civil servants who have completed the three-year probationary period and the three-year agreement period as at 31 December 2007 is at Annex 1. Among the 677 civil servants on new terms who have completed "3+3" years of service, only four have not been offered further appointment on new permanent terms. As regards reasons for not offering permanent terms, one was due to the absence of long term service needs, or where such needs are under review, and three were due to unsatisfactory performance/conduct.

¹ New recruits are normally required to complete a three-year probationary period. For officers who have served in the Civil Service holding similar ranks or assuming similar duties, the appointment authority may, having regard to the nature of duties, reduce the probationary period for such new recruits by no more than half of the probationary period required for the new office.

² Individual grades are allowed to propose to the Civil Service Bureau and the Public Service Commission variations to the basic entry system to meet management needs and operational requirements. For example, for reason of stability, new recruits joining all disciplined services grades will be offered appointment on permanent terms after satisfactory completion of the three-year probationary period.

- (b) In 2001 and 2002, the former Education Department recruited teachers under the new entry system in the ranks of Assistant Education Officer, Assistant Primary School Master/Mistress and Certificated Master/Mistress. As at 1 September 2007, the Education Bureau was employing 304 teachers who had served their probation and completed service on new agreement terms for three years. Of these teachers, 126 were appointed on new permanent terms, and the remaining teachers were employed on new agreement terms with the same remuneration package as that before renewal of agreement. Please refer to Annex 2 for a breakdown of the number of teachers by rank and type of school.

In 2007, the Education Bureau was not able to offer new permanent terms to all teachers concerned as there was then a projected surplus of teaching staff in government schools in the longer term. The Education Bureau continues to employ on new agreement terms those teachers who could not be offered permanent terms. It also reviews its manpower projections on an annual basis, with due regard to all relevant factors, including new education initiatives, student population projections and natural wastage, to ascertain whether adequate permanent posts are available to allow government school teachers appointed on new agreement terms to be offered permanent terms.

- (c) To provide greater flexibility in the civil service appointment system and to allow for better quality control of staff, the Government implemented a new entry system in 2000. New appointees to the Civil Service have to demonstrate their suitability in all aspects before they are considered for appointment on the prevailing permanent terms, and those who are unsuitable will not be offered further appointment. Since the implementation of the new entry system, the Civil Service Bureau has kept in view the recruitment and retention of staff in various grades. We consider that the new system has been effective in achieving an appropriate balance between stability and flexibility. We will also continue to monitor the overall appointment of civil servants to ascertain whether it would be necessary to review the existing civil service appointment system.

Appointment of Civil Servants at Basic Ranks Under the New Entry System
(as at 31 December 2007)

<i>Grade</i>	<i>Rank</i>	<i>Number of employees who have completed the three-year new probationary terms and the three-year new agreement terms (including officers with reduced probationary period)</i>
Administrative Officer	Administrative Officer	37
Air Crewman Officer	Air Crewman Officer III	1
Air Traffic Control Officer	Air Traffic Control Officer III	1
Air Traffic Control Officer	Student Air Traffic Control Officer	1
Air Traffic Flight Services Officer	Air Traffic Flight Services Officer III	4
Armourer	Armourer III	1
Assessor	Assistant Assessor	34
Building Services Engineer	Assistant Building Services Engineer	11
Building Surveyor	Building Surveyor	8
Census and Survey Officer	Assistant Census and Survey Officer	4
Chemist	Chemist	11
Clinical Psychologist	Clinical Psychologist	7
Controller of Posts	Assistant Controller of Posts II	0
Co-operative Supervisor	Co-operative Supervisor II	2
Court Interpreter	Court Interpreter II	6
Curator	Assistant Curator II (Art)	4
Curator	Assistant Curator II (History)	1
Economist	Economist	1
Electrical and Mechanical Engineer	Electrical and Mechanical Engineer	3
Electrical and Mechanical Engineer	Assistant Electrical and Mechanical Engineer	15
Electronics Engineer	Electronics Engineer	2
Electronics Engineer	Assistant Electronics Engineer	1
Engineer	Assistant Engineer	38
Engineer	Engineer	12
Environmental Protection Inspector	Environmental Protection Inspector	12
Environmental Protection Officer	Assistant Environmental Protection Officer	24

<i>Grade</i>	<i>Rank</i>	<i>Number of employees who have completed the three-year new probationary terms and the three-year new agreement terms (including officers with reduced probationary period)</i>
Environmental Protection Officer	Environmental Protection Officer	2
Executive Officer	Executive Officer II	56
Field Officer	Field Officer II	4
Fisheries Officer	Fisheries Officer	1
Fisheries Supervisor	Fisheries Supervisor II	2
Fisheries Technical Officer	Fisheries Technical Officer II	2
Forestry Officer	Forestry Officer	8
Geotechnical Engineer	Geotechnical Engineer	6
Geotechnical Engineer	Assistant Geotechnical Engineer	19
Government Counsel	Government Counsel	11
Health Inspector	Health Inspector II	19
Information Officer	Assistant Information Officer (General)	9
Judicial Clerk	Judicial Clerk	9
Labour Officer	Assistant Labour Officer II	3
Launch Master	Launch Assistant	1
Liaison Officer	Liaison Officer II	1
Librarian	Assistant Librarian	10
Manager, Cultural Services	Assistant Manager, Cultural Services	7
Marine Inspector	Marine Inspector II	24
Operations Officer	Operations Officer	5
Postal Officer	Postal Officer	35
Postman	Postman	20
Science Laboratory Technician	Science Laboratory Technician II	15
Scientific Officer	Scientific Officer	3
Social Security	Assistant Social Security Assistant	44
Social Security Officer	Social Security Officer II	2
Social Work	Assistant Social Work Assistant	3
Social Work Officer	Assistant Social Work Officer	27
Solicitor	Solicitor	2
Structural Engineer	Structural Engineer	4
Supplies Officer	Assistant Supplies Officer	10
Survey Officer (Building)	Survey Officer (Building)	13
Surveyor of Ships	Surveyor of Ships	1

<i>Grade</i>	<i>Rank</i>	<i>Number of employees who have completed the three-year new probationary terms and the three-year new agreement terms (including officers with reduced probationary period)</i>
Technical Officer, Cultural Services	Technical Officer II (Engineering), Cultural Services	1
Technical Officer	Technical Officer	1
Technical Officer	Technical Officer (Civil)	7
Technical Officer (Civil)	Technical Officer (Civil)	4
Technical Officer (Structural)	Technical Officer (Structural)	5
Trade Officer	Assistant Trade Officer II	5
Transport Officer	Transport Officer II	15
Valuation Surveyor	Assistant Valuation Surveyor	4
Veterinary Laboratory Technician	Veterinary Laboratory Technician I	3
Veterinary Laboratory Technician	Veterinary Laboratory Technician II	9
Veterinary Officer	Veterinary Officer	3
Waterworks Chemist	Waterworks Chemist	1
	Total	677

Annex 2

Teachers in Government Schools appointed under the New Entry System
(as at 1 September 2007)

<i>Rank</i>	<i>No. of officers having completed probationary terms and three-year new agreement terms</i>	<i>No. of officers appointed on new permanent terms</i>	<i>No. of officers further appointed on new agreement terms</i>
Government Secondary School			
Assistant Education Officer	75	43	32
Certificated Master/Mistress	55	0	55
Government Primary School			
Assistant Primary School Master/Mistress	8	5	3
Certificated Master/Mistress	166	78	88
Total	304	126	178

Note: All officers not offered new permanent terms are further appointed on new agreement terms.

BILLS**First Reading of Bills**

PRESIDENT (in Cantonese): Bills: First Reading.

STATUTE LAW (MISCELLANEOUS PROVISIONS) BILL 2008

FIXED PENALTY (SMOKING OFFENCES) BILL

WEST KOWLOON CULTURAL DISTRICT AUTHORITY BILL

AIR POLLUTION CONTROL (AMENDMENT) BILL 2008

ROAD TRAFFIC LEGISLATION (AMENDMENT) BILL 2008

CLERK (in Cantonese): Statute Law (Miscellaneous Provisions) Bill 2008

Fixed Penalty (Smoking Offences) Bill

West Kowloon Cultural District Authority Bill

Air Pollution Control (Amendment) Bill 2008

Road Traffic Legislation (Amendment) Bill 2008.

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

Second Reading of Bills

PRESIDENT (in Cantonese): Bills: Second Reading.

STATUTE LAW (MISCELLANEOUS PROVISIONS) BILL 2008

SECRETARY FOR JUSTICE (in Cantonese): Madam President, I move that the Statute Law (Miscellaneous Provisions) Bill 2008 be read the Second time.

The Bill makes technical and minor amendments that are required to:

- (a) enhance the clarity of certain statutory provisions that criminalize failure to perform any act to the satisfaction of an enforcement authority;
- (b) define the vendor's obligation regarding the delivery of title deeds on completion of a sale of land;
- (c) change the post titles of certain prosecutors to highlight their independence; and
- (d) remove obsolete references to two sets of repealed rules.

In that respect, it follows the pattern of similar Bills which have been enacted in recent years as an efficient way of effecting improvements to existing legislation. This Bill is divided into eight parts. Part 1 contains the short title and commencement clauses. Parts 2 to 8 propose amendments to various Ordinances.

Part 2 (clauses 3 to 9) and Part 3 (clauses 10 to 52) make amendments to various Ordinances and subsidiary legislation in which offences with the phrase "to the satisfaction of" an enforcement authority are created. Provisions set out in those Parts have to be amended to enable the elements of the offences to be more clearly defined.

Part 4 (clauses 53 to 55) contains amendments to the Boilers and Pressure Vessels Ordinance (Cap. 56) and the Boilers and Pressure Vessels Regulations (Cap. 56 sub. leg. A) that are supplementary to the amendments made to the Regulations in clause 10.

Part 5 (clauses 56 to 63) amends Schedule 1 to the Legal Officers Ordinance (Cap. 87) and makes related amendments to the Magistrates Ordinance (Cap. 227) and the District Court Ordinance (Cap. 336) so that the post titles of prosecutors of the ranks of "Senior Government Counsel" and "Government Counsel" in the Prosecutions Divisions of the Department of Justice are to be amended to "Senior Public Prosecutor" and "Public Prosecutor" respectively.

Part 6 (clauses 64 and 65) amends the Conveyancing and Property Ordinance (Cap. 219). A new section 13A is to be added to that Ordinance to define the obligation of a vendor of land to deliver title deeds to the purchaser on completion of the sale of land.

As for Part 7, the District Court Civil Procedure (General) Rules (Cap. 336 sub. leg. A) and the District Court Civil Procedure (Costs) Rules (Cap. 336 sub. leg. B) were repealed following the enactment of the Rules of the District Court (Cap. 336 sub. leg. H). Part 7 (clauses 66 to 74) contains amendments to 7 Ordinances and 2 pieces of subsidiary legislation in order to replace references to any of the repealed Rules by references to the Rules of the District Court (Cap. 336 sub. leg. H).

Part 8 makes a minor and clerical amendment to the Rating Ordinance (Cap. 116).

Madam President, as I indicated earlier, this Bill is part of a continuing process of tidying up Hong Kong's statute law and effecting minor reforms. I commend the Bill to the Legislative Council.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Statute Law (Miscellaneous Provisions) Bill 2008 be read the Second time.

In accordance with the Rules of Procedure, the debate is now adjourned and the Bill referred to the House Committee.

FIXED PENALTY (SMOKING OFFENCES) BILL

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, I move that the Fixed Penalty (Smoking Offences) Bill be read the Second time.

The object of the Bill is to provide for a fixed penalty system to increase the strength and effectiveness of enforcing the prohibition of smoking in statutory no smoking areas and in public transport carriers.

Under the Smoking (Public Health) Ordinance (Cap. 371), smoking or carrying a lighted cigarette, cigar or pipe in a statutory no smoking area or a public transport carrier is an offence punishable on summary conviction by a maximum fine of \$5,000. However, past experience in enforcement shows that the entire prosecution and court proceedings may be as long as two to three months and it is a heavy drain on time and human resources. In addition, as the offender is only required to pay a fine after the completion of the proceedings, the immediate deterrent effect is lost. When the Bills Committee examined the Smoking (Public Health) (Amendment) Bill 2005, we proposed that a fixed penalty system be introduced after the passage of the Bill. This would on the one hand streamline the enforcement procedures and reduce the clerical work involved while on the other increase the strength and effectiveness of our whole enforcement strategy through the introduction of a standard fixed penalty system with a deterrent effect and to require offenders to pay a unified fixed penalty within a short period of time. We believe that the move can send out a clear message to the public, showing the determination of the Government in enforcing the smoking ban. When drafting the Bill and drawing up the proposed fixed penalty system and the work flow of the overall operation, we have made reference to the two Ordinances on fixed penalty for traffic contraventions and public cleanliness offences and also the experience in implementing these fixed penalty systems.

We propose that if a public officer has reasons to believe that a person is contravening or has contravened the statutory smoking ban in a statutory no smoking area or in a public transport carrier, he may give that person a fixed penalty notice (FPN), the recipient of which could then have the opportunity to discharge his liability to conviction by payment of the fixed penalty within 21 days. The person concerned shall no longer be liable to be prosecuted or convicted for that offence. If that person to whom an FPN is issued wishes to dispute liability, he may do so by notifying the enforcement authority in writing. On receipt of that notice, the authorities will withdraw the FPN and a summons will then be served on him instead. The case will then be tried in the Court.

We propose to set the penalty level at \$1,500, a level that is sufficiently high to achieve the desired deterrent effect without being unduly harsh. We have consulted the District Councils (DCs) with respect to the penalty level and support from a majority of DC members was obtained with respect to the proposed \$1,500 penalty level. The penalty level is on a par with the fine level for public cleanliness offences which also have public health implications such as littering. The Bill also proposes that a Magistrate may impose an additional

fine on and order costs from a person in serious default of payment of the fine upon application by the Secretary for Justice. The fine in total will be \$3,300. If the person concerned still refuses to pay the fine, the person shall be deemed to have failed to pay the sum adjudged to be paid by a conviction and he is liable to imprisonment under the Magistrates Ordinance. Such arrangements are similar to those under the Fixed Penalty (Public Cleanliness Offences) Ordinance.

The Bill also provides for the method to deal with a person who is alleged of an offence and who wishes to dispute liability but then changes his mind and wishes to discharge liability by paying the fixed penalty. The proposed arrangements for that are the same as those adopted under the fixed penalty systems for public cleanliness offences and traffic offences.

To ensure the effective implementation of the fixed penalty system, the Bill proposes that an enforcement officer should be empowered to require a person to supply his name, address and contact telephone number, and to produce proof of identity if the officer has reasons to believe that the person is committing or has committed a scheduled offence. It is an offence in law if that person fails to co-operate and refuses to supply these personal particulars or if false or misleading personal particulars are supplied. In serious cases, the person concerned will also be charged with obstructing public officers in carrying out enforcement action.

At present, Tobacco Control Inspectors of the Tobacco Control Office (TCO) and police officers may take enforcement action in all statutory no smoking areas in Hong Kong. We propose that they should be empowered to issue FPNs. We also propose to authorize the specific public officers from the Leisure and Cultural Services Department, the Food and Environmental Hygiene Department and the Housing Department to issue FPNs to alleged offenders in the public venues managed by these departments. Specific ranks of officers to be authorized to issue FPNs would be specified by the Secretary for Food and Health by notice in the Gazette subsequent to the enactment of the proposed Bill.

The effectiveness of the fixed penalty system is to a very large extent dependent on the enforcement capacity of the law-enforcement officers. The Government will step up the training of inspectors in the TCO and other authorized enforcement officers from various departments. As the major department in enforcing this system, the TCO will develop enforcement guidelines for enforcement officers of all departments to follow so that there is consistency in enforcement.

I believe the fixed penalty system proposed in the Bill can effectively increase the strength of smoking prohibition enforcement, thereby reducing the adverse impact of passive smoking on the public, hence fostering public health. I urge Members to support the Bill.

Madam President, I so submit.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Fixed Penalty (Smoking Offences) Bill 2008 be read the Second time.

In accordance with the Rules of Procedure, the debate is now adjourned and the Bill referred to the House Committee.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY BILL

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, I move that the West Kowloon Cultural District Authority Bill be read the Second time.

The West Kowloon Cultural District (WKCD) project is an important strategic investment in arts and culture for the long-term development of Hong Kong in arts and culture. The vision of the WKCD project is to develop an integrated arts and cultural district with world-class arts and cultural facilities, distinguished talents, iconic architecture, and quality programmes with a must-visit appeal to local and overseas visitors, capable of making Hong Kong an international city in Asia and a centre of creative industries.

The Government launched a three-month Public Engagement exercise in September 2007 to solicit public views on the recommendations for the development of the WKCD project. Results show that the public in general supports the early implementation of the WKCD project.

The Bill now tabled for Second Reading has adopted the recommendations made by the Consultative Committee on the Core Arts and Cultural Facilities of the West Kowloon Cultural District and the objective is to establish the West Kowloon Cultural District Authority (WKCDA) to take forward the WKCD project. In preparing the Bill, we have taken into account the recommendations of the Consultative Committee, the views of Legislative Council Members and the relevant deputations. I now brief Members on the main contents of the Bill.

The purposes of the WKCDA should reflect the vision and objectives of the WKCD project, so as to distinguish its role from that of any large-scale property or facilities management agency. The Bill sets out the major functions of the WKCDA which include work on developing Hong Kong into an international centre for arts and culture, promoting the appreciation of various forms of art and fostering the growth and development of cultural and creative industries, and so on.

In terms of the functions of the WKCDA, as the dedicated statutory authority to take forward the WKCD project, the WKCDA should be responsible for the implementation of the entire WKCD project from its planning stage up to its operating stage and to ensure that the project is financially sustainable. The major functions of the WKCDA include the following:

- (a) to prepare a development plan for the whole WKCD site (about 40 hectares), taking into account the development parameters (such as the plot ratio, cap on residential development, building heights, public open space area, and so on) that will be set out in the relevant Outline Zoning Plan;
- (b) to submit the development plan to the Town Planning Board for consideration;
- (c) to develop the land granted to the WKCDA in accordance with the requirements found in the Town Planning Ordinance as specified in the development plan as may be approved by the Chief Executive in Council, including the arts and cultural facilities and related facilities prescribed therein;

- (d) to operate, manage and maintain the arts and cultural facilities, related facilities that include retail/dining/entertainment facilities, and ancillary facilities; and
- (e) to promote, organize and sponsor various kinds of arts and cultural activities.

With respect to the powers of the WKCDA, we propose to confer on the WKCDA the necessary powers to execute its functions and implement the WKCD project. Its major powers include holding and managing properties, managing finances and raising funds, employing staff and other powers as set out in the Bill.

On the Board of the WKCDA, it is the governing and executive body of the WKCDA. The Board should comprise members with different professional knowledge, expertise and experience, in particular individuals who are knowledgeable and experienced in arts and culture. The development and operation of the WKCD would require different expertise and knowledge in various fields at different stages of the project.

The Bill provides that the Board should consist of not more than 20 members, comprising a Chairman, who may or may not be a public officer, a Chief Executive Officer (CEO), 15 non-public officer members and three public officer members. The Chairman and all other members of the Board will be appointed by the Chief Executive except the CEO who will be appointed by the WKCDA with prior approval of the Chief Executive and who will be an ex officio member of the Board. Since the WKCD is an arts and cultural project, we propose that at least five out of the 15 non-public officer members should, in the opinion of the Chief Executive, have knowledge of, or experience in, or exposure to, arts and cultural activities. We also propose that at least one of the non-public officer members should be appointed from among the Legislative Council Members.

In terms of financial matters, the resources of the WKCDA will include, among others, a one-off upfront endowment, investment income, the income received by it in operating, managing or dealing with the arts and cultural

facilities, the related facilities, and the ancillary facilities, and all other moneys and properties, including loans, sponsorships and donations received by it. Relying on these financial resources, the WKCDA is expected to develop and operate the arts and cultural facilities, related facilities and ancillary facilities in a financially sustainable manner.

To alleviate the tax burden of the WKCDA, the Bill provides that the WKCDA will be exempted from taxation under the Inland Revenue Ordinance and from stamp duty under the Stamp Duty Ordinance in respect of instruments relating to conveyance of immovable property and the transfer of stock by way of gift and donation to the WKCDA.

On provisions to protect public interests, to assure the general public that the WKCDA would dutifully discharge its functions in accordance with its prescribed purposes, and that the large amount of resources vested in the WKCDA would be deployed in a prudent and transparent manner, we propose to include a number of measures in the Bill to protect public interests.

To put in place an effective monitoring and control system over the performance of the WKCDA while ensuring its operational autonomy in pursuit of its objectives in arts and cultural development, we propose to require the WKCDA to submit annually to the Secretary for Home Affairs for record purpose a corporate plan covering its programme of activities in the coming three years, and a business plan setting out the details of its activities and projects to be conducted for the coming year.

In terms of financial monitoring, we propose to require the WKCDA to prepare a statement of accounts within three months after the expiry of a financial year and submit an annual report, a statement of accounts and an auditor's report to the Financial Secretary who will cause them to be tabled in the Legislative Council. We also require the WKCDA to appoint a qualified auditor to audit the statement of accounts to ensure the integrity of its accounts. An Audit Committee will also be set up under the Bill. In addition, the Director of Audit may also conduct an examination into the economy, efficiency and effectiveness with which the WKCDA expends its resources in performing its functions.

To bring in public scrutiny and monitoring over the work of the WKCDA, we propose to require the Chairman and the CEO to attend Legislative Council meetings and answer questions upon the Legislative Council's request. We also propose to require the WKCDA to consult the public while preparing a development plan and on matters relating to the development and operation of arts and cultural facilities and other related matters.

To avoid any potential conflict of interest, we propose to require all members of the Board and committees to disclose to the WKCDA their interest upon their first appointment and on occasions as circumstances require. All interests declared will be recorded in a register available for public inspection.

On top of the above measures, we also propose to include the WKCDA, its committees and any body corporate (including a subsidiary) or any trust or non-profit-making organization established by the WKCDA in Schedule 1 of the Prevention of Bribery Ordinance (Cap. 201) so that their members will be subject to the relevant provisions of Cap. 201. The WKCDA will also be included in Part I of Schedule 1 to The Ombudsman Ordinance (Cap. 397) so that it will be subject to the monitoring of The Ombudsman.

Madam President, ever since the recommendations for the development of the WKCD project were made public last September, they have obtained the support of the arts and cultural sectors as well as other relevant professional sectors, as well as support from the general public. I hope that the Bill can be accorded priority by Members of the Legislative Council so that the WKCDA can be established early and that the WKCD project can be taken forward for enriching the cultural life of Hong Kong and advancement of the quality of the people's life.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the West Kowloon Cultural District Authority Bill be read the Second time.

In accordance with the Rules of Procedure, the debate is now adjourned and the Bill referred to the House Committee.

AIR POLLUTION CONTROL (AMENDMENT) BILL 2008

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Madam President, Honourable Members, I move that the Air Pollution Control (Amendment) Bill 2008 be read the Second time.

The main objectives for the Government in introducing the Bill are to impose regulation by way of legislation to cap the total emissions of sulphur dioxide (SO₂), nitrogen oxides (NO_x) and respirable suspended particulates (RSP) of power plants in Hong Kong in 2010 and beyond. We propose and allow power plants to engage in emissions trading with local power plants and other power plants in the Pearl River Delta (PRD) Region as a means to comply with the above emission caps. We also propose to amend the appeal provisions in the Air Pollution Control Ordinance to further ensure that the appeal mechanism is independent and impartial.

As Members are well aware, power generation is the largest emission source in Hong Kong, accounting for 89% of SO₂, 44% of NO_x and 32% of RSP emitted locally in 2006. For Hong Kong to achieve the 2010 emission reduction targets, it is essential for the power plants to reduce substantially their emissions of these three key air pollutants.

We have been engaging the two local power companies since 2003 regarding the extent of emission reduction required on the part of the power sector. We have imposed, since 2005, emission caps on the power stations upon renewal of their respective Specified Process Licences (SPLs). These emission caps are being progressively tightened.

To ensure the smooth, timely and transparent implementation of the emission caps for the power sector, we propose to amend the existing Air Pollution Control Ordinance to set out by means of a Technical Memorandum which stipulates the maximum emissions allowed for the power sector in 2010 and beyond and the methodology for allocating these emission allowances to individual power plants. After taking into account the need to achieve the 2010 emission targets, the best practicable emission reduction technologies and means available as well as emissions from other sources, the proposed 2010 emission allowances for the power sector are a 54% reduction in SO₂, 24% in NO_x and 52% in RSP as compared to the baseline emissions in 1997. These emission caps may also need to be revised in future taking into account the need to continuously improve air quality. In case of such revision, we will factor in the

use of best practicable means for the prevention of emissions; the need to attain and maintain the relevant air quality objectives and whether the emissions would be, or likely to be, prejudicial to public health.

We propose to allocate the emission allowances to individual power plants on a pro-rata basis in accordance with their respective share of the total amount of electricity generated for local consumption. To cater for the change in market share in electricity generation, we propose that the allocation will be updated regularly, and in any event not less than once every three years.

For emissions trading, we propose that emission allowances allocated to a SPL holder of power plant will be tradable. Local power plant may engage in emissions trading with other power plants in the PRD Region. In fact, many countries have adopted this flexible and cost-effective method of emissions trading in a bid to meet emissions requirements. The SPL holder is required to surrender within three months after the close of the year to the Government the amount of emission allowances or emission credits obtained through emissions trading. If the relevant allowances and credits fail to offset the actual emission quantities for the year, it will constitute a breach of the terms and conditions of the SPL, and subject to prosecution under the Ordinance. To achieve a greater deterrent effect and help restore the damage done to the environment by excessive emission, we also propose to require power plants to recover any deficit emission allowances in the following year.

Lastly, to further enhance the independence and impartiality of the Appeal Board, we propose to revise the Air Pollution Control Ordinance by stipulating that public officers will be barred from serving on the Appeal Board. We also propose to repeal the provision in the Ordinance which empowers the Director of the Environmental Protection Department to refer an Appeal Board's decision for review by the Chief Executive in Council.

Madam President, we must sustain our efforts in improving the air quality in Hong Kong. On 7 January this year in the new Scheme of Control Agreements entered into with the two local power companies, a mechanism was added whereby reward and punishment would be given according to the performance of the power companies in emissions reduction. The present Bill is another key measure towards this end. I sincerely hope that all Members will lend their support to this Bill so as to help step up emission control in the power companies and hence raise the quality of living in Hong Kong.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Air Pollution Control (Amendment) Bill 2008 be read the Second time.

In accordance with the Rules of Procedure, the debate is now adjourned and the Bill referred to the House Committee.

ROAD TRAFFIC LEGISLATION (AMENDMENT) BILL 2008

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, I move that the Road Traffic Legislation (Amendment) Bill 2008 be read the Second time.

Given the scarcity of land and the dense population in Hong Kong, there is a large volume of traffic and vehicular flow is heavy. Any traffic accident will cause a serious impact on both society and individuals and even loss of life in some cases. Improving road safety has always been our policy objective. We have all along adopted a multi-pronged approach through initiatives in traffic management, legislation, law enforcement, education and publicity to enhance road safety.

The main object of the Bill is to amend the Road Traffic Ordinance, the Road Traffic (Driving Licences) Regulations and the Road Traffic (Driving-offence Points) Ordinance to make statutory provisions to introduce a package of measures to enhance road safety. Such measures include the following:

First, to combat improper acts of driving and to increase the deterrent effect, we propose that the maximum imprisonment term for causing death by dangerous driving be increased from five years to 10 years.

Second, the average Killed and Serious Injuries rate for traffic accidents involving drink driving is high and the grave consequence so caused is not only limited to the drivers of the vehicles concerned but also to other road users. We propose that measures be adopted to crack down on drink driving, including disqualifying a drink driving offender from driving for not less than three months on a first conviction and require him to attend a driving improvement course (DIC) on a mandatory basis. In addition, we also propose that the police be given the power to conduct screening breath tests at random.

Third, apart from imposing penalties, we also propose that two types of drivers should be required to attend DICs on a mandatory basis. The first type are those repeat traffic offenders who have accumulated 10 or more driving-offence points in a period of two years. The second type is those drivers who are convicted of serious traffic offences. We hope that these driver education efforts can instil a stronger sense of road safety and good driving behaviour in the drivers.

Fourth, considering the relative higher accident involvement rates of novice drivers of private cars and light goods vehicles, we propose that the existing probationary driving licence scheme for motorcyclists be extended to novice drivers of private cars and light goods vehicles. The scheme can be considered as extended training for inexperienced drivers, allowing them to accumulate sufficient on-road driving experience. At the same time, the display of "P" plate in vehicles driven by novice drivers would help remind other drivers to be more cautious of and patient with novice drivers.

In addition, we also propose in the Bill that the existing practice of having the Chief Executive in Council to hear appeals from persons aggrieved by the Commissioner of Transport's decision in matters concerning driving licences or driving instructor's licences should be changed and such appeals are to be heard by Transport Tribunals. Such a proposal does not affect the right of the public to appeal against a decision made by the Commissioner of Transport in the above licensing matters.

Madam President, the road safety enhancement measures which I have just mentioned have been discussed on many occasions at the Panel on Transport in the Legislative Council. In the meeting of the Panel on 18 December 2007, we explained the main provisions of the Bill to Panel members. I hope Members can support the passage of the Bill so that we can implement these measures.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Road Traffic Legislation (Amendment) Bill 2008 be read the Second time.

In accordance with the Rules of Procedure, the debate is now adjourned and the Bill referred to the House Committee.

Resumption of Second Reading Debate on Bills

PRESIDENT (in Cantonese): We will now resume the Second Reading debate on the Domicile Bill.

DOMICILE BILL

Resumption of debate on Second Reading which was moved on 7 February 2007

PRESIDENT (in Cantonese): Mr James TO, Chairman of the Bills Committee to study the above Bill, will now address this Council on the Report of the Bills Committee.

MR JAMES TO (in Cantonese): President, in my capacity as Chairman of the Bills Committee on the Domicile Bill, I now report to this Council and speak on the main deliberations of the Bills Committee.

The concept of domicile is distinct from nationality, citizenship and right of abode. It determines under which system of law and within the jurisdiction of the Courts of which country or territory certain issues (principally related to an individual's status or property) are to be decided.

The object of the Bill is mainly to implement the recommendations of the Law Reform Commission (LRC) in a report published in 2005 entitled "Rules for Determining Domicile". The recommendations seek to clarify and simplify the law for determining an individual's domicile, and bring the law in line with modern conditions. The main proposals are:

- (i) the concept of domicile of origin will be abolished;
- (ii) the domicile of a child will no longer be directly tied to the parents' domicile; and
- (iii) a married woman's domicile will no longer depend on that of her husband.

The Bill sets out the general rules in respect of domicile which are as follows:

- (i) no person can be without a domicile;
- (ii) no person can at the same time for the same purpose have more than one domicile; and
- (iii) for the purpose of a Hong Kong rule of the conflict of laws, the question of where a person is domiciled is determined according to Hong Kong law.

These principles broadly reflect the existing common law.

By the operation of law, every person receives at birth a domicile of origin which depends on the domicile of the appropriate parent at the time of his birth, but not on where he was born or where the parent lives. In general terms, a legitimate child's domicile of dependency follows that of his father, while an illegitimate child's follows that of his mother.

The LRC recommends that the concepts of domicile of origin and domicile of dependency should be discarded. The LRC recommends a single test, which ties the child's domicile to the jurisdiction with which he is most closely connected, as well as two presumptions so as to simplify the law. The LRC also recommends that there should be no differentiation between legitimate and illegitimate children in determining their domicile.

Members note that before the LRC makes these recommendations, it has studied the conditions in many other common law jurisdictions and concurred with the view of the English and Scottish Law Reform Commissions which holds that the closest connection test not only provides clear guidance for the Courts, but also allows the Courts sufficient flexibility to ensure that all relevant factors can be taken into account.

Members have expressed concern whether the recommendation on determining the domicile of legitimate and illegitimate children may undermine the marriage institution. The Administration explained that the enactment of the Parent and Child Ordinance has removed most of the legal disabilities associated with illegitimacy of children. However, a distinction is still drawn between legitimate and illegitimate children in respect of their domicile. The LRC finds it hard to justify in principle why a child's domicile should depend on the marital status of his parents, and therefore recommends eradicating this discriminatory differentiation.

Under the Bill, the definition of "parent" means the father and the mother of that child and includes the adoptive parents of the child; the step-parents of the child, and the parents of the child who are not married to each other. The Bills Committee has discussed the definition of "parent" and whether the word "parent" should be in plural, as a child's parents might not always be of the same category, for example, a natural father and a step-mother. The situation can be very complicated. Having regard to the concern raised by members, the Administration has proposed to make a technical amendment to the relevant definition.

The Bills Committee has discussed whether in applying the closest connection test in determining the domicile of children, any one category of parents would have priority over the other categories. The Administration explained that if a child is adopted, all rights, duties, obligations and liabilities of the parents or guardians of the child shall be extinguished. The Administration will later propose an amendment which stipulates that on the position of the adopted child, under general circumstances, his adopters will only be regarded as his parents after the adoption.

The Administration considers that other than the case of parents by adoption, there are no clear policy reasons for making a general rule to accord priority to one category of parents over another.

Under the Bill, an individual will retain his last childhood domicile on becoming an adult (that is, on reaching the age of 18), unless he acquires a new domicile. The two requirements for the acquisition of a new domicile by an adult are namely, he is present in another country or territory; and he intends to make a home in that country or territory for an indefinite period.

As lawful presence in Hong Kong is required for an adult to acquire a domicile in Hong Kong, the LRC deliberated at length whether the definition of "lawful presence" should be provided in the Bill.

The Administration explained that as a general rule and for the sake of certainty, the presence necessary to acquire a Hong Kong domicile should be lawful, but strict adherence to the rule would in some circumstances lead to injustice. Therefore, clause 6(3) of the Bill allows the Court to exercise discretion in exceptional circumstances to deviate from this requirement.

Given the complicated concept of domicile and the lack of a definition of "lawful presence" in the laws of Hong Kong and overseas jurisdictions, as well as the discretion of the Court in exceptional circumstances, the Bills Committee agrees that it is unnecessary to provide a definition of "lawful presence" in the Bill.

A Member has expressed concern whether the closest connection test would be subject to manipulation for the benefit of another person in deciding the domicile of a child or a mentally incapacitated person.

The Administration has advised that the LRC has considered the possibility of manipulation in the case of a child or a person under mental incapacity by a third party with ulterior motives so as to trigger the application of a system of law more favourable to the third party's own interests in, for instance, the devolution of property, and the LRC is satisfied that the closest connection test would allow the Court to have regard to all the circumstances of the case. The LRC does not consider that there is a need to have special provisions to guard against possible manipulation.

The Bills Committee has pointed out that clauses 4, 8 and 10 refer to a closest connection test. In determining the domicile of a child, the Court is required under clause 4(2) to take into account all relevant factors including the intention of the child. However, the same requirement is absent in determining the domicile of an adult under disability and the domicile of an adult in a country comprising two or more territories.

To address members' concern, the Administration will propose a technical amendment to include a general provision on "closest connection" in the Bill. The new clause provides that in determining for the purposes of clauses 4, 8 and 10, the country or territory with which an individual is most closely connected, account shall be taken of any intention that he might have.

President, the Bills Committee supports the resumption of the Second Reading debate of the Bill today as well as all the amendments to be proposed by the Administration later on.

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

MS MIRIAM LAU (in Cantonese): Madam President, the concept of domicile is not so easily understood or even quite misleading to the ordinary people. Some people may think mistakenly that domicile is like nationality or the right of abode. Actually, domicile in international private law refers to the "connection factor" of an individual's status or property and it is used to determine his right in such branches of law as law of marriage, law of probate and conflict of laws. It follows that the principles to be applied in domicile issues must never be ambiguous. Otherwise, it would not only cause great disturbance to the party concerned, but would also result in unnecessary litigations and disputes in law.

Among the branches in law where the concept of domicile is applied, the laws of marriage and succession are most obvious in their impact on the general public. With the growing integration of Hong Kong with the Mainland and the resultant frequent cross-boundary activities, the legal problems so caused range from marriage to divorce and adoption to inheritance of estate. All these may involve the determination of an individual's domicile. Hence the law in these respects must be unambiguous.

However, the existing legal principles used to determine an individual's domicile are confusing and in some areas even illogical. For example, two sets of standards are applied to legitimate and illegitimate children and they are further divided into two different concepts of domicile at birth and domicile of dependency. Such provisions are complicated and confusing and even people

with professional training in law may not be able to distinguish them so easily, let alone ordinary members of the public. In addition, as I have pointed out in the Bills Committee, the law has two different sets of standards applied to legitimate and illegitimate children, so it is discriminatory and should be abolished. Just imagine, in Hong Kong society where people are all striving for equality and elimination of discrimination, there is still a distinction between the domicile of legitimate and illegitimate children. Would this not be somewhat over the board?

Similar examples are found in the report published by the Law Reform Commission and there are plenty of them. Of course, there may be certain historical background and other specific considerations when laws on domicile were enacted in the first place, but considered against the needs of present-day Hong Kong society, these laws seem to be out of touch with the times. The Liberal Party holds that if these rules which are so unnecessarily complicated can be unified or simplified, not only would it not produce any adverse impact but would also make the provisions concerned more concise, hence more readily understood by the general public. So this is something which should be done.

The Liberal Party therefore agrees with the introduction of the Domicile Bill by the Administration in accordance with the recommendations made in the LRC report to give greater clarity to the domicile law in Hong Kong and make it sound.

Madam President, I so submit.

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

MS AUDREY EU (in Cantonese): President, I am very pleased to speak on the Domicile Bill in this Council today for, as Chairman of the Bills Committee James TO has pointed out earlier, the Bill is related to a report published by the Law Reform Commission (LRC) and I happen to be the Chairman of the committee on that report. That was many years ago when we began to look into the issue at that time.

Why did the LRC have to look into this issue? Ms Miriam LAU has just said that all along the concept of domicile is very complicated and even those who study law would seldom come across such an issue. Domicile is mainly concerned about the legal effect of the acts done by individuals. A set of laws has to be applied to determine whether or not these acts have any legal effect and what results they will bring. It is very simple if a person was born in Hong Kong and he has lived in Hong Kong all his life. He works in Hong Kong, he marries and dies there. We know that there would not be any problems if that person has entered into any contract or left behind any estate.

However, with globalization, more and more people have actually lived in more than one place. Not only are they frequent travellers but they may also have homes in different places and they may have even established some personal relationships in many places. They have their own children or a wife or girlfriend. For some people, even the companies they own may be located in many places and so they may have estate in many places when they die. So which set of laws should be used to determine whether acts of individuals are able to meet the requirements in law or what their effects are? As laws are different from place to place, when there are conflicts between the laws of different places, which set of laws can determine the acts done at that time are to be subject to the law of which country or territory?

This can be a very complicated matter indeed. So the LRC decided to set up a research committee. As Mr James TO has said, when preparing the report, the committee studied the situation in many common law jurisdictions and discovered that there were divergent views on the issue in these common law jurisdictions and there were various stages of development as well. It is true that often despite that an issue has been discussed on many occasions, it is not passed and enacted into law. What remain may only be some recommendations made by the LRC. So Members can see that the issue is very complicated. Although in 99% of the time, no problems may arise. But should problems arise in the remaining 1% of the time, they are likely to be extreme examples. We may come across thorny issues that defy any kind of approach we take or solution we may offer.

Another reason is that the concept of domicile has actually existed in common law for several centuries. It encompasses some very feudalistic ideas. Many Honourable colleagues have mentioned that it is a discrimination to treat legitimate and illegitimate children differently. Another problem is that the concept of domicile at common law means a married woman has to follow her husband and use his domicile and this dependency is not eliminated even if she

does not actually live with her husband. It is a very feudalistic practice for a married woman's domicile to depend on that of her husband. Many scholars in law even consider that with the promulgation of the Hong Kong Bill of Rights Ordinance and the Basic Law, it is actually sex discrimination in this issue of domicile. It should have been abolished years ago. The problem is that the issue of what should replace the domicile of married women is not looked into. So when the LRC was preparing the abovementioned report, it studied the situation in many places and in the end, an approach was proposed.

President, I wish to mention in particular that the issue which was debated most heatedly in the LRC and for which numerous revisions were made is the following: When an adult wishes to choose his domicile, he must first, have the intention; and second, he must have a lawful presence there. However, there are also cases where a person wants to make the place of his presence his home, but his presence there is not lawful, such as he is in a prison there or he is an illegal immigrant. We can see such examples from time to time in Hong Kong. Some people may have lived in Hong Kong for 20 years and he may have raised a number of children, but he does not have the right of abode. He is only an illegal immigrant. In such circumstances, do the laws of Hong Kong apply to this person? If they do apply, then some people may think that the person is gaining some benefits by resorting to some unlawful acts. They may think that this is not in the public interest. But on the other hand, would it be most unfair if the laws of Hong Kong are not invoked to determine the legitimacy of his marriage or the right of succession of his children? Hence the issue is most controversial indeed.

I remember that when the LRC was preparing the report, as Mr James TO said earlier, the judgment of the case of *Mark v Mark* of the United Kingdom was used as the base. To our surprise, after public consultation had been conducted on that report, the case went into appeal and a different result followed. Then the LRC had to revise the report again. So when the Bill was introduced to this Council on this occasion and then referred to the Bills Committee, for me, I can say that it is like the third time I start afresh to discuss the issue. And there would be many different perspectives coming up each time. President, I think you can see that when Mr James TO is the Chairman of a Bills Committee, he would have many ideas and he would approach the matter from many different angles. Therefore, we can see that after so many rounds of discussion at length in the LRC and after a public consultation exercise, the decision of introducing the Bill to this Council should be quite a sound one to make.

Of course, James TO has his unique way of looking at the issue. I remember it seems that we held a total of seven meetings in order to answer those questions raised by James TO. And in the end, we reconsidered the issue and I think this is worthwhile. I am very happy to see that this Bill can eventually reach the Third Reading later on.

President, I also hope that we do not have to resort to using this approach so often. Like I said, in 99% of the cases, there is no need to resort to some complicated ways to determine a person's domicile. Put simply, as we all know, the place where a person lives is his home and that is also his domicile. But should a very complicated situation arise, President, I would hope that this approach identified by us after repeated and lengthy discussions can really help arrive at some results which are fair.

Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Justice to reply.

THE SECRETARY FOR JUSTICE (in Cantonese): Madam President, when I introduced the Domicile Bill into the Legislative Council in February 2007, I have explained that the common law rules for determining a person's domicile are indeed complex and confusing. Just now, Members have already mentioned that these rules have become outdated due to changes in time, including the fact that the world has become globalized. The Bill proposes to simplify these rules and to make it easier to ascertain a person's domicile. Just now, the Chairman of the Bills Committee, Mr James TO, has briefly reported on this Bill. I will not repeat what has already been mentioned. Like what Mr James TO has just said, the Bill seeks to implement recommendations in a report of the Law Reform Commission (LRC) entitled "Rules for Determining Domicile" (the Report), which was published in April 2005. Ms Audrey EU also mentioned that a lot of work has been done when she was the Chairman of the Subcommittee. I would

particularly like to thank her for this. Just now, Ms Miriam LAU stressed that domicile is in fact unconnected with, and distinct from concepts such as nationality, right of abode and citizenship. Domicile is relevant to the question as to which system of law is to govern issues relating to a person's legal status and property, such as a person's legal capacity to marry or to make a will or which set of law is to be adopted to determine succession to certain property.

Since the introduction of this Bill, seven meetings were held by the Bills Committee. The Chairman of the Bills Committee, Mr James TO, and all members have thoroughly examined the clauses. As what Ms Audrey EU has mentioned, the Chairman, Mr James TO, has many suggestions and views, which were in fact very useful, and have resulted in today's proposed amendments. I am most grateful to Mr James TO and the other participating Members. The Administration agreed that some amendments be made to the Bill in accordance with the suggestions of the Bills Committee. As a result, I will be moving a number of Committee stage amendments later this afternoon. I will now give a brief outline of the more important amendments.

I will first deal with the domicile of children. In place of the existing common law rules of domicile of origin and domicile of dependency, the LRC recommends, and the Bill provides for a single test, and, that is, the child's domicile should be the jurisdiction with which he is most closely connected. The Bill further introduces two rebuttable presumptions to assist in the determination of the country or territory of closest connection by reference to the domicile of a parent with whom the child has his home. These meet with the Bills Committee's approval. The Bills Committee raised a question on whether in applying the closest connection test in determining the domicile of children, any one category of parents would have priority over the other categories. Members specifically focused on the case of a parent by adoption.

After thorough consideration, the Administration agreed that the definition should be revised in line with the approach under the law of adoption. The amendments will make it clear that in the case of an adopted child, only the adopter or adopters is or are regarded as the child's parent or parents. In the case of a child adopted by a person married to a natural parent of the child, only the adopter and that natural parent is or are regarded as the child's parent or parents.

Clause 8 relates to the domicile of adults under disability. The Bill proposes that a mentally incapacitated adult should be domiciled in the country or territory with which he is most closely connected. On recovery of his capacity, he should retain the domicile which he last held before his recovery, and he may then acquire a domicile of his choice.

The Bills Committee suggested that in determining the domicile of a mentally incapacitated adult, account should be taken of any intention that he might have immediately before losing his mental capacity, as to the country and territory in which to make a home for an indefinite period. This is similar to the case, as already provided in the Bill, for determining the domicile of a child whereby account is taken of any preference that the child may have when applying the closest connection test.

After considering the issue, it was agreed that a Committee stage amendment be moved to address Members' concern.

In respect of clauses 12 and 13, technical issues were raised by the Bills Committee on the extent to which the common law rules still apply. More specifically, an issue was raised as to whether the old common law rules or the new statutory rules will apply to a child who becomes an adult on the commencement date of the Domicile Ordinance (if enacted). Another issue was raised as to whether there may be common law rules that are not inconsistent with the new statutory rules and should continue to apply. The Administration will propose amendments to address these issues.

Apart from the above more major amendments, the Administration will also be moving other Committee stage amendments to deal with minor and technical issues. I have already mentioned them.

The House Committee has considered the Committee stage amendments that I propose to move and has indicated that it has no objection to them.

Madam President, with these remarks and subject to the Committee stage amendments proposed by the Administration, I commend the Bill to Honourable Members. Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Domicile Bill be read the Second time. 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 of the Members present. I declare the motion passed.

CLERK (in Cantonese): Domicile Bill.

Council went into Committee.

Committee Stage

CHAIRMAN (in Cantonese): Committee stage. Council is now in Committee.

DOMICILE BILL

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Domicile Bill.

CLERK (in Cantonese): Clauses 1, 3, 5, 6, 9 to 12, 14 and 15.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): Clauses 2, 4, 7, 8 and 13.

SECRETARY FOR JUSTICE (in Cantonese): Madam Chairman, I move that the clauses read out just now be amended as set out in the paper circulated to Members.

I have explained the reasons for proposing Committee stage amendment to clause 2 earlier this afternoon. The amendment to the definition of "parent" in clause 2 of the Bill makes it clear that in the case of an adopted child, only the adopter or adopters is or are regarded as the child's parent or parents. In the case of a child adopted by a person married to a natural parent of the child, only the adopter and that natural parent are regarded as the child's parents.

Furthermore, the definition of "parents" in clause 2 is amended to singular form in order to address the Bills Committee's concern that in determining a child's domicile, the child's parents could fall within different categories, for example, a natural parent and a step-parent.

Clause 4 relates to the determination of domicile of children. The amendment to the Chinese text of clause 4 and the deletion of subclause (2) of clause 4 are drafting improvements.

I turn now to the amendment to clause 7. That clause provides for the determination of domicile of an adult in a country or territory other than Hong Kong. Clause 7 is amended in order to clarify that although the lawfulness of an adult's presence in another jurisdiction is relevant to the question of acquiring a domicile there, he is not necessarily prevented from acquiring a domicile there simply because his presence there is unlawful.

Clause 8 relates to the domicile of adults under disability. The amendment to the Chinese text of clause 8 is a drafting improvement.

Clauses 12 and 13 relate to the determination of domicile before the commencement of the Bill and on or after the commencement of the Bill respectively. Clause 13(3) provides that, for the purposes of determining the domicile of a person on or after the commencement date, various common law rules are abolished.

The Bills Committee discussed the application of clauses 12 and 13 for determining a person's domicile on the commencement date of the Domicile Ordinance, if enacted, if the person becomes an adult on that commencement date. Since, under clause 5(1), an individual on becoming an adult retains the domicile he had immediately before he becomes an adult, it was questioned whether clause 12 or 13 should apply in such case.

The Bills Committee also considered that it is necessary to allow for the possibility that some of the common law rules set out in clause 13(3) and proposed to be abolished might not be inconsistent with the Domicile Ordinance, if enacted.

Clause 13 is amended to address Members' concerns. Clause 13(1) now makes it clear that section 12 does not apply for determining the domicile of a person on or after the commencement date of the Domicile Ordinance, if enacted. Clause 13(3) now merely sets out the rules of common law in place of which the new statutory rules are intended to apply.

The Bills Committee has discussed and expressed support for the above amendments. I hope Members will endorse them.

Madam Chairman, I beg to move.

Proposed Amendments

Clause 2 (See Annex I)

Clause 4 (See Annex I)

Clause 7 (See Annex I)

Clause 8 (See Annex I)

Clause 13 (See Annex I)

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendments moved by the Secretary for Justice be passed. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That new clause 10A be read the Second time.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): New clause 10A.

SECRETARY FOR JUSTICE (in Cantonese): Chairman, I move that new clause 10A be added to the Bill.

Proposed Addition

New Clause 10A (See Annex I)

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That new clause 10A be added to the Bill.

CHAIRMAN (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CHAIRMAN (in Cantonese): Council now resumes.

Council then resumed.

Third Reading of Bills

PRESIDENT (in Cantonese): Bills: Third Reading.

DOMICILE BILL

SECRETARY FOR JUSTICE (in Cantonese): President, the

Domicile Bill

has passed through Committee with amendments. I move that the Bill be read the Third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Domicile Bill be read the Third time and do pass.

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 of the Members present. I declare the motion passed.

CLERK (in Cantonese): Domicile Bill.

MOTIONS

PRESIDENT (in Cantonese): Motion. Proposed resolution under the Import and Export Ordinance to approve the Import and Export (Registration) (Amendment) Regulation 2008.

I now call upon the Secretary for Commerce and Economic Development to speak and move his motion.

PROPOSED RESOLUTION UNDER THE IMPORT AND EXPORT ORDINANCE

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Madam President, I move that the motion, as set out under my name on the Agenda, be passed.

The motion seeks to introduce a technical amendment to regulation 8 of the Import and Export (Registration) Regulations to better reflect our policy to exempt the following declaration charges:

- (a) all the import/export declaration charges in respect of aircraft parts and accessories used in the repair or maintenance of aircraft owned or chartered by local-based airlines; and
- (b) the import declaration charges in respect of articles used in the repair and maintenance of freight containers operated by local-based sea or air freight transport undertakings.

Under the Import and Export (Registration) Regulations, a person who imports, exports or re-exports any article other than an exempted article is required to lodge with the Commissioner of Customs and Excise an import/export declaration relating to such article within 14 days and pay a declaration charge.

The existing policy is that relevant companies are not required to pay declaration charges in respect of the aforementioned two categories of articles. However, it has come to our attention that the scope of exemption under regulation 8(3) is ambiguous and the public may be uncertain as to whether relevant declaration charges of the said articles are exempted. Amendments to the regulation are therefore necessary.

The exemptions have been in place since 1976. While we have had no intention to alter them, the relevant provisions in the Regulations were amended for other purposes on several occasions, giving rise to ambiguity in the existing scope of exemption.

As the legislative amendment would take some time, in order to provide certainty to the trade as to whether declaration charges on the relevant items are exempted or not, the Administration has given approval under the Public Finance Ordinance to waive these charges as a temporary measure, pending the enactment of the legislative amendment. The Administration has informed the affected companies of the arrangements. They welcome the proposal.

Madam President, I beg to move that the motion be passed and hope that it has Members' support. Thank you, Madam President.

The Secretary for Commerce and Economic Development moved the following motion:

"RESOLVED that the Import and Export (Registration) (Amendment) Regulation 2008, made by the Chief Executive in Council on 15 January 2008, be approved."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Commerce and Economic Development 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 of the Members present. I declare the motion passed.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Proposed resolution under Article 75 of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China.

I now invite Mr Jasper TSANG to speak and move his motion.

PROPOSED RESOLUTION UNDER ARTICLE 75 OF THE BASIC LAW OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA

MR JASPER TSANG (in Cantonese): President, I move the resolution proposed by me to amend the Rules of Procedures of the Legislative Council of the Hong Kong Special Administrative Region.

Rule 28(2) of the Rules of Procedure stipulates that the President may in his discretion allow short questions to be put to the designated public officer making the statement for the purpose of elucidating it. In response to the request of the President, the Committee on Rules of Procedure has undertaken a review of this stipulation.

The Committee on Rules of Procedure considers that in order to facilitate Members of the Council in putting questions to a statement made by a designated public officer, Rule 28(2) should be amended to enable short and succinct questions be put to the designated public officer making the statement provided two main conditions are fulfilled and such questions are not limited to seeking an elucidation. We propose that these two conditions should include, first, that the question should be related to the statement made; and second, no debate may arise on such a statement or on the questions raised and replies given.

The amendment to the Rules of Procedure proposed by the Committee on Rules of Procedure is set out in the resolution and the House Committee has discussed and accepted the proposed amendment. I urge Members to support the resolution.

Thank you, President.

Mr Jasper TSANG moved the following resolution:

"RESOLVED that Rule 28(2) of the Rules of Procedure of the Legislative Council of the Hong Kong Special Administrative Region be amended by repealing everything after "the President may" and substituting "allow short and succinct questions to be put to the public officer making the statement, if in the opinion of the President the questions are relevant to the statement."."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Jasper TSANG 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.

PRESIDENT (in Cantonese): Two motions with no legislative effect.

First motion: Report of the Subcommittee on Review of the Comprehensive Social Security Assistance Scheme.

I now call upon Dr Fernando CHEUNG to speak and move his motion.

REPORT OF THE SUBCOMMITTEE ON REVIEW OF THE COMPREHENSIVE SOCIAL SECURITY ASSISTANCE SCHEME

DR FERNANDO CHEUNG (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

First of all, I will speak in my capacity as Chairman of the Subcommittee on Review of the Comprehensive Social Security Assistance Scheme under the Panel on Welfare Services (the Subcommittee).

According to the Administration, the purpose of the Comprehensive Social Security Assistance (CSSA) Scheme is to provide a safety net of last resort for recipients to meet their basic daily expenses. The CSSA payment rates can be broadly classified into standard rates, supplements and special grants. Different rates are applicable to different categories of applicants to meet the expenses of their daily necessities. The Administration has advised that as the CSSA Scheme is non-contributory assistance, applicants have to pass a means test and satisfy the residence requirement.

The Subcommittee has examined various existing arrangements of the CSSA Scheme. During the process, apart from discussing with the Administration, members have also taken into consideration the views of the public, service users and non-governmental organizations (NGOs) which provide welfare services.

As the prevailing CSSA rates were determined according to the results of the CSSA Review conducted in 1996, the Subcommittee is gravely concerned whether the CSSA Scheme and the standard rates are adequate to meet the basic needs of different categories of recipients, in particular children, the elderly and people with disabilities. Members have repeatedly requested the Administration to expeditiously review the items of goods and services included in the Social Security Assistance Index of Prices (SSAIP) and update the expenditure pattern of CSSA households.

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

In view of the emergence of high inflation as shown by the recent economic indicators, members are concerned that the existing mechanism of using the actual SSAIP movements in the previous year as the basis for the annual adjustment of the CSSA standard payment rates may not be able to reflect the latest prices, thereby making it more difficult for recipients to make ends meet during the inflationary period. Members strongly urge the Administration to make adjustments to the CSSA standard payment rates ahead of the annual adjustment cycle at times of high inflation.

The Subcommittee is also concerned about the difficulties faced by applicants in applying for CSSA, for example, the requirement for the elderly living with their family members to apply for CSSA on a household basis. The Subcommittee considers that such policy renders a lot of elderly people ineligible for CSSA as a result of the reluctance of their family members to apply for CSSA or their refusal to provide proof of non-provision of financial support to the elderly (commonly known as the "bad son statement"), thus causing the needy elderly unnecessary financial hardships. At the same time, the seven-year residence requirement has also made a lot of new arrivals ineligible for CSSA. Some newly-arrived women even have to live on the CSSA payments received by their children. Although the Administration has advised that the Director of Social Welfare may exercise discretion to exempt a person in genuine hardship from meeting certain eligibility criteria, the Subcommittee is of the view that there is still plenty of room for improvement in the existing discretion mechanism.

To encourage CSSA recipients to engage in employment and move towards self-reliance, members agree with the arrangement of disregarded earnings (DE) under the CSSA Scheme. However, they consider that the authorities should relax the relevant arrangement, such as raising the "no-deduction" limit and the maximum level of monthly DE to provide a greater financial incentive for employable CSSA recipients to engage in employment. But, the Subcommittee has reservations about the "New Dawn Project" for CSSA single-parent recipients which requires recipients to take up employment. The Subcommittee considers the proposal unacceptable, having regard to the special difficulties faced by single parents in seeking employment and the inadequacy of after school care support services. The Subcommittee has passed two motions to condemn the Administration for ignoring the views of the Subcommittee and bypassing the Legislative Council in the implementation of the "New Dawn Project".

Notwithstanding that the Subcommittee has held 21 meetings with the Administration since December 2004 and made a number of recommendations for its consideration, the authorities have not acceded to such requests. As the recommendations are set out in detail in the report, I will only highlight the following recommendations:

- (a) the Administration should conduct a comprehensive review of the CSSA Scheme expeditiously, including its adjustment methodology and the basic need items, to ensure that the CSSA rates are adequate to meet the essential needs of recipients;
- (b) make adjustments to the CSSA standard rates ahead of the annual adjustment cycle at times of high inflation;
- (c) relax the DE arrangements under the CSSA Scheme;
- (d) relax the residence requirement for applying for CSSA and review the operation of the discretionary mechanism in respect of the residence requirement; and
- (e) review and relax the policy of requiring CSSA applicants, especially the elderly applicants, to apply for CSSA on a household basis.

The Subcommittee urges the Administration to consider and adopt the above recommendations and respond positively.

Deputy President, in the following, I will speak on the motion in my personal capacity.

Deputy President, I am going to highlight the difficulties faced by a few categories of CSSA recipients. From the 2006 Population By-census, we can see that 40% of the elderly population aged 65 or above are under the category of people with low-earnings or in poverty. It is a striking figure that as many as 40% of the elderly people aged 65 or above are in poverty. Even so, what policies are in place for this group of elderly in need? It seems that the CSSA Scheme is the major system for this. We can clearly see that of the 290 000 CSSA cases, about 53%, that is more than half, of the recipients are elderly people. However, since the elderly may not dare to ask their children to sign this so-called "bad son statement", the existing arrangement of using the household as the basis for application has deterred many needy elderly people from applying for CSSA. In fact, this arrangement of using the household as the basis for application has affected not only numerous elderly people in need but also those who need residential care services due to health problems.

At present, there is a long waiting list for subsidized residential care homes for the elderly (RCHEs). A lot of elderly people and their family members have no alternative but to go for private RCHEs. However, the service quality of these private RCHEs varies tremendously. One of the major reasons is that such institutions are unable to provide quality services with the relatively low CSSA rates.

As the total household income is used as the basis for calculating income for the purpose of CSSA application under the current application arrangement, the provision of any additional financial support by carers of the elderly is repugnant to the policy of CSSA. Hence, this arrangement of allowing the elderly to apply for CSSA only on a household basis but not on an individual basis has actually affected a lot of elderly people, denying them a life of the most basic dignity in their twilight years.

As regards children, the current basic scale rate is already unable to reflect their needs. During the discussions in the Subcommittee, we requested the Government to provide information on the SSAIP and statistics on the expenditure pattern of CSSA recipients and their households. However, the information provided by the Government was the statistics for the 1994-1995 Household Expenditure Survey on CSSA Households. Deputy President, it was the statistics for 1994-1995, but it is already 2008 now. Yet such basic statistics are still in use today. It can be imagined that those statistics have already become irrelevant and out of tune with the times.

The Subcommittee has suggested providing a few grants for children. Following the CSSA review in 1999, a lot of special grants, including the grant for spectacles, have been cut. In other words, there is not even a grant for children to cover the costs for spectacles. We suggest that a grant be provided to CSSA households comprising children so that each of these households can buy two newspapers per week. Besides, is it possible to give these children opportunities to access the Internet? Can we give them the opportunity to participate in one recreational and cultural activity organized by educational organizations or NGOs every three months — just once every three months? Moreover, can we give these children with a grant for seeking medical consultation from private doctors three times a year, and allow each CSSA household comprising children to install a telephone by providing them with a grant for the telephone installation fee and monthly telephone tariffs?

Deputy President, these are all very humble and basic requests. Unfortunately, however, such grants are not covered by the existing standard rate CSSA payments and special grants. If you consider it unnecessary for school-age children nowadays to access the Internet, have a telephone at home, read the newspaper, and to seek medical treatment from private clinics, such grants may be superfluous. However, I believe that people who have a conscience and are relatively mindful of the plight of the people will appreciate that these are basic and primary needs. Yet, our requests have not been met to date.

Regarding people with disabilities and the elderly, their special grants are maintained, yet the arrangement for dental services is most ridiculous. Why is it ridiculous? Although they are given a dental grant, Deputy President, it does not cover the expenses for tooth extraction. Should they need a tooth extraction, they have to seek treatment from public dental clinics. Very often, they have to line up before dawn for a consultation slot. Besides, they can only have one tooth extracted at a time. After a tooth extraction, they have to approach designated dental clinics for an estimate of cost, and can only receive other dental treatments after the estimate has been approved. This arrangement is blatantly ridiculous as it requires that the tooth extraction and crowning procedure, which are treatments for a single dental problem, be carried out over a few visits. Should a reform and a review of the CSSA system be conducted? This grant is not available to adult recipients. We notice that a lot of unemployed adults are suffering from various dental problems, and they need to keep their teeth relatively healthy to go for a job interview. A few days ago, I visited a few unemployed people in Sham Shui Po. They cannot even afford dental fillings.

No adjustment to the rent allowance has been made since 2003 when it was reduced by 15.8% in one stroke. Today, the rental for cubical apartments and bedspace apartments, not to mention ordinary private housing, has surged sharply. Under such circumstances, the rent allowance is unable to catch up with the rise in rent at all. We can see that a lot of CSSA recipients, especially the unemployed singletons, are facing grave difficulties.

Deputy President, I would like to draw the conclusion that the existing problem of poverty in Hong Kong is most acute. According to the Hong Kong Council of Social Service (HKCSS), based on the statistics of the 2006 Population By-census, 1.33 million people in Hong Kong are people with low

earnings or in poverty, which is defined as people with an income below 50% of the overall average median income in Hong Kong. This group of people accounts for 20% of the total population of over 6 million in Hong Kong. Deputy President, this figure is unacceptable. Using the same method of calculation, the number of people in poverty has increased by 130 000 compared with that of 2001. The poverty rate has also increased from 18.5% to 20.1%. In other words, the issue in question is not only the problem of the disparity between the rich and the poor. The problem of poverty is also worsening, and the major safety net for helping the poor is the CSSA Scheme.

When asked about whether the poor should be helped, I believe we will reply in the positive. However, when it comes to the question of the CSSA Scheme, people will associate it to "nurturing lazybones". Deputy President, when we think more clearly about it, we will see that under this arrangement, the basic needs of these people in poverty are not even met. Therefore, Deputy President, I hope that the Government can take on board the views of the Subcommittee and expeditiously review and improve the relevant policies.

Thank you, Deputy President.

Dr Fernando CHEUNG moved the following motion: (Translation)

"That this Council notes the Report of the Subcommittee on Review of the Comprehensive Social Security Assistance Scheme."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Dr Fernando CHEUNG be passed.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, first of all, I thank Dr Fernando CHEUNG for moving this motion today. The Comprehensive Social Security Assistance (CSSA) Scheme is the main pillar of the social security system in Hong Kong. The CSSA Scheme has all along been providing a safety net to individuals who are unable to support themselves financially to meet their basic and essential needs. During the meetings of the Subcommittee, we exchanged views with members and various groups on ways to improve the CSSA Scheme. In this process, we learnt about many valuable suggestions and views. We also took the opportunity to explain

the backgrounds and objectives of various policies to members and various groups, so as to enable various sectors of society to gain a better understanding of the policy on CSSA.

Deputy President, I wish to take this opportunity to give my response to the recommendations made in the Report of the Subcommittee. We heard views demanding that we conduct a comprehensive review of the CSSA Scheme and the CSSA adjustment mechanism as soon as possible. In fact, all along, the Administration adjusts the CSSA standard payment rates according to the movement of the Social Security Assistance Index of Prices (SSAIP) annually, in order to maintain the purchasing power of the payments. We have adjusted the CSSA standard payment rates upwards by 2.8% in accordance with the established mechanism on 1 February 2008, that is, on 1 February this year. We consider the existing adjustment mechanism objective and proven and the CSSA rates can also provide a safety net for families who are unable to support themselves financially to meet their basic and essential needs.

Apart from the standard rates, the CSSA Scheme also provides supplements and special grants to help different categories of recipients, in particular, children and the elderly, meet their needs. School children may receive various kinds of special grants in accordance with their circumstances to cover school fees, fares to and from schools, examination fees, meal allowance, and so on. For the elderly, there are special grants to cover the costs of glasses, dentures, removal expenses, fares to and from hospital/clinic, medically-recommended diet and appliances. At present, a four-member CSSA family without any income can receive on average a monthly CSSA payment of \$9,451. We believe the amount of \$9,451 can adequately meet the basic and essential needs. As CSSA is a cash assistance, CSSA households can use the payments flexibly according to their own needs. We believe that at present, it is not necessary to conduct a comprehensive review of the CSSA standard payment rates. However, we will continue to monitor closely — and I stress "closely" — the SSAIP movements in order to maintain the purchasing power of CSSA payments. In addition to regular monitoring of the movements of the SSAIP, the Social Welfare Department (SWD) will also continue to conduct a Household Expenditure Survey for CSSA households every five years for the purpose of updating the weighting system of SSAIP to ensure that the index can accurately reflect the up-to-date expenditure patterns of CSSA households.

We will also review how employment assistance can be provided in a "one-stop" approach, as to help members of the public, in particular, CSSA recipients, find employment and receive appropriate training and employment assistance. We believe that through this series of measures, we will be able to assist able-bodied CSSA recipients in moving from welfare to self-reliance more effectively.

The Administration has completed a review of the arrangements of disregarded earnings (DE) and as Members all know, the new arrangements were introduced on 1 December 2007. Under the new arrangements, recipients can retain all of the first \$800 of earnings from employment and half of the earnings from the remaining \$3,400 until the total amount reaches the maximum limit of \$2,500. As at end-January 2008, a total of 39 967 CSSA recipients benefited under the arrangements and the average amount of monthly DE was \$1,830. In 2007-2008, the financial implication of the arrangements was \$720 million up to end-January 2008.

The Administration needs to strike a balance between encouraging the recipients to find and remain in employment and ensuring the proper use of public resources. The CSSA payment for larger households is already appreciably higher than the market wage for low-skilled jobs. A higher level of monthly DE will further push the total resources of CSSA family with an employed member further above the market wage level.

Just like Members, the Government is very concerned about the pressure of rising food prices on CSSA recipients recently and we will continue to pay close attention to the relevant developments and closely monitor movements in the SSAIP and other economic indicators. We will continue to adjust the CSSA rates according to the established mechanism in order to maintain the purchasing power of the payments. If movements in the SSAIP and other economic indicators pointed to persistent high inflation — I already said so sometime ago and I will repeat this today — consideration could be given to seeking approval for additional inflationary adjustments to the standard payment rates ahead of the annual adjustment cycle.

In view of the impact of seasonal factors on the prices of consumer goods, we believe the 12-month moving average of SSAIP offers a better basis for determining CSSA standard payment rates than the SSAIP movements of the latest month.

The Subcommittee also proposed to relax the residence requirement for applying for CSSA. We believe that the seven-year residence requirement can provide a rational basis on which our public resources are allocated and can help sustain a non-contributory social security system. It encourages new arrivals who can work to be self-reliant rather than relying on welfare benefits. It also underlines the need for potential immigrants to plan carefully and ensure that they have sufficient money to be self-supporting before settling in Hong Kong.

For new arrivals who work to support themselves and their families but still cannot meet their basic needs, the SWD would generally exercise discretion to waive the residence requirement to recognize their efforts in striving for self-reliance. Between 1 January 2004 and 31 December 2007, the SWD exercised discretion to waive the residence requirement of 2 064 new arrivals who worked to support themselves. This shows that some flexibility exists to encourage them to find employment.

CSSA is not the only source of assistance available to those in need. When there are proven needs and when the respective eligibility criteria are met, other forms of assistance are available to new arrivals irrespective of their length of residence in Hong Kong. These include employment support services, emergency relief, temporary grants from charity trust funds, medical waivers, child care services, assistance in kind and placement in singleton hostels.

We often keep in view the operation of the discretionary mechanism in respect of the residence requirement and consider the existing mechanism proven. To ensure that all applicants would receive fair and equal treatment under the mechanism, the Senior Social Security Officers (District) of the SWD with delegated discretionary power by the Director of Social Welfare (DSW) meet regularly to share their experience in exercising the discretion. We will also continue to monitor closely the operation of the mechanism to ensure that people in genuine need are given appropriate assistance and support.

The Subcommittee recommended that the Government should relax the policy of requiring CSSA applicants to apply for CSSA on a household basis. I wish to point out that CSSA applicants living with their families are required to apply on a household basis since families constitute the core units of a community. Members of the same family should provide support and assistance to each other. The income-earners should take up the responsibility

of supporting family members who have no financial means. This requirement encourages mutual support within a family. It also prevents people from singling out any economically inactive members, who may be old, sick, disabled or unemployed, to apply for CSSA on their own, thus shifting the responsibility of supporting their family members to the taxpayers. Where the total income of a family is assessed to be insufficient to meet its total recognized needs, CSSA is provided to meet the needs. We consider this system to be fair and equitable.

Furthermore, the amount of assistance is assessed on the basis of monthly household income and recognized needs under the CSSA Scheme. Since the recognized needs of the elderly (that is, their CSSA entitlements) are higher than that of the family members of other categories, the requirement for making application on a household basis means that families with elderly members in financial difficulties may find it easier to meet the eligibility requirement and qualify for higher CSSA entitlement. Where an elderly is living with his/her family but he/she does not receive any financial support from other family members for whatever reasons, the DSW may still exercise discretion and allow him/her to apply for CSSA on his/her own.

Under the CSSA Scheme, CSSA recipients who are old, disabled or medically certified to be in ill-health are given a special grant for dental treatment (dental grant) to cover the actual expenses of the relevant treatment. The maximum grant is the ceiling amount of the treatment items (dentures, crowns, bridges, scalings, fillings and root canal treatment) set by the SWD in consultation with the Department of Health (DH).

Under the existing arrangements, eligible CSSA recipients may seek services from 36 dental clinics designated by the SWD. They are entitled to a special grant to cover the cost of registration and examination (including estimate of costs). The registration and check-up fee is normally less than \$50 at designated clinics. They may also apply for an advance payment of grant, if necessary.

After the check-up and upon the receipt of an estimate of cost from a designated dental clinic, the CSSA recipient may apply for the dental grant from the SWD. Upon receipt of the estimate of cost and the completion of the vetting process, the SWD will normally disburse the dental grant within seven working days. The CSSA recipient, upon receiving approval of the dental grant, is free to call on a registered dentist of a non-designated clinic for the same service.

Apart from that, the DH also provides free emergency dental services, such as teeth extraction, to the public (including CSSA recipients). We understand the recommendations of the Subcommittee and will continue to monitor the situation closely. We will also keep an open mind towards the views of the Subcommittee members and CSSA recipients on improving the arrangements.

Deputy President, I am glad to have the opportunity to listen to the views concerning the CSSA system expressed by Members. With these remarks, after listening to Members' views on this subject, I will give a more detailed response.

MISS CHAN YUEN-HAN (in Cantonese): Deputy President, our discussion today is on the report submitted by the Subcommittee on Review of the Comprehensive Social Security Assistance Scheme under the Panel on Welfare Services (the Subcommittee). I have been a member of the Subcommittee since the beginning of the last term. As Honourable Members in the last term found that the large number of cases received by the Legislative Council had become unmanageable, they suggested that a subcommittee be formed to specifically discuss these cases. We very much hoped that we could handle these cases. However, since the last term, this issue has induced in me a lot of thoughts.

I believe the series of problems cited by the Secretary just now are valid, but the question is how we feel. I find that we, this group of "Mr Fools", are trying to remove boulders. Many a times, I would think there are quite a number of "Mr Fools" (The story of "Mr Fool's attempt to remove the mountain" is very famous.) among the members of the Subcommittee. That is to say, although we, this group of "Mr Fools", have been discussing this issue day in and night out, the changes actually effected have only been minimal, and some of the situations have even changed for the worse. If we regard them as problems (as the Secretary has just said, these are inflation-induced livelihood problems and some institutional problems), you will see them as problems as well. But very often, no action was taken after our discussions. That was why this Subcommittee was formed in the last term. We hoped that with our dogged determination of discussing the issue meeting after meeting in this Subcommittee, we could push the Government to make some changes. Frankly speaking, however, as I have just said, this is like Mr Fool's attempt to remove the mountain. Only a small or even no move at all can be made.

In fact, I consider that the CSSA system has given rise to a lot of problems. With the social development in Hong Kong, problems such as the disparity between the rich and the poor and low income have emerged one after another. The new arrivals, single-parent families and the elderly are the disadvantaged groups in society. Frankly speaking, a lot of them have not yet applied for CSSA. Many low-income earners and elderly people are non-CSSA recipients, but when they are driven into desperation, they will regard CSSA as their safety net and seek assistance from it. This is in line with the policy formulated by the Government. However, there are in fact a lot of loopholes in this safety net. We have repeatedly brought them to the attention of the Government, but very often, the Government will only make some minor repairs. Sometimes, when such loopholes are too big, the Government will even refuse to tackle them, thereby leaving the existing disadvantaged groups in hardship. The Government may even turn a blind eye to the worsening of their hardship.

Deputy President, I would like to speak on three aspects of the issue. First, I wish to talk about our elderly people. At present, among the people who need the support under CSSA, half or about 52.7% of them are elderly people, amounting to 160 000 in number. This not only reflects the seriousness of the problem of elderly in poverty, but it also shows that the lower strata in society lack the ability to look after the elderly in the family. There are actually some 300 000 low-income elderly people in Hong Kong, but only about half of them are caught by the CSSA net. In other words, when we maintain that there is a group of CSSA recipients who are elderly people in poverty, we have these statistics to support our claim. Under the existing government policy, applications for CSSA have to be made on a household basis. The Secretary has just said that the family is our core unit. This I understand. If my children have the earning power, I will certainly regard my family as my core unit; if my grandchildren have the earning power, I will certainly look upon my family as my core unit as well. However, the problem is, since the reunification in 1997, a lot of wage earners in Hong Kong have been caught in great difficulties. The number of low-income earners amounts to a few hundred thousands. Frankly, when they cannot even take care of themselves, they will not be able to take care of the elderly. Sometimes, when elderly people realize that the young people in the family have difficulties making a living, they will not trouble them.

The Government is saying that those elderly people who cannot maintain their living can apply for CSSA, but they can only do so by presenting the signatures of their children. We have been discussing this for years, Deputy President, but Paul TANG, our Director of Social Welfare, has been insisting on such an argument even now. I very much hope that the Secretary can appreciate these people's situation. If he does not, I can find a chance to stay with him in one of these families for a week or so — such home stay is the latest trend — so that he can appreciate the difficulties of these people in getting along with each other and the difficulties faced by the elderly. He has to understand that while the children would like the elderly people to lead a better life, the elderly people do not want to burden their children. Very often, both parties are caught in this dilemma. I really hope that the Secretary is willing to face the problem. What do you think we should do? What should these elderly people do? I would like to remind the Secretary that Dr LEONG Che-hung, the immediate past Chairman of the Elderly Commission, has also made the same comments that we are making today. He also considers it necessary to make some changes. However, no change has been made so far.

Deputy President, next I will speak on another issue — ever since the end of last year, local residents of various districts have expressed their opinions on this issue — that is the arrangement of raising the CSSA payments with a time lag every year. We have pointed out several times that the existing inflation is more ferocious than a tiger. Someone has complained to me (I have mentioned this many times here) and said that, "Miss CHAN, pork and vegetables are very expensive, and so is everything else.". Many of these people are CSSA recipients. They only have a small amount of money to go by. What do you think they should do? Under such circumstances, they really suffer a lot.

Take the "mushroom-shaped kiosks", that is, the kiosks in which cooked food stalls are operated, at the Lower Wong Tai Sin Estate as an example. In the past, elderly people in poverty often dined there, but now the prices of everything have risen. They used to be able to spend only \$10 for a meal. After prices have gone up, what should they do? If the Secretary visits these "mushroom-shaped kiosks" to observe how these poor people choose their food and spend the money in their pocket, he will find out that problems do exist.

I would like to stress that, concerning these people in hardship, I believe anyone who has ever experienced poverty will understand their suffering. That is why we want to help them. The Secretary has said just now that a review is being conducted by the Government. It is, however, carried out at a pace as slow as a snail. In fact, no review has been conducted since 1996. The then Secretary for Health and Welfare was Mrs Elizabeth WONG, and I was already a Member of the Legislative Council. We had an argument back then. However, the problem has become more and more serious. I think it is necessary for the Government to think about how to help this group of people to lead a better life. Frankly, at times of economic prosperity, the Government made a bold decision and solved such problems as that of the costs of spectacles for CSSA recipients. What about now? What I would like to say is, take the costs of textbooks for school children as an example, that everyone with children knows that each set of textbooks costs one to two thousand dollars (I have to speak a little bit faster). Frankly speaking, this problem is already difficult enough, not to mention that the payment will only be disbursed with a time lag. Poverty-stricken as they are, they still have to purchase textbooks for their children. What can they do? I just want to cite these examples.

Deputy President, the Secretary and senior officials keep saying that they hope CSSA recipients can rejoin society. However, as far as the arrangement formulated by the Government is concerned, all the political parties in the Legislative Council, including the one to which the Deputy President belongs, consider that the upward adjustment of \$2,500 should not be taken as an encouragement for CSSA recipients, because after deducting the transportation costs, basically there will not be any money left in this amount of \$2,500. If we want to encourage them to rejoin society and engage in employment, we have to solve this problem.

Deputy President, there are still plenty of issues I would like to talk about. However, my speaking time is up. In fact, we have been holding meetings in the Legislative Council and listening to different views. Very often, we dislike the idea that though we keep repeating ourselves on the same issues, the problems are still left unsolved in the end. Sometimes I just think that I am not capable of this. I hope the Secretary can appreciate my feelings. I do not want to be "Mr Fool" anymore, and I hope that he will not be like a mountain of granite. Deputy President (*The buzzer sounded*)

DEPUTY PRESIDENT (in Cantonese): The speaking time is up.

MR RONNY TONG (in Cantonese): Deputy President, human beings are social animals that like living in a community instead of living alone. This is how government came into being. The emergence of government lies in the need for systematic management of the social problems arising from the co-existence of human beings.

Deputy President, human beings are not cold-blooded animals either, though sometimes we do accuse the others of being such. It is precisely because human beings are not cold-blooded animals that they have a compassionate sentiment. Being an institution to maintain the bond of society, a government should also undertake the responsibility of caring for and looking after the weak and frail. According to contemporary theories of government, people rely on the government financially to maintain social stability. This is also the fundamental responsibility of the government.

Deputy President, precisely for this reason the social welfare system came into existence. By the same token, the success or otherwise of the social welfare system is very often determined by the magnitude of the wealth gap problem. From this angle, I believe everyone will agree that our social welfare system is a failure.

Deputy President, the CSSA system is in itself an important component of the social welfare system. I believe no one will dispute that the basic purpose of the CSSA system is not just to feed a group of people, or simply to safeguard or protect the needy, but to help them rejoin the labour force in order to achieve self-reliance. However, when the CSSA system has gone out of tune with the most basic daily needs of people in society, it is time that a comprehensive review of the CSSA system be conducted. Deputy President, I believe the majority of Honourable Members will agree that it is high time we did so.

Just now, when I heard the Secretary come straight out with his reply that the authorities would not conduct any review, I was indeed very disappointed. Even if the Secretary has not heard of the reasons we presented in the Chamber with regard to the need for a review, I believe he knows them all very well, and the Chief Executive also knows them very well. If the Government maintains the stance of resolutely opposing a review of the CSSA system, it has basically shirked its major responsibility of governance.

Deputy President, why do we need a comprehensive review of the CSSA system now? What are the statistics supporting it? Deputy President, I would like to talk about the figures I have in hand. In 1999, the standard rate for three-member households was reduced by about 10%, while that for four-member households was reduced by 20%. Many grants, including that for telephone tariffs, costs for spectacles, were abolished at the same time. In 2003-2004, the standard rate, allowances and grants were reduced by about 11%, and the special grant and rent allowance were even reduced by 15.8%. After all these reductions, what is the rate of increase for the CSSA payment? The aggregate rate of increase for 2006 and 2007 is less than 2%.

The Secretary has also pointed out just now that there is an increase of 2.8% only in 2008. Compared with the rate of reduction in the past, although the amount of CSSA payment has been increased, such reductions have yet to be recouped, not to mention to catch up with the rise in prices and inflation. This is the first point.

Deputy President, the second point is that the indicator on a basket of daily necessities, which is the basis on which the basic rate of CSSA payment is determined, was set a decade ago. It is no longer able to take account of the ordinary expenses, such as those for a family computer, rental and clothing. With the rise in inflation, we find that this mechanism has become totally out of tune with our daily life.

Deputy President, the third point, which is probably the most important one, is that with the recent inflation and economic recovery, the rate of increase in food prices is indeed appalling. The prices of food have increased by as much as 13%, and the expenses on food accounts for 36% of the total expenses of a CSSA household. We have not even mentioned transportation expenses, Deputy President. There is also a double-digit rate of increase in transportation expenses, which accounts for over 20% of the total expenses of an average CSSA household. We can see that insofar as the most basic daily needs are concerned, since there has only been a reduction to but not an increase in the CSSA standard payment rate in the past, this rate has gone completely out of tune with maintaining the most basic standard of living. Besides, the current maximum disregarded earning is still maintained at the amount of \$2,500 prescribed years ago.

Just now some colleagues have pointed out that the biggest problem faced by households comprising elderly people may be caused by the insistence of the Social Welfare Department on such households presenting the "bad son statement". This exerts great pressure on many elderly people and their families regarding the application for additional CSSA payments, thereby increasing their already heavy burden of living.

Deputy President, the CSSA system is on the verge of a total failure. The failure of the CSSA system means the failure of the social welfare system, which also reflects the failure of the Government in fulfilling its fundamental responsibility of governance.

Deputy President, time is running out. I can only reiterate, and I believe it is also the wish of the majority of Honourable Members, that a comprehensive review of the CSSA system should brook no delay.

MS LI FUNG-YING (in Cantonese): Deputy President, the inflation cycle of Hong Kong is here again. The grassroots feel it most in the soaring prices and costs of clothing, food, housing and transportation. In December last year, the inflation rate reached 3.8%, and the trend of inflation is expected to continue. In view of such inflationary pressure, the Social Welfare Department (SWD) submitted a paper to the Finance Committee of the Legislative Council at the end of last year proposing an adjustment to the standard payment rates of Comprehensive Social Security Assistance (CSSA) and the rates of the Disability Allowance (DA) with effect from the first of this month in order to take account of inflation. The proposed rate of increase was 2.8%, which was lower than the inflation rate in December.

At present, adjustments to CSSA payment rates and DA rates are made not according to inflation but on basis of a series of Social Security Assistance Index of Prices (SSAIP). The proposed adjustments are worked out having regard to the movements in SSAIP for the past 12 months, followed by the determination and approval procedures. The time lag in adjustment is as long as 15 months. In other words, the adjustment to CSSA payment rates and DA rates implemented on the first of this month does not reflect the need arising from the

prevailing inflation. If inflation continues, there is bound to be a shortfall in the adjustment rate, and the amount of adjustment will be offset by inflation, resulting in a decrease in the CSSA payment rates and DA rates in real terms.

This is exactly the situation faced by CSSA and DA recipients at present. For example, the SWD has increased the meal allowance for full-day students who have to take meals away from home from \$195 to \$200 per month as an initiative to adjust the standard CSSA payment rates. Can this adjustment ensure that the quality of meals for school children who need the meal allowance will not deteriorate as a result of inflation? The answer is obvious enough. Just in December last year, the rate of increase in food prices amounted to 11.7%. This adjustment of 2.5% in the meal allowance has achieved nothing but turning the Government's policy of caring for the disadvantaged groups into an object of ridicule. If the objective of this initiative is to adjust the CSSA payment rates to take account of inflation in order to ensure that the allowances for meeting the daily necessities of CSSA recipients will not be eroded by inflation, such an objective is not achieved at all.

Deputy President, our debate today on the recommendations proposed in the Report of the Subcommittee on Review of the Comprehensive Social Security Assistance Scheme is therefore not a rehash of trite remarks, but an urgent practical need, in particular the recommendation in the Report regarding the review of the adjustment mechanism for the CSSA Scheme so that adjustments to the CSSA standard payment rates are made not annually but on the basis of the latest month of SSAIP at times of high inflation. I urge the Government to consider the relevant recommendations.

Besides, adopting the seven-year residence requirement as one of the eligibility criteria for receiving CSSA has become the Government's high-handed policy which has led to not only the wastage of public funds but also the creation of more barriers for the new arrivals in integrating into society. Objectively speaking, the relevant policy discourages new-arrival families with financial difficulties from applying for CSSA and increases their pressure in adapting to the life in Hong Kong. I have all along had great reservation about this proposal since it was put forward by the Government. Now, this policy is even unable to achieve the objective of attaining any savings in public funds.

According to the information provided by the Government, after the implementation of this policy, there were still 2 243 CSSA applications in which waiver of the seven-year residence requirement was granted, while only 73 applications for waiver were rejected from January 2004 to January 2007. Even from the perspective of saving public funds, I believe the administration costs incurred in vetting and approving the seven-year residence requirement for CSSA applications is a lot higher than the public funds which would have been expended if the 73 applications had been approved. The relevant policy not only fails to achieve savings but also leads to wastage of public funds. This policy is beneficial neither to the Government, society nor the new arrivals. I consider that it should be abolished expeditiously.

Deputy President, I support conducting a comprehensive review of the CSSA Scheme expeditiously so that it can keep abreast of the times and actually help those people in need of social assistance. During the process of the review, two points should be noted. The first one is about finance. As the Government conducted the review of the CSSA Scheme in 1999 not for purposes of catering for the recipients' needs but to reduce public expenditure in order to cope with the economic gloom, a number of slashes were made to the CSSA payment rates. The second point is about time. It is not just about the new arrivals but also the elderly people returning to the Mainland for good. The introduction of too many stringent residence requirements will only deviate from the trend of increasing integration between the Mainland and Hong Kong. It will only make life harder or even bring more suffering to CSSA recipients. Deputy President, I so submit.

MR ALBERT HO (in Cantonese): Deputy President, the International Covenant on Economic, Social and Cultural Rights of the United Nation has affirmed that society has to protect every individual's basic right in this regard. Therefore, besides ensuring the individual's basic right to clothing, food, housing and transportation, the Government should also ensure the continuous enhancement of the individual's quality of life. However, we can see that since the blanket reduction of 11% in Comprehensive Social Security Assistance (CSSA) payment rates for the weak and frail in 2003 which was meant mainly to reduce public expenditure, the basic needs of these people are therefore not catered for. To date, though hoarding a huge surplus, the Government still refuses to restore the CSSA payment rates for these disadvantaged groups to the original level. We think that the Government has in fact failed to fulfil its basic obligation as required under the Covenant.

Some senior officials have kept saying that even at times of high inflation, CSSA recipients can still lead a decent life. I regard such a comment a display of indifference to the plight of the people or even a stifling of the conscience. In the Tuen Mun District where I serve, whenever the Chi Lok Market or San Hui Market is about to close at 7 pm to 8 pm, some people, especially some elderly people, will be there scavenging the abandoned "leftover resources", including some partially rotten fruits and vegetables, or even meat which has begun to stink. I believe there must be many CSSA recipients among these people. At present, prices of goods and services are rising rapidly, with the rate of increase for beef, pork, eggs and vegetables amounting to 20% to 40%. Such a runaway inflation has already caused a great impact on the basic quality of life of those people in the deepest poverty, many of whom being CSSA recipients.

The Government will, starting from next month this year, increase the standard CSSA payment rates and the rates of the Disability Allowance by 2.8% to take account of inflation. In fact, however, everyone knows that this adjustment is made on the basis of the average Social Security Assistance Index of Prices (SSAIP) last year instead of having regard to or taking into special consideration the predictable inflation in the future. Such an adjustment is therefore unable to catch up with inflation at all. While civil servants will get back pay in pay rises, the assessment mechanism with a time lag is still adopted in the CSSA Scheme. Hence, for a lot of poor people who are most hard-hit by inflation, the problem remains unsolved. It shows how ridiculous such a mechanism with a time lag is. The Secretary mentioned just now that the review might be advanced to an earlier date, but the problem cannot be solved because the time lag still exists. A posterior assessment is an unfair assessment.

The so-called most recent basic needs study available now was conducted 11 years ago. Neither is it able to catch up with the current expenditure pattern and price indexes. I therefore consider it necessary to formulate anew a review mechanism as a whole. May I stress that it is unfair to adopt a posterior assessment without making retrospective adjustment.

Deputy President, parents nowadays are well aware that raising children involves not only feeding and clothing them well but also providing them with plenty of learning opportunities at different stages of their development. That is why we suggest that the Government should introduce grants for the costs of computers, Internet access, extra-curricular activities, and so on, for CSSA households. At the moment, of the some 495 000 CSSA recipients, over 20%

are children aged 15 or below; the number of young CSSA recipients who are still attending school and above the age of 15 is estimated to account for 25% of the total number of recipients. Based on the analysis by professional bodies in Internet, children in low-income families are the hardest hit by the digital divide because they cannot afford computer classes and access to technologies. As the Internet has become part of many people's daily life, it is necessary to provide the relevant grants to CSSA children without delay.

On the other hand, according to studies conducted by various concern groups, more than 80% of the CSSA children have not participated in any extra-curricular activities as they cannot afford the costs. The amount of their other expenses even represents only 25% of that of ordinary children. Hence, we suggest that, apart from the Child Development Fund proposed sometime ago, the Government should also introduce a grant for children's extra-curricular activities in order to provide subsidy for these children so that they can participate in extra-curricular activities and have a chance to take part in activities and grow up with other children together.

Finally, the Democratic Party will propose some new ideas about the arrangement of unemployment CSSA with a view to plugging the existing loopholes. The original intent of establishing the unemployment CSSA is to provide protection to the livelihood of those people who do not have any savings and to encourage them to reintegrate into society instead of barring them from earning an income. However, under the existing policy of income deduction, the more they earn, the more will be deducted. This has in a way capped the maximum amount earned by CSSA recipients at \$4,200 and in turn affected their work incentive; or the amount of \$4,200 can hardly induce them to rejoin the labour market. After consideration, the Democratic Party proposes that if their income is over \$4,200, an amount of savings should be prescribed for the Government to save it up for them. When the savings reach a certain level, say \$50,000 or \$100,000, the Government can stop disbursing CSSA payments to them and return the savings to them so that they can leave the CSSA net

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up.

MR ALBERT HO (in Cantonese): and engage in employment again.

MR FREDERICK FUNG (in Cantonese): Deputy President, members of the Subcommittee on Review of the Comprehensive Social Security Assistance (CSSA) Scheme, including myself, have all along believed that as long as we have the data and justifications to support us, the Government would respond positively and heed sound advice. Unfortunately, however, even though we have spent more than three years, wasted the precious time and efforts of 81 deputations and held 21 ineffectual meetings, and despite the many data analysed or enormous evidence produced by us, the Government has still stuck to its own way and ignored the recommendations of the Subcommittee. The Hong Kong Association for Democracy and People's Livelihood (ADPL) and I are very disappointed with the attitude displayed by the Government.

Over the past few years, especially following the economic restructuring and the financial turmoil, the unemployment rate was once over 8% and a lot of the unemployed were unable to find a job. The whole society was shrouded in a hostile atmosphere where CSSA recipients were seen as parasites of society. The Government must be an accomplice, if not the mastermind, in creating such blatant discrimination against the needy. In fact, low-earnings and unemployed CSSA cases together only constitute less than 20% of the total CSSA cases, while more than half of the CSSA cases are in fact elderly cases. The CSSA system has made a lot of people in financial hardship, such as the elderly, single-parent families and the new arrivals, rather stand hunger and cold than apply for CSSA in order to avoid being stigmatized. Although a lot of people consider this a display of their dignity and integrity, this is indeed a tragedy in our society, which has created tremendous social conflicts and made society pay a great price.

If the Chief Executive wishes to build a harmonious society and alleviate the problem of the disparity between the rich and the poor, I believe he should accord priority to an immediate review of the CSSA system in order to ascertain the role and effectiveness of this safety net in alleviating poverty. Insofar as social security in Hong Kong is concerned, basically there is little to write home about. The CSSA system is almost synonymous with "social security". This is exactly why we have to ascertain: Can the CSSA system help those most in need? What assistance does it provide to them? To what extent should it help them? What are the follow-up initiatives in place? Can the CSSA system tie in with other policies? To be more specific, we have to ascertain: Are the CSSA payment rates adequate? What kind of support do the 290 000 CSSA cases need? For those who are not willing to receive CSSA payments, how should we help them?

However, the Government's administration is typical of the Hong Kong style "smart guy" approach, which is basically saying one thing and doing another, and being concerned only about the short-lived applause and political benefits to the neglect of the needs of the grassroots and the overall development.

In the homepage of the Social Welfare Department, it is stated that "the CSSA Scheme provides a safety net for those who cannot support themselves financially. It is designed to bring their income up to a prescribed level to meet their basic needs." What are "basic needs"? This is definitely an item which requires consideration. These "basic needs" certainly change with time.

However, the current CSSA payment rates were prescribed on the basis of the results of the review conducted 12 years ago — Deputy President, I believe the Secretary also knows that they were determined on the basis of review results 12 years ago. As for the goods and services and daily necessities which are covered by the CSSA payment rates, they were also prescribed 12 years ago. The list was also compiled 14 years ago. Deputy President, 14 years ago, I was only 40 years old, but now I am already in my 50s; 14 years ago, my son was not yet born, but now he is already attending secondary school, tall and strong; 14 years ago, we used WINDOWS 3.1, now we are using WINDOWS VISTA. Secretary, it has been 14 years already. Over the past 14 years, we have gone through major incidents, such as the change of sovereign, the avian influenza, the financial turmoil, SARS and the march on 1 July, not to mention the rapid technological development. Even the top leadership of our Motherland has changed twice. Does the Government still maintain that the lifestyle 14 years ago, the needs 14 years ago and the necessities 14 years ago are not different from those of today? With the items included in the CSSA payment rates having become so outdated, it will indeed be baffling to the ADPL and me if the Government insists on not conducting a review even now. We will also query how determined the Government is in working with us to alleviate poverty. The so-called pledge of the Government of always putting people first is all but empty talk and nonsense.

The Report of the Subcommittee also mentions other areas for improvement in the application procedure and eligibility criteria. As some Members have already talked about them, and that my time is running out, I do not intend to repeat them.

A few days ago, I took part in the New Year greeting activities in my district and visited a number of elderly people. They told me that although the approach of this Lunar New Year had been a cause of stress, they managed to get over it. Tomorrow is the 15th of the first month of the lunar calendar. For the poor and impoverished, it is a time for celebration and also a time for family reunion. But how many celebration activities and occasions for family reunion can be supplemented by provisions so that these people can get some warmth out of it?

Deputy President, seven days later, our Financial Secretary will deliver in this Chamber his first budget since he took office. Everyone knows that the surplus will be over \$100 billion. The Government has recently disclosed that it will "hand out money", but both the ADPL and I hope that the Government will not only share with the grassroots the fruits of economic prosperity, but also take this opportunity to rectify some of the policy directions and objectives. Besides offering a one-off rebate, it should also restore the level of the social security expenditure which has been reduced in times of economic gloom. Such expenditure reduction initiatives have made the grassroots "tighten their belts". Meanwhile, a more important initiative is to review the existing social security system in order to rectify the problems and loopholes therein.

With these remarks, I support the motion.

MR WONG KWOK-HING (in Cantonese): Deputy President, the purpose of the Comprehensive Social Security Assistance (CSSA) Scheme is to help the disadvantaged groups and establish a safety net to protect the livelihood of recipients with temporary financial difficulties. As at the end of March last year, the number of recipients was 510 000, representing an increase of 74.1% over the past decade. The expenditure incurred has increased from \$9.4 billion a decade ago to \$17.6 billion in 2006-2007, with the rate of increase amounting to 89.4%. Although this Scheme has contributed to social stability, it has revealed another question, that the wealth gap in Hong Kong has been expanding instead of narrowing. Thumbing through the information, we found that the last CSSA review was conducted way back in 1996. In the past 12 years, the economy of Hong Kong has seen volatile fluctuations. It is only in recent years

that the economy has begun to pick up. In the meantime, economic recovery has not brought about any improvement to the livelihood of the grassroots. On the contrary, the livelihood of some grassroots has even deteriorated. The wealth gap problem is worsening, and so is its impact on society.

According to the statistics of the Hong Kong Council of Social Service, in 2006, the total number of people in low-income households in Hong Kong was 1 336 873, accounting for 20.1% of the total number of people living in households. Among these people, the number of those in low-income households on the outlying islands has surged from 16 684 in 2001 to 32 880 in 2006, representing an increase by almost one-fold. For some districts on the outlying islands, due to the population growth in the new town of Tung Chung, the number of people in low-income households in these districts has even been rising continuously. Besides, Yuen Long is the district with the highest proportion of people in low-income households throughout the territory, reaching 25.8%. This suggests that the problem of poverty is in fact very serious in remote areas or new towns. Over the past 12 years, this problem has become more and more prominent. Given this, the Government must attach great importance to the efforts made by the Subcommittee in the past three years and the views and aspirations expressed by the some 80 deputations, and comprehensively review the existing outdated CSSA Scheme as soon as possible.

Deputy President, at present, adjustments to the CSSA payment rates are worked out solely on the basis of the movements in the Social Security Assistance Index of Prices (SSAIP). However, the SSAIP only reflects the price trend but not the additional expenses on daily living, basic necessities and the children's needs incurred as a result of the social development in the past 12 years, such as the fees on students' participation in extra-curricular activities and the monthly charges for children's access to the Internet. Using prices as the sole basis for adjusting the CSSA payment rates cannot reflect the actual situation and will also create an additional burden to CSSA households. Besides, the authorities also reduced the standard CSSA payment rates and other special grants on bases other than those under the SSAIP mechanism in 1999, causing the CSSA payment rates to deviate from the required level. Furthermore, able-bodied CSSA recipients are currently required to participate in a number of employment support programmes, which has indirectly caused an increase in their expenses. Take Tung Chung and Tin Shui Wai as examples, if CSSA

recipients living in these districts have to travel to and from their workplace in the urban area, the cost of their transportation will be about \$40 to \$50 per day, not to mention the expenses on meals. For CSSA recipients, the pressure from this is immense.

Deputy President, after 21 meetings, the Subcommittee of this Council has submitted eight recommendations to the Government, some of which have to be reviewed expeditiously for improvements to be made. Given that the last CSSA review was conducted in 1996, it is imperative for the authorities to comprehensively review the CSSA Scheme as soon as possible, include certain items as essential considerations in calculating the CSSA payment rates, and lay down a more comprehensive reference index to take account of social changes in order to ensure that the CSSA payment rates are adequate to meet the actual needs of recipients. Besides, prices have been soaring in the past year. But even at this time of high inflation, the price indices last year are still used as the basis for determining CSSA payment rates. This time lag of one year has attracted widespread criticisms in society. However, the Government seems not to care about it. The Subcommittee has thus proposed that, in face of high inflation and the serious time lag, adjustments to CSSA payment rates should be made on the basis of the SSAIP of the latest month. Can the Government deal with matters of urgency in an urgent manner? I think it is necessary for the Secretary to respond to this. Besides, CSSA applicants are currently required to meet the seven-year residence requirement. But what happens is that parents who are unable to meet this seven-year residence requirement are forced to apply for CSSA in the name of their newly-arrived children, resulting in the sharing of one CSSA payment by two people. I guess this is also a characteristic of "one country, two systems". This has created a great impact on the development of not only the children but also society. I think such practice in which the CSSA payments applied in the name of the children are used to subsidize the adults should not be overlooked by the Secretary. Although the Director of Social Welfare has the discretionary power to relax the seven-year residence requirement for CSSA applications, there is no clear guideline on the exercise of such power, and this will easily cause discontent among applicants and concern groups. In this regard, can the authorities further consider relaxing the relevant requirement? Besides, the original CSSA Scheme has not addressed the problem of district-based poverty caused by the remoteness of new towns, and no improvement has been made to it to keep abreast of the times. Has the Government turned a blind eye to this? Therefore, I hope the authorities can fully implement the various recommendations proposed by the Subcommittee. With these remarks, Deputy President, I support the motion.

DR KWOK KA-KI (in Cantonese): Deputy President, first of all, I would like to thank Dr Fernando CHEUNG for proposing this motion, though he is not present at the moment. Besides my attendance at some of the meetings held by the Subcommittee, many groups and CSSA recipients have actually taken part in the meetings over a long period of time before. I believe they will be greatly disappointed should they hear the Secretary's initial response today, saying that the Government is against or unwilling to heed the proposal of conducting a review.

The three discussion items once raised by the Panel on Welfare Service which has just concluded its meeting very much warrant our attention. They relate to the Family Council, the Child Development Fund and ways to offer assistance to poor children. We have very often heard the Government indicating to the public or through the media that the CSSA system basically works well, and the amount of CSSA payments is not at all small.

Regarding the use of a four-member household by the Government as its basis, first of all, I do not consider it adequate for the Government to use a four-member household as its basis simply because every household has its own considerations. Furthermore, many of the cases known to us are not four-member households. Of all the CSSA cases, many are new arrivals, and some are single-parent households. The amount of CSSA payments received by them is far below \$10,000, the amount received by a typical four-member household all along depicted in government propaganda.

Second, we are discussing the provision of a better environment for children and specifically the establishment of a Child Development Fund. However, for these poor children, the Fund is like a treat to shark's fin soup. This is because even their daily meal and bread, as their minimum requirement, are inadequate. If they are not provided with the means to meet their basic needs, learning and extra-curricular activities, how useful will it be even if they are told that a Child Development Fund is going to be set up? Furthermore, the establishment of the Fund is a slow and long process. I believe only a small fraction of the children will have the opportunity to receive assistance from the Fund.

Furthermore, we observe that, like other members of society, many children from poor and single-parent families face problems that need resolving. For instance, they might have problems associated with learning obstacles, learning hardship or minor mental illnesses. Under the existing system, young psychiatric patients can hardly receive any formal subsidy from the Government. The government assistance offered to them will come to an end when they reach another stage as secondary school students. Furthermore, the Education Department will take over the responsibility from primary schools. However, as Members should be aware, basically, children requiring assistance, with learning obstacles or various kinds of problems are badly in need of assistance. As the assistance offered to them will cease once they reach six years of age, their problems will definitely continue. And basically, they will not receive any more assistance.

Some single-parent households or households that have to take care of these children can only reduce their already meagre spending in order to save \$500. As a result, their children can only attend one session of occupational therapy a week, though they have been told by therapists that they have to receive treatment at least twice a week. Even if they wish to wait for the services provided by the Hospital Authority (HA), the HA has already made it very clear that not only are its resources inadequate, its focus will also not be put on children with learning obstacles. It would rather use its limited resources for treatment of such patients as work injury rehabilitants and patients suffering from bone fractures. I think both Honourable Members and the Secretary will understand what I mean.

How can children develop in these families in difficulty which cannot obtain assistance from the Government? Our appeal to the Government to review the CSSA Scheme is definitely not focused merely on money. Later, I will also discuss the issue of CSSA payments. However, the needs of different households are varied. Actually, they are waiting to see a change in the Government's actions so that they will have a chance to receive assistance other than financial assistance. Of course, they are still required to pay for such services. However, it does not mean that the Government can go away by simply putting some money into their pockets. Is it responsible of the Government to fail completely to consider these approaches and flatly refuse to conduct a review?

We want to help these people because we do not hope to see their children grow up in such a tough environment generation after generation. As we can foresee the difficulty encountered by them in learning and even employment, efforts must be made at this stage. The Child Development Fund is not useless. But basically, it cannot help a large number of families. In the end, CSSA is their only lifeline. Should the Government fail to make efforts on this front, our society will become ruthless, and the Government itself will become ruthless, too.

Another point concerning the amount of CSSA is that, even if we disregard the fact that the Secretary has merely offered an increase of 2% this year without adequate consultation, we can still hear that there have been increases in the prices of everything from meat, vegetables, rice to bread. I believe the Government will also allow modes of transport to raise fares shortly. Basically, the amount of CSSA increased is far behind inflation. I believe with the appreciation of value of Renminbi and prices of goods from the Mainland, grass-roots households in Hong Kong will suffer terribly this year. It is simply unreasonable of the Government to refuse to conduct a timely review at this moment. At present, both households of different compositions and people with different needs are in need of special assistance from the Government, whether in terms of the payment amount or the method of calculation. Both substantial assistance and financial assistance are badly required.

We have huge reserves and plenty of money. Of course, I do not, and cannot, agree to exhausting our reserves. However, we can now see that the poor population in our society has exceeded 1.3 million, and yet the Government is still acting like a miser by turning a deaf ear and a blind eye to the plight of the poor. Such being the case, how can our society be caring and just? How can these families or their next generation have a chance to grow up in a not so bad environment (I dare not describe it as perfect) so that they can become self-reliant again?

May I ask if the Government is merely indulging in empty talk by saying that it is committed to creating a truly caring and just society? It is now timely for the Government to conduct a review in the light of the actual needs of the people and society for the purpose of giving the people a fair deal.

I so submit. Thank you, Deputy President.

MR TAM YIU-CHUNG (in Cantonese): Deputy President, in a harmonious society, the Government must proactively help the disadvantaged such that the needy can have their housing, medical and education needs met and maintain their basic living. The CSSA Scheme, as the major measure of social security in Hong Kong, functions as a safety net in society. For this reason, our society must endeavour to ensure that the safety net performs its function on a long-term basis.

The Subcommittee on Review of the Comprehensive Social Security Assistance Scheme (the Subcommittee) of the Legislative Council has made a series of proposals on improving the CSSA system. The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) supports the direction proposed in the report. Furthermore, we would like to take this opportunity to express again our requests in several areas.

The first point I would like to raise is related to the adjustment mechanism. There has been a long-standing requirement for the CSSA system to make adjustments in the light of inflation or deflation in order to maintain the actual purchasing power of CSSA payments. Though the establishment of the mechanism has long been recognized and supported by society, the Government has sometimes failed to act strictly according to the mechanism, thus causing a lot of controversy. During the years before 2003, the Government had, probably based on some over-optimistic assumptions, failed to lower the CSSA amount in the light of deflation with the expectation that the amount could be offset when inflation returns in the future. Though the Government was originally well-intentioned, the actual economic environment has rendered the government calculations inaccurate. Consequently, this has led to a one-off adjustment of the excess CSSA accumulated over the years, causing a relatively profound impact on CSSA recipients.

Now Hong Kong has once again entered another cycle of inflation. In particular, the most prominent increases in food prices have imposed considerable financial pressure on CSSA households. A delayed adjustment of CSSA payments will therefore make living extremely difficult for CSSA recipients during a certain period of time. This is why we consider it necessary for the Government to revise the existing adjustment mechanism to address the realistic hardship encountered by CSSA recipients.

The second point I would like to raise concerns the elderly on CSSA. At present, the vast majority of the elderly in Hong Kong do not enjoy any pension. CSSA has therefore become a financial source providing them with a basic and stable living. Though the monthly living expenditure of the elderly is basically quite stable, the scope for reduction is limited. Furthermore, the elderly have long grown accustomed to a level of living standard commensurate with the level of their CSSA payments. Therefore, insofar as the elderly are concerned, it is most important for their CSSA payments to remain stable so that they can rely on CSSA to support their living and live with a sense of security.

In addition, private residential care homes for the elderly residents and people with disabilities requiring nursing care have to rely on CSSA to pay for their residential care home or nursing expenses, but these expenses will not be reduced as a result of deflation. An assessment standard based on the normal mode of living is therefore not applicable to these people, and their CSSA amount should not be reduced in the light of deflation. This explains why the DAB considers that the Government should expeditiously refund the slashed CSSA amount to the elderly and people with disabilities. Furthermore, the Government should further review the existing CSSA system and establish a better adjustment mechanism for these people by such means as waiving the requirement of reducing CSSA payments in the light of deflation and, on the contrary, increasing the CSSA amount in a timely manner in the light of the economic conditions so that their CSSA amount can be maintained in a stable condition with occasional upward adjustments.

The third point I would like to raise concerns the Portable CSSA Scheme for Guangdong and Fujian Provinces. The number of participants of the Scheme, implemented for a number of years, is still maintained at around 3 000. Up to January this year, a total of 3 185 elderly people living in Guangdong and Fujian Provinces are still on CSSA. Judging from the statistics, the Scheme is apparently a failure, mainly because of a lack of ancillary health care services. In addition, many elderly people who wish to return to their hometowns to spend their old age there are forced to abandon their plans as elderly public housing tenants are required to surrender their public housing flats.

Over the past three years, inflation has continued to worsen on the Mainland, and the value of Renminbi has also appreciated. If the purchasing power of the elderly is used as the basis for calculation, their CSSA amount has in effect gone down by 23% on the Mainland. For this reason, the Government should consider raising the amount of CSSA payments for elderly CSSA recipients under the Portable CSSA Scheme for Guangdong and Fujian Provinces to help them pay for their medical expenses and, in the light of inflation and fluctuating exchange rates on the Mainland, raise the basic amount of their CSSA payments to make up for their diminished purchasing power.

Fourth, we hope to deal with unemployment CSSA through different channels. In conducting a comprehensive review and reform of the CSSA system, the Government should start by dealing with unemployment assistance and welfare benefits through different channels. The Government should, through launching a comprehensive re-employment support scheme, offer a six-month unemployment allowance to eligible applicants and, coupled with the provision of vocational skills training and employment counselling, help the unemployed to re-enter the labour market, thus preventing them from relying on the CSSA system on a long-term basis. On the other hand, the Government must improve the income deduction measure by raising the amount of income deduction for CSSA recipients going out to work to \$3,500 to encourage CSSA recipients with working capacity to continue working and prevent their detachment from society.

Deputy President, insofar as different categories of CSSA recipients are concerned, we should offer them further assistance according to their unique circumstances. Moreover, the CSSA system should be constantly improved through regular review. With regard to non-CSSA elderly, the DAB would like to appeal to the Government once again to consider introducing a maintenance grant scheme for the elderly. In other words, elderly people reaching the age of 60 will receive from the Government a monthly maintenance grant of \$1,200, provided that they meet the asset and income requirements, for the purpose of improving their livelihood (*The buzzer sounded*) to share the economic benefits of society.

DEPUTY PRESIDENT (in Cantonese): Your time is up.

MR ALAN LEONG (in Cantonese): First of all, Deputy President, I would like to thank Dr Fernando CHEUNG, Chairman of the Subcommittee on Review of the Comprehensive Social Security Assistance Scheme (the Subcommittee), for the efforts made by him over the years. Without anybody noticing it, the Subcommittee has existed for more than three years. During the period, Dr Fernando CHEUNG did his utmost to lead all the discussions on the review and induced members to examine the existing CSSA Scheme from different angles. As a member of the Subcommittee, I have to express my gratitude to Dr Fernando CHEUNG.

Deputy President, the Report of the Subcommittee has put forward concrete proposals in many aspects. I think the Government should seriously and promptly address them, including urging the Government to improve the adjustment mechanism of CSSA standard payment rates; conducting a comprehensive review of the adequacy of CSSA payment rates; reviewing the basic needs of children and elderly on CSSA; reviewing the special grants; reviewing the discretion to waive the seven-year residence rule and the one-year continuous residence requirement; reviewing the Intensive Employment Assistance Projects (IEAPs); and reviewing arrangements for single-parent families under the CSSA Scheme.

Deputy President, it is unfair that students from poor families in Tin Shui Wai have never visited the Cultural Centre because of the need to save the transport expenses; it is unfair that an 80-year-old elderly, who has contributed to Hong Kong economy, has to collect cartons in heavy rain and sell them for 70 cents a catty and, what is more, buy scraps of vegetable or expired food to support their living; and it is also unfair that many CSSA families cannot afford to purchase computers or install broadband facilities such that their children cannot, like other students, do their homework on the Internet.

Hong Kong is an affluent society. We are absolutely capable of and we have the conditions for making our society fairer.

Deputy President, as the safety net of last resort for providing social security, the CSSA Scheme indeed has scope for improvement and perfection. While many specific measures of the CSSA Scheme have failed to cater for the present social situation, some measures are even impractical. Hence, it is imperative for the Government to conduct a comprehensive review of the current CSSA Scheme and cease using "proven" as its protective shield in delaying the review of the CSSA Scheme. This approach is indeed out of step with the present-day circumstances. A caring government must take care of the disadvantaged in society.

With regard to the current CSSA Scheme, Deputy President, I would like to say a few words particularly on the disregarded earnings (DE) arrangements under the IEAPs. According to the Government's relevant document, the DE policy "enables CSSA recipients who work to be financially better off than CSSA recipients relying totally on benefits so as to encourage recipients with working capacity to find jobs and remain in employment". In addition to financial considerations, I believe employment can also enhance their self-confidence and dignity, thereby enabling them to re-enter and adapt to society. Therefore, I agree with the notion of encouraging CSSA recipients with working ability to become self-reliant.

However, Deputy President, when we carefully examine the specific DE arrangements, we will find that the arrangements under the policy can simply not provide adequate incentives to encourage CSSA recipients to proactively re-enter the labour market. At present, the first \$800 of the monthly income of a CSSA recipient could be totally disregarded and his remaining income could be split into half with the Government, subject to a ceiling of \$1,700. In other words, under the DE policy, if a CSSA recipient finds a job offering him \$4,200 per month, \$1,700 will be deducted from his CSSA payment, leaving him with only \$2,500. If transport fees and such essential expenses on meals and clothing are deducted, basically only very little money will remain. This shows that the existing DE arrangements can simply not induce CSSA recipients to re-enter the labour market. It seems that the Government's policy objective, as described by me earlier, has failed to realize.

Deputy President, many CSSA recipients have a relatively low bargaining power in society. Even if they can find jobs, their wages are often not very high. Hence, the actual effect of the DE policy is not to encourage CSSA recipients to find jobs but, on the contrary, to give people an impression that CSSA recipients finding jobs are being punished.

Deputy President, should the Government wish to help CSSA recipients take up employment again, the DE arrangements must be reviewed. Of course, I am not saying that reformulating the DE scheme alone can stimulate CSSA recipients to find jobs. On the contrary, the Government must introduce a basket of ancillary measures to help CSSA recipients find jobs. From the angle

of society as a whole, this is definitely a good thing because the provision of extra manpower resources in society will definitely contribute to social and economic development.

Actually, what is worthy of review is more than the DE arrangements under the CSSA Scheme, for proposals have been made in the Report regarding other areas warranting review. I hope the Government can expeditiously conduct a comprehensive review of the existing CSSA Scheme.

I so submit.

MRS SELINA CHOW (in Cantonese): Deputy President, the objective of the implementation of the CSSA Scheme is to provide people in financial hardship with a safety net and help them meet their basic needs. However, inflation has worsened, and food prices have seen appalling increases recently, with the price index of food having risen by more than 10% in December 2007 over the corresponding period in 2006. The prices of pork and beef have even gone up by 40% and 30% respectively over the previous month, and the price of eggs has risen 22%. In order to save expenses to battle inflation, CSSA households can only eat leftovers at every meal. Some people have even resorted to freezing canned luncheon pork and then cutting it into thin slices to give their children a false impression of a larger dish. Some would even keep steamed fish gravy and later mix it with rice to eat. Their condition can be described as miserable.

The Subcommittee on Review of the Comprehensive Social Security Assistance Scheme (the Subcommittee) of the Legislative Council has conducted a three-year study and put forth a substantial number of proposals for improving the CSSA Scheme. The attitude adopted by the Liberal Party towards many of the proposals is positive.

For instance, during the debate on the two motions on "Coping with inflation" and "Sharing the fruits of economic growth by all the people", the Liberal Party proposed and agreed with shortening the CSSA review cycle. This is because, although the Government already raised the CSSA standard rate by 2.8% this month in accordance with the yearly review result, the rate of CSSA payment is evidently lagging behind compared to last year's inflation rate of 3.8%.

However, regarding the Subcommittee's suggestion to adjust the review cycle to monthly according to the Social Security Assistance Index of Prices (SSAIP), we are worried that the rate of adjustment might be absolutely insignificant. Insofar as CSSA recipients are concerned, they will probably find themselves at a loss. But, administrative costs will be greatly increased conversely.

However, I also consider that the root of the plight of CSSA recipients lies in whether CSSA rates can truly reflect their genuine needs and provide them with appropriate support. At present, the relative weightings of various commodities and services in the SSAIP are reviewed once every five years. As the previous review was conducted in 2004-2005, the next review will be conducted next year at the soonest. However, "food items" are currently prescribed to account for only 36% of the total expenditure of CSSA households. It has been pointed out by some academics that the proportion of CSSA payments spent by CSSA recipients on food has already risen to 60%. In other words, the impact of food inflation on CSSA recipients is simply not fully reflected in their CSSA payments.

In addition, the various components of the SSAIP which serves to reflect the basic needs of CSSA recipients have not been reviewed over the past 13 years. They have evidently lagged behind the times.

Children are the future pillars of society. Whether they are rich or poor, their physical and mental development must not be overlooked. Though the CSSA is said to have covered all expenses incurred by children in learning, with tuition fees, subsistence and expenses on transport to and from schools being covered by special grants, Internet charges and purchase of computers are not included in CSSA for children — though we in the Liberal Party have made a lot of effort in the context of the poverty alleviation fund.

(THE PRESIDENT resumed the Chair)

President, knowledge can change one's destiny. In particular, given the present knowledge-based economy, if children are denied the opportunity to access the Internet and restricted, to a certain degree, in the use of computers, will a knowledge divide be thus created? I am worried that the

inter-generational poverty problem will only deteriorate in the end. Therefore, the Liberal Party proposes that the Administration consider separately setting up a special grant for the payment of monthly charges for using the Internet and telephone lines by CSSA households with children who are studying to enable students to utilize Internet services at home. Furthermore, their needs for computers should also be reviewed from time to time.

Furthermore, learning for students is currently no longer confined to classrooms. Instead, students have to participate in activities outside their schools. Therefore, we agree to issuing a grant to children on CSSA to enable them to participate in extra-curricular activities on a regular basis. Moreover, the grant should cover all transport expenses incurred for the purpose of participating in activities to prevent students from losing their opportunities of participating in extra-curricular activities.

Another point related to children is the provision of a special grant to cover the costs of spectacles. I remember that we sponsored 2 000-odd pairs of spectacles under the poverty alleviation fund in 2005 to spare children from suffering from eye problems. Although applications for this grant were later resumed by the Social Welfare Department (SWD), SWD staff have very often doubted whether there is a need for spectacles when processing the applications. Apparently, there is a need for a review.

President, the Liberal Party supports the proposal of relaxing the disregarded earnings (DE) arrangement because it is simply impossible for the existing DE system to provide adequate incentives to induce CSSA recipients to go out to find jobs.

Thank you, President.

MR LEE WING-TAT (in Cantonese): President, as many Honourable colleagues have talked about reviewing the CSSA Scheme, I am not going to repeat it.

I think that the current situation reveals an extraordinary phenomenon, that is, our established system can hardly accommodate such drastic changes. It is most important for the Secretary, who is sitting here today, to pay attention to such changes. The Civil Service has a proven practice of conducting regular reviews of all its systems. There is no need for us to criticize the Government regarding this.

However, as pointed out by many colleagues earlier, the problem is, insofar as CSSA families are concerned, the expenditure on food represents a substantial proportion of 30% to 40%, and even up to 60%. In other words, the soaring inflation of the prices of food in real terms has literally eaten into CSSA payments *vis-a-vis* other expenses, as food consumption is vital to humans. Some CSSA families even have to reduce the amount of food or lower the standard of food. We can also see that some CSSA households buy vegetables just before the markets are closed, because prices are lowest at that time.

Therefore, what the Secretary probably needs to do or considers at the moment is to examine, before conducting a full review, whether there is a need to build in a new mechanism to give the Bureau or the Government flexibility in the event of drastic movements in inflation. I believe members of the public will not mind Because of soaring inflation, the Government should conduct a minor, medium-term review before conducting a comprehensive one with a view to giving these families a little bit support, adjusting CSSA payments a little bit higher, or offering them certain subsidies to ensure that their living standard will not fall. I believe members of the public will understand this. Actually, the Government does not seek to give special support by offering them more money. However, for the sake of maintaining their basic standard of living, it is necessary to do so.

Furthermore, this is not an extraordinary situation. Members should have vividly seen from news reports the surge in prices of pork and other food items on the Mainland. As Members are aware, this is vitally important to households requiring protection of their basic living.

The Secretary should actually consider one point. The current situation is certainly extraordinary in the sense that food prices have soared so markedly within half a year, the Government should consider whether or not to build in new flexibility within the existing mechanism to do a better job. The Government should consider this. Of course, some people will ask what will happen in the event of a sudden deflation of 10% in the future. Some people have asked me this question. Unless deflation is very serious, I think there is no need for us to treat the poorest so harshly because each of them will only receive \$100 or so at the most, even if the deflation rate reaches 10%. I think our

society should act with generosity so that the amount of CSSA payments will not change in the event of such changes. However, action has to be taken in the event of inflation.

The second point I must raise concerns mainly rent payment. I request the Secretary to consider establishing a built-in mechanism because, unlike what Members imagine, many CSSA households do not necessarily live in public housing. About 10 days ago, we received a number of families living in caged homes, cubicles and dilapidated suites in old districts in the Complaints Division of the Legislative Council. Some of these families spend nearly \$1,500 or even \$2,000 to rent a suite in an old building. We will certainly ask this question: Why do they not apply for public housing? I hope the Secretary can consult his colleague, Ms Eva CHENG, in the future. Though it has often been said that the waiting time for public housing is very short, this is not entirely correct. Though the average waiting time is around two years, this is only an average figure. A three-member family might, for instance, have to wait for two years before it is allocated a public housing unit. Should it opt for Tin Shui Wai or Tuen Mun, the waiting period can be shortened to one year.

Nevertheless, depending on their age, not all CSSA singletons can be allocated public housing units immediately. A CSSA recipient aged 40 might need to wait for almost 10 years. If he is in his 30s, he might need to wait for more than 10 years. A household might not be qualified to apply for public housing should a relatively large proportion of its family members do not meet the seven-year residency requirement. In other words, for various reasons, tenants of certain categories might never be able to apply for public housing. What can they do? They can only opt for cubicles, caged homes, or dilapidated suites. However, the rent of the suites has increased dramatically over the past year. This explains why I hope the Secretary can take this point into consideration as well. They certainly would not wish to sleep on the streets. However, the rent of an old suite has increased from \$1,200 to \$1,500. Though the amount of increase is just \$300, the percentage is actually very large. The Social Welfare Department will not raise their CSSA payments because the rent of their suite has increased by \$300. What can they do then? They can only set aside \$300 from their food expenses to pay for their rent.

A couple of complainants whom we met last time felt extremely outraged because they considered that the information provided by the Government to the public was not entirely accurate. The Transport and Housing Bureau has often

said that the waiting period for public housing is very short, and it takes only 2.6 or 2.3 years before public housing applicants can be allocated public housing units. However, for singletons or some non-qualified households, the waiting period can last five to 10 years. Hence, I hope the Secretary can ask Secretary Eva CHENG for information as reference in considering the scheme. For those people who are denied public housing units, their expenses on rent during the transitional period have caused them serious headaches. Should the Government fail to address this problem, I believe the standard of living of these people will drop drastically. I hope the Secretary can consider these issues together with others.

Thank you, President.

MR LEUNG YIU-CHUNG (in Cantonese): First of all, President, I would like to thank the Subcommittee for meeting with many deputations and holding a number of meetings and, after collecting and summarizing a lot of data, coming up with seven proposals. Of these proposals, the first one is to request the Government to conduct a comprehensive review of the CSSA Scheme expeditiously. President, I very much agree with this proposal because I consider that the issue of CSSA has stirred up a lot of deep-rooted internal conflicts in Hong Kong society over the past years. Why am I saying this? Because over the past few years, President, there have been media reports alleging that some CSSA recipients — particularly CSSA abusers — can afford to keep second wives, go travelling, patronize restaurants rather than making their own meals or play mahjong with their CSSA payments. As a result, people in desperate need of CSSA are put under tremendous social pressure. What is more, many needy people dare not apply for CSSA and resort to unlawful acts, which is extremely regrettable. I believe you, President, has also heard of a news report about an unemployed man being taken to court for stealing bread from a bakery after he had nothing to eat for several meals in a row. Even the judge took pity on him and gave him some money from the Poor Box to help him tide over his difficulties.

Actually, it should be understood that CSSA is meant to help the needy. I believe Members will not disagree. But, CSSA has worsened the problem by creating internal social conflicts. Our society — particularly the Government — has often emphasized the importance of social harmony. On the contrary, however, as it tries to help some people, the Government has caused contradictions in society. What good does it bring? Therefore, it is really worthwhile for a review to be conducted expeditiously.

In addition to these issues, which are worthy of review, there is an even more important issue which needs to be reviewed. As pointed out by many Honourable colleagues earlier, two phenomena can now be seen in society. On the one hand, we have abundant reserves and, on the other, we face drastic inflation. Under such circumstances, current CSSA recipients or people at risk are actually in urgent need of assistance. However, it seems that what we can do is to wait until the review is completed before there can be an opportunity for improvement to be made. President, the poor are really suffering terribly. I see that some As mentioned by many Honourable colleagues earlier, some people have to divide up their food into many meals or buy food scraps from markets just before they are closed. Are these phenomena acceptable to such an affluent, prosperous, civilized and caring society? If we consider this unacceptable, should we not act promptly to make changes to prevent other people from laughing at us because of the emergence of these phenomena in our society? Apart from this, these phenomena will disgrace our society, too.

As regards the second proposal, I know that you, the Secretary, being a very caring person, will often visit the districts to get in touch with the needy. I believe you have personally witnessed such situations, too. Please do not wait any longer. You really have to work out solutions and examine how to help these people. I really cannot see how the Government is helping them.

Besides the second issue, which is worthy of review, the third issue is equally important, too. President, I am talking about family harmony. However, our CSSA Scheme is not fostering family harmony, for it divides families and creates family disharmony on the contrary. Why am I saying this? President, as Members are aware, families, not individuals, are considered as a unit under the current CSSA Scheme. If individual needs are used as the basis for calculation, the children of the elderly in need will have to sign the so-called "bad son statement", should they find it difficult to support their elderly parents, before the elderly in need can apply for CSSA so that they will not have to ask their children for money. Sometimes, they cannot do so even if they are willing to ask their children for money because their children cannot even take care of their own living. How can they take care of the elderly?

The Government's decision to act in that manner back in those years was to make the children observe filial piety and take care of the older generation. However, President, this was actually like how Mr TUNG encouraged the people to buy properties. If people had money to buy properties, would they still need any encouragement? If people had money to support the older generation, would they still government encouragement. It has long been the tradition of Chinese people to observe filial piety. We all understand this, but the problem is, when some people cannot even meet their own living expenses, how can they support the older generation? This has eventually led to separation of family members by, for instance, splitting of households or children leaving their parents who will have to make their own applications for CSSA. Consequently, this will result in separation of family members or family disharmony.

Some children say that they will definitely not apply for CSSA and, therefore, their parents have to work out solutions for themselves. Under such circumstances, what can the elderly do? Currently, they can only live on the "fruit grant". However, as Members are aware, the "fruit grant" is so meagre that it cannot help the elderly meet their daily needs. Hence, these issues are in urgent need of improvement. Should the Government refuse to conduct a review immediately and leave the matter to a later date, the problem will only worsen.

Actually, I approve of every one of the numerous proposals made by the Subcommittee. For instance, like the problems mentioned by me before, the fifth and sixth proposals point out that using family as a basis for application will lead to very serious problems.

Therefore, I hope the Secretary can change his mind. We are not advocating indiscriminate spending. However, because of the flaws and inadequacies of the Scheme, there is an urgent need for a review to be conducted. I hope the Secretary can, after listening to today's debate, really conduct a review expeditiously to resolve our social problems and avoid the emergence of polarization and disharmony in society. President, I so submit.

MR ALBERT CHAN (in Cantonese): President, we have actually been exerting pressure on the Government over a review of the CSSA Scheme for more than a decade. I recall that, in the mid-1990s, Prof MACPHERSON of The Hong

Kong Polytechnic University was invited to explain to us the level at which CSSA payments should be set before they could be considered reasonable and not falling below the level of abject poverty. Furthermore, the professor made some concrete suggestions to Honourable Members then.

Over the years, we have been pressing the Government to tell us the authority or calculation method on which it has based in prescribing that a monthly payment of around \$1,400 is enough for a person to live in such an affluent, prosperous and beautiful metropolis, given that the Government has been so authoritative as to set a CSSA level at \$1,400 to \$1,500 for each person.

Regarding this question, President, we have been pressing the Government for a reply for more than a decade and demanding it to explain and demonstrate to us by way of calculation how much should be spent on meals, transport, purchases of shoes and clothing, and so on. Even today, however, such a so-called "professional" government, emphasizing strong governance and supported by 160 000 civil servants, has still failed to give a reasonable explanation.

I vaguely remember Prof MACPHERSON said that, based on the calculation done at that time, the CSSA rate should be set at around \$3,000 for a person, that is, a person not being forced to live below the poverty line, to live in Hong Kong. At that time, we demanded that the Government might consider setting the level of CSSA payment at a reasonable living standard of 40% or 50% of the median wage of the general public. Alternatively, the Government might calculate on the basis of absolute needs by examining how much money would be required to enable a person to support a reasonable, humanitarian standard of living. However, the Government acted in such an authoritative manner that it gave the final word on the figure. Then it announced every year in a most authoritative manner that the decision to raise or slash the CSSA amount would be made in the light of the inflation rate of the year.

I consider it absolutely meaningless for the Government to use inflation as the determinant to increase or slash CSSA payments because the Government has never clearly explained to us how its base is set. Neither has it provided adequate and objective justifications to support the determination of the original base. Therefore, to discuss this issue with the Government President, this issue is raised again for discussion today. Despite Secretary Matthew CHEUNG's past performance — whether performance-wise or superficially —

though he appreciates and sympathizes with the needs of the grassroots, I still believe that we are wasting our effort. I would like to urge the Secretary to give us a clear explanation later and explain to us how the amount of \$1,400 is computed. How can the Government expect them not to live below the abject poverty line by giving them a mere \$1,400?

Nevertheless, President, this Government is very often selective in handling affairs, regardless of instituting prosecutions, conducting consultations or soliciting views. In his response later, the Secretary will similarly be selective in choosing his words and continue to turn a blind eye to the predicament faced by CSSA recipients. President, so long as the Government refuses to clearly explain how the base is set, we will keep pressing the Government in this Chamber to give us an account and explanation regarding this major issue.

President, the numerous issues raised in the Report also represent the queries raised by members of the community over the years and the problems confronting us in the districts every day. I received a case two days ago, when a couple holding two-way permits brought along their three children with the right of abode in Hong Kong to see me in connection with the issue of CSSA. A couple of years ago, I also tried to help a client, who was in his 50s, in a case personally handled by me in Tin Shui Wai. He had not been able to find a job for a couple of years and had difficulty making a living. Though we had advised him to apply for CSSA, he chose to commit suicide in the end as he was unable to face self-depreciation and dignity problems arising from making an application for CSSA. President, this is already the third time I cite this example in this Chamber.

In my opinion, the review should not be confined to the CSSA level or eligibility. CSSA should be treated as a kind of assistance to which members of the public are entitled. As one of our rights, CSSA is extremely important, and it should not be treated as alms. The Government should not confine its assistance to the elderly, the vulnerable and people with disabilities. When members of the public are hit by abrupt economic changes for the worse, they should be entitled to CSSA as a right.

President, minimum wage protection, which is different from the notion of CSSA, has been implemented in Scandinavia for decades. CSSA in Hong Kong actually represents a combination of various kinds of services. For instance, people in special financial hardship have to apply for CSSA. For many elderly people, CSSA is simply tantamount to pension because the Government does not provide them with pension. To some people, CSSA is tantamount to unemployment relief because the Government does not provide them with formal unemployment insurance.

Such an intricate CSSA system, which does not resemble anything, has left many members of the public in limbo and instilled in many people a notion of discrimination against CSSA. This is why I think that the Government should rectify this mistake and expeditiously do justice to CSSA recipients thereby preventing them from developing a sense of inferiority or losing their dignity and preventing the growth of many adolescents from being seriously hampered. I hope the Government can change its attitude to prevent us from continuing to waste our effort.

Thank you, President.

PROF PATRICK LAU (in Cantonese): President, I support a review of the methodology for determining and adjusting the payment rates under the Comprehensive Social Security Assistance (CSSA) Scheme, so as to raise the standard of living of families receiving CSSA and truly attain the goal of "quality city and quality life", as proposed by the Chief Executive in his policy address. However, I agree that at the same time as we adjust the CSSA rates, the mechanism for granting CSSA should also be reviewed, so as to avoid abuse of CSSA, ensure the reasonable distribution of public resources and help people in genuine needs.

In reply to the question that I asked in May last year, the Government said that in the short period of eight months from August 2006 to March 2007, over 100 children born in Hong Kong to mainland parents who were not Hong Kong residents had applied for CSSA. Although the Government was concerned about this situation, it had not carried out any study on its long-term impact on our social welfare system, nor had it put in place any measure to prevent abuse of the CSSA Scheme by non-residents.

In fact, an increasing number of mainland women are coming to Hong Kong to give birth to their children. If no measure is formulated as quickly as possible to plug the loopholes, I am afraid more people on the Mainland will entrust the care of their babies born in Hong Kong to their relatives, so as to apply for CSSA by taking advantage of the exemption of people under 18 years of age from the seven-year residence requirement, then remit part of their CSSA payments to the Mainland to supplement their family income. At the same time, more people on the Mainland, in particular, women and elderly people, will apply for settlement in Hong Kong on the ground of family reunion, then apply for discretionary waiver of the seven-year residence requirement on the ground that they have to take care of their young children at home and are therefore unable to take up any outside work.

Since the existing mechanism already permits people in genuine needs to apply for discretionary waiver of the seven-year residence requirement and from January 2004 to January 2007, there were more than 2 200 cases in which waiver was granted, I do not think it necessary to relax the relevant requirements, thus further increasing the risk of abuse and leading to the situation of "easy to lax but difficult to tighten up".

President, apart from preventing abuse by non-residents, the CSSA system should also encourage employable people to leave the CSSA net as soon as possible, so as to concentrate resources on unemployable people in genuine needs, such as elderly people, people with disabilities and children. For this reason, I agree that the arrangement of disregarded earnings (DE) should be relaxed to encourage employment. The Government should meanwhile create more employment opportunities in local communities by such measures as enhancing the functions of District Councils, carrying out beautification projects and giving priority to the employment of CSSA recipients, so as to solve the problem of a lack of suitable jobs in the market and assist longtime unemployed CSSA recipients with low skill and low level of educational attainment to become self-reliant.

When we assist recipients in returning to the employment market, it is also necessary to ensure that they can earn a reasonable income. The arrangement of DE can prevent a sweeping suspension of CSSA payments, which will turn unemployed recipients into low-income earners and ultimately, make them prone to unemployment again and even lose the incentive to find employment. As a result, they will continue to rely on CSSA payments, which are greater in amount and more stable, for long periods of time.

I believe that in order to truly assist employable CSSA recipients who have been unemployed for long periods of time in returning to the employment market, we must maintain their motivation to remain in employment, so before these recipients succeed in finding work, they should be required to perform social services, for example, by delivering meals to singleton elderly people, performing services for occasional child care centres in local communities, providing escort service to people with disabilities, and so on. This can prevent able-bodied recipients from relying on CSSA out of habit, while providing assistance provided to people in genuine need.

In addition, the present rule of absence from Hong Kong for up to a maximum of 56 days a year makes it necessary for CSSA recipients who opt for returning to their hometowns in the Mainland to spend their twilight years to pay rents both in Hong Kong and on the Mainland, thus affecting the desire of elderly people in returning to their hometowns. In view of this, I believe consideration should be given to relaxing the relevant requirement. Enabling CSSA recipients, in particular, elderly people, to live in their hometowns is a win-win approach. This is particular so in view of the serious inflation now. By living in their hometowns, not only can recipients reduce their living expenses, the pressure on the Government arising from the calls to increase the rates of CSSA significantly can also be eased.

Meanwhile, when a study is conducted on a new mechanism for determining the rates of CSSA, the policy of applying for CSSA on a household basis should also be relaxed to ensure that elderly persons in need will not be denied the financial assistance they deserve due to the refusal of their family members to provide proof of not supporting them, thus increasing the risk of these elderly persons becoming "the unidentified elderly", as Mr LEUNG Yiu-chung pointed out just now. This will lead to even more deep-rooted social problems and consequently, more resources will be required to resolve this kind of deep-rooted social contradictions.

Therefore, I support a comprehensive review of the CSSA system, including raising the rate of CSSA payments and relaxing the application requirements appropriately. However, it is also necessary to enforce the policy of abuse prevention stringently, so as to ensure that public resources are used properly and concentrated on providing adequate protection to people in genuine needs, raising the standard of living and truly fulfilling the pledge of "quality living".

I so submit. Thank you, President.

MISS TAM HEUNG-MAN (in Cantonese): Madam President, in the 1970s of the last century, in order to maintain social stability and meet the demands of the people, the Government then introduced a safety net and implemented its policy on social security by way of public assistance. Subsequently, it evolved into the existing Comprehensive Social Security Assistance (CSSA) Scheme. However, nearly four decades have passed but it seems our CSSA system still cannot live up to social expectations.

First of all, I wish to ask this question. Can the existing CSSA system meet the reasonable basic needs of a family nowadays?

The rates of CSSA and the rate of adjustment each year are entirely determined by the movement of the Social Security Assistance Index of Prices (SSAIP). However, the method of calculating the SSAIP and the items of basic need included have all along been regarded as top secret. The social service sector, the academic sector and even Members of the Legislative Council have requested a number of times that the calculation method be disclosed but to no avail, so does the Government have a lot of secrets to hide? Or are the present CSSA payments insufficient, as even the Government itself has admitted? Or as pointed out by Dr Fernando CHEUNG just now, are items regarded as basic needs nowadays, such as telephone and newspapers, factored into the CSSA payment rates?

As accountants, when we want to review the financial situation of our clients, we have to ask them for the full set of accounts. Without the full set of accounts, even if an accountant were a "superman", it would still be impossible for him to offer insightful advice to enable our clients to improve operation. We request the Government to disclose the details of the mechanism simply because two heads are better than one and many hands make a task light. All we want is to help the Government improve the CSSA system so that all recipients can receive adequate assistance. I wish to state my demand emphatically again that the Government should disclose the criteria for calculating the SSAIP.

Madam President, apart from disclosing the details of the mechanism relating to the SSAIP, it is all the more necessary for us to conduct a review because the CSSA system nowadays is practically incapable of achieving the policy objectives laid down by the Government. The CSSA system is totally incapable of encouraging recipients to become self-reliant and re-enter society.

Some people would say that under the existing CSSA system, there is already an arrangement that enables employed CSSA recipients to retain part of their income. It is true that such an arrangement is already in place, however, under the present system, CSSA recipients can only retain the first \$800 of their income, while the next \$3,400 has to be shared with the Government half-and-half and the remaining income will be offset against the amount of CSSA payment. That is to say, a recipient can only receive a maximum of \$2,500 in additional income.

Certainly, \$2,500 seems to be a nice sum of money. However, after deducting the expenses incurred by employment, how much will this amount of money remain? To take a clerk living in Tin Shui Wai and working in Central as an example, it is necessary to spend at least \$60 to \$70 daily on transport fares and meals alone and the sum will be some \$1,000 or \$2,000 a month, so the actual additional income earned by a CSSA recipient amounts to only several hundred dollars monthly. With such a paltry sum of money, how can people be encouraged to become self-reliant? How can we help people leave the CSSA net?

Madam President, quite a number of people are unwilling to apply for CSSA due to the discrimination against CSSA recipients in society. I still remember that a single-parent mother with five children had to take five part-time jobs and work as many as 19 hours a day due to her unwillingness to apply for CSSA. As a result, she fell ill due to over-exertion and died suddenly of a heart attack, leaving behind five little children to fend for themselves. Why did such tragedies still occur in our society nowadays?

In the final analysis, families receiving CSSA are discriminated against because a small number of cases of CSSA abuse gave people the impression that "CSSA nurtures lazybones". If people apply for CSSA, they have to put up with the stigma of "social parasites". To most people, who really have the intention of becoming "parasites"? How can we tar them with the same brush and brand all families receiving CSSA in this way?

Although social perception is not something that the Government can change overnight, it does not mean that the Government can stand at the sidelines. The Government must make greater efforts to investigate cases of obtaining CSSA by deception and, to use the jargon on the Mainland, hit the swindlers of CSSA hard by singling out one or two serious offenders for severe punishment, so as to give a warning to other people. Only in this way can there

be hope that the impression of "CSSA nurturing lazybones" will be corrected. We must ensure that CSSA recipients really have a genuine need and deserve the help extended by society.

Madam President, I hope Secretary Matthew CHEUNG can seriously treat the Report that took Members a long time to prepare and the views expressed by Honourable colleagues in today's debate lasting several hours. Secretary Matthew CHEUNG has always been a pragmatic Secretary who shows compassion for disadvantaged social groups, so let us strive together from now on to make our CSSA system one that is truly geared towards and capable of solving the problems and keeping abreast of the times.

I so submit. Thank you, Madam President.

MR HOWARD YOUNG (in Cantonese): Madam President, the Liberal Party believes that the Government absolutely should provide appropriate support to the disadvantaged social groups that have genuine needs. The Liberal Party also agrees with most of the recommendations made by the Subcommittee on Review of the Comprehensive Social Security Assistance Scheme (the Subcommittee) of the Legislative Council in its Report. Mrs Selina CHOW stated this very clearly earlier. Apart from the issues raised by Mrs CHOW, such as how the level of CSSA payment should be determined, in fact, the Liberal Party is very concerned about another point and that is, the need of elderly persons for CSSA. For example, some people pointed out that CSSA applicants must not be absent from Hong Kong for more than 56 days in the year immediately before the date of application. If this rule can be relaxed, it will only be necessary for them to spend several days here each year to complete the formalities or show their presence and if the restrictions can be relaxed so that elderly people can settle in various provinces and cities on the Mainland instead of restricting them to living in Guangdong and Fujian, I believe these measures will greatly encourage elderly people to opt for returning to their hometowns to spend their old age on the Mainland and the meaning will also be positive.

At the same time, Madam President, I believe that, generally speaking, society strongly agrees that we must ensure the proper use of the expenditure on CSSA and prevent abuse. I believe all Members will also agree with this point. In particular, as the expenditure on CSSA has been increasing in Hong Kong in

recent years and the Government estimated that the expenditure on CSSA would reach \$18.3 billion this year, we believe this safety net of CSSA must be used cautiously. For this reason, the Liberal Party has reservation about some of the recommendations in the Report of the Subcommittee, for example, that of removing the seven-year residence requirement in applying for CSSA.

In fact, the requirement of becoming a permanent resident of a place before one can apply for welfare benefits is found in many countries and regions. The aim is of course to ensure the reasonable allocation of precious public resources and sustainable development. Statistics show that, there are currently 217 000 people from the Mainland who have resided in Hong Kong for less than seven years. People who came to Hong Kong from places other than the Mainland will also become permanent residents in the future and they also have to wait for seven years. If we talk about relaxing this rule rashly, so that all of them can be eligible for CSSA immediately, I am afraid this will impose a considerable financial burden on the Government.

Certainly, if these people really have financial difficulty or have adequate grounds or special reasons, we agree that the authorities should exercise discretion in dealing with them to ensure that they can receive essential assistance. However, if an across-the-board approach is adopted by allowing all new arrivals who have resided in Hong Kong for less than seven years to apply for CSSA, this will send the wrong message to them, make them think that Hong Kong is a welfare society and encourage the abuse of CSSA.

Regarding another recommendation, namely, that of relaxing the rule requiring CSSA applicants to apply for CSSA on a household basis, although the Subcommittee claims that this rule will deter a lot of elderly people living together with their families from applying for CSSA and land them in financial difficulties, in fact, the policy requiring CSSA applicants to apply for CSSA on a household basis also has a positive implication. As far as we understand it, it is designed to encourage family members to support one another and prevent people from shirking the responsibility of taking care of their family members. Caring for one's family members is a virtue for which the Chinese are renowned. If this rule is abolished and the members of a family can care only about themselves when applying for CSSA, will this not be tantamount to encouraging children to alienate themselves from their elderly parents and even encourage some people to abuse CSSA? We are a little bit concerned about the problems in this regard.

Some people claim that applying for CSSA on a household basis will give children the disrepute of not supporting the living of their parents because these children have to sign a document commonly known as the "bad son statement" to confirm that they will not support or are incapable of supporting their parents. However, we believe that if these children are really incapable of supporting their parents who live with them but are unwilling to admit to this fact, this is most unjustifiable. Of course, if there are indeed elderly people whose families are unwilling to support them and are also unwilling to sign this statement and if these elderly people are in financial difficulty, the Social Welfare Department can consider how it can exercise discretion to offer timely assistance to these elderly people.

On the recommendation in the Report that the Government should abolish the New Dawn Project, the Liberal Party also considers this point open to debate. The Liberal Party has always advocated that although it is necessary to help the poor, we should not forget the principle of "helping people help themselves". We must provide assistance to people capable of becoming self-reliant, so that they can break away from poverty. The New Dawn Project is also designed to prevent single parents receiving CSSA payments from becoming totally alienated from society and give them the opportunity to stand up again, instead of having to rely on CSSA for a living.

Madam President, as of the middle of last year, more than 8 000 people have participated in the New Dawn Project and more than 30% of them have succeeded in finding paid jobs. As a result, 318 persons among them managed to leave the CSSA net. We believe that this project should not be criticized as though it had no merit, and quite the contrary, we find that it has a positive side. Of course, as some academics said, it is true that improvement can be made to the New Dawn Project, therefore, we support the authorities in listening to the views of the public and making improvements to the project, so as to motivate more CSSA recipients to move towards self-reliance instead of abolishing the project without due consideration. Although we have reservation about all these points, it does not affect the Liberal Party's view on the scheme as a whole. As Mrs Selina CHOW has made it very clear, the Liberal Party is very concerned about this matter and will also lend it its support.

Madam President, I so submit.

DR YEUNG SUM (in Cantonese): Madam President, I speak in support of the Government conducting a comprehensive review of the CSSA Scheme.

I fully agree with several recommendations made in the Report. I hope the Secretary will really pay attention to elderly people living with their families. The Government's policy is to use the household as the unit and if elderly people want to apply for CSSA and if their children do not want to support them due to financial difficulties or poor relationships, it is true that they have to obtain written proof. Generally speaking, as the Chinese have the thinking of not washing their dirty linen in public and traditionally, we attach great importance to filial piety, therefore, when some people do not want to support their parents or cannot support their parents even though they want to, it is indeed very difficult for them to pen this kind of document and even their parents will find it difficult to make such a request. Therefore, from our observation and contacts, we found that generally speaking, there are indeed a lot of elderly people living with their families who do not receive any financial support due to their relationships with their families. Since the Government wants to entrench the functions of the family, to use the household as the unit will have the adverse effect of putting these elderly people in a bind as a result of such a policy. If such instances are fairly commonplace, can the Secretary conduct surveys and studies to see if the situation is very serious?

I do not particularly wish to criticize this policy of using the household as the unit, however, when there are indeed loopholes in this policy of using the household as the unit, the Government cannot say that this principle is very important and we must adhere to it no matter what. When this principle cannot be upheld, we are in fact sacrificing the basic welfare benefits to which some elderly people living with their families are entitled.

Therefore, I hope very much that the Secretary can seize this opportunity. Since the Government currently uses the household as the unit, if a lot of families cannot support their elderly members even though they want to or if they do not want to take care of their parents due to problems in relationship, in fact, the Government should make changes in the face of this situation. Regarding through what kind of mechanism we should enable this group of elderly people to apply for CSSA, in fact, it is always possible to find a way. I hope the Government will not think that we should not express such a lot of views because the Chinese attach great importance to the family and this policy is also

household-based. If the Government looks into the situation seriously, it will find that it is perhaps very important to make changes in this regard. This is one point that I wish to raise in particular.

Madam President, the second point is related to the rates. Basically, the Government determines the rates based on the studies conducted in 1994 or 1995 and that was a fairly long time ago. In addition, inflation in Hong Kong is worsening and in future, inflation may even rise further instead of falling. This being so, should the Government not take this opportunity to hire experts to conduct a review at this juncture? In fact, a lot of approaches can be adopted. Secretary, I hope you will understand that the basic living standard of the public can be ascertained through a number of ways. After ascertaining the basic standard of living, indicators can then be set according to the prevailing Consumer Price Indices and economic condition. The rates of CSSA should then be adjusted accordingly. Is this not more scientific and objective? This is at any rate better than we saying one thing and the Government taking another view. The best way is for everyone to look at the figures, is it not? After experts and independent people have been hired to conduct formal surveys, and if it is found that poor people are unable to meet even their basic needs, should we not adjust the rates further? This is the second point I wish to make.

Madam President, the third point is that I attach great importance to the development of children and I believe Honourable colleagues also consider this very important. In fact, the Secretary has also offered something new by establishing the Child Development Fund, so it can be seen that we all attach great importance to the development of our next generation. In 1998, after the Government had conducted a review of CSSA, many kinds of support for children of families receiving CSSA were removed, including funds for taking part in extra-curricular activities and buying spectacles. At present, we are not in a period of deflation and we have a huge amount of fiscal reserve, and the economy will probably still grow by 4% or 5% next year. This being so, should this urgent measure adopted at that time be discontinued? Since the Government has established the Child Development Fund and attaches such a lot of importance to the development of our next generation, and since it is concerned about the emergence of inter-generational poverty, should we not take the opportunity of this review to focus our attention on children whose social opportunities, that is, their opportunities of development, are affected because their parents have to live on CSSA? This is the third point I wish to talk about.

The fourth point is related to the "disregarded earning" limit under the CSSA Scheme. This policy is really excellent. Madam President, at present, in order to encourage people to find employment, one is entitled to a maximum of \$2,500 in disregarded earning. Since the Government attaches such great importance to this policy, is it possible to raise the ceiling, so that people will be given the financial incentive to rejoin employment and leave the CSSA net? I hope the Government can do so.

Regarding single-parent families and parents who have children and who have to go out to work, Mr Howard YOUNG said just now that the Liberal Party hoped these women could re-enter society, and I also fully support their doing so, so that they do not have to rely solely on CSSA. However, Secretary, I wish to point out one thing. If they have to leave their children alone at home due to the need to work outside, may I know which party will assume responsibility in the event that accidents happen to these children? Will it be the Social Welfare Department or the parents of these single-parent families, that is, the mothers? However, it is ultimately the children who are victimized. In view of this, since child care services are seriously inadequate due to many local factors, why does the Government still insist on forcing these women into employment, as a result of which their children have to be left alone at home, thus leading to all kinds of dangers?

Another point on which I hope the Government can do more is civic education. The Government has spent a great deal of money engaging celebrities to encourage members of the public to register as voters. In view of this, is it possible for the Government or the Secretary to seriously consider promoting civic education, no matter via the television or the print media, so that the public know that receiving CSSA is their basic right? There are ups and downs in people's lives. When they really encounter financial difficulties, society will give them a helping hand. In fact, receiving this kind of assistance will give them a breather, so that they can get up again, then face and help their family members. This is nothing to be ashamed of. Apart from calling on people to register as voters, can the Government promote such a simple form of civic education? Is it possible to portray the principles underlying the CSSA system in a more positive light?

Thank you, Madam President.

MR LEE CHEUK-YAN (in Cantonese): Today, we are discussing the recommendations of the Subcommittee, however, the first thing that I wish to talk about is my feelings of taking part in the work of this Subcommittee. I hope the Secretary could really take note of this. Throughout this process, each time when we were discussing an item or after we had discussed an item, I could not see any sign that the Government had adopted the views of the Members in this Subcommittee of the Legislative Council. Each time, those people guarded their goal as though they were playing soccer and the goal-keeper was really formidable because not even a drop of water can get through. We could not score no matter how we tried. No matter which position we attacked, we were always repulsed by them. It was disappointing that our suggestions were in the end all rejected by the Secretary or the Government.

This time, it can be said that we are making a last-ditch attempt at scoring. At least, we have made these recommendations, so we really hope that the Secretary will not think that the Government's position is always definitely right, definitely correct and definitely in the best interest of the public, hence turning a deaf ear to Members' words. In fact, we think that our suggestions, position and views are proactive and positive and can really help people in need. Therefore, on this issue of CSSA, we really hope that the Secretary will respond to the recommendations of the Subcommittee earnestly.

President, the first recommendation is that the Government should conduct a comprehensive review of the various aspects of the CSSA Scheme. Concerning the history of CSSA, I trust the Secretary is certainly well-versed in it. If we hope that CSSA payments can meet basic needs when was the study on basic needs conducted? In 1996. Twelve years have passed since 1996 and since 1996, no survey on the basic needs has been conducted. Members can consider how different life now is from that in 1996. It never occurred to us that things like Facebooks, blogs and the "Sex-Photo-Gate" would appear. This is how society has become. In mentioning things like the Facebook, I mainly wish to point out that the computer and the Internet have become a basic need. However, this would have never occurred to us in 1996. From 1996 to the present we believe that for children, in particular, children receiving CSSA, if we do not want to see inter-generational poverty, it is in fact necessary to conduct a comprehensive review of the basic needs.

In the period since 1996, something else also happened, that is, the Government tried to cut the rates of CSSA for families on CSSA by 10% to 20% in 1998 or 1999 without any justification and purely on the ground that wages in society had dropped, with a view to discouraging people from applying for CSSA. Prior to that, the rates for basic needs had been adjusted in line with inflation from 1996 onwards. However, the amount was reduced by 10% to 20% in one stroke in 1999, so the entire original basis was practically shattered. After the reduction in 1999, another reduction was made subsequently, that is, a reduction of 11.6% was made in line with deflation. The Secretary will also remember that we have conducted a debate here before, saying that since inflation has now returned and there is always a lag in the Government's adjustments, so far only an increase of 2.8% has been made. Of course, the Secretary undertook that when necessary — I hope "when necessary" means now, or that it will be necessary in April or May, so that back payment can be made in June — an application for funding would be made to the Legislative Council, so as to examine whether the rates of CSSA should be further adjusted.

However, since 1996, there have been so many changes, yet the Government has never conducted another comprehensive review of the basic needs in earnest. Moreover, even after the Hong Kong Council of Social Service (HKCSS) had conducted a study in this regard, the Government did not respond to the review conducted by the HKCSS either. For this reason, if the Government is fair, it absolutely should conduct a review of the basic needs now. This is the first point to which I hope very much the Government will give a response. However, I know the Secretary will surely say that there is no need to conduct such a survey. He is always like this. Every time we make a suggestion, he will say that it is not necessary. In this regard, we hope dearly that what should be done would be done.

The second major issue is that I wish to say a few words for elderly persons. Concerning the budget, we have all along demanded an increase in the "fruit grant". Why do a lot of elderly persons rely on the "fruit grant" for a living? Because they are living with their family members but the latter are unable to support their living financially. Originally, it is a blessing to be able to live with one's family members, but this can also be a curse financially because their family members are really incapable of supporting them. Although their family members have difficulties, the family as a whole is not eligible for CSSA, so these elderly persons have to rely on the "fruit grant" for a living. For this reason, we want to put forward a proposal emphatically, that is, if we really want the Secretary often said that the funds had to be used where due. In fact, the most effective way of doing so is to let elderly persons

living with their family members apply for CSSA independently. Only by doing so can elderly persons in the greatest difficulties be assisted in the most effective manner.

In fact, we also discussed the issue of residential care here yesterday. At present, 24 000 elderly persons receiving CSSA are staying in private residential care homes for the elderly. Why are elderly people staying in private residential care homes for the elderly receiving CSSA? Because they know that if they live with their family members, they will not be eligible for CSSA, so even though they do not really have to, they still want to stay in residential care homes for the elderly so as to apply for CSSA. Therefore, in fact, such a policy breaks up families. If they are allowed to live with their families, the number of elderly persons on CSSA who stay in residential care homes for the elderly will decrease. The services provided by residential care homes for the elderly are not always quality ones because the amount of CSSA payment is about \$5,000 and it is practically impossible to provide good services. I hope the Government can consider this aspect seriously.

Due to the time constraint, we in the Hong Kong Confederation of Trade Unions support all the recommendations and hope that the Government will respond to them actively. Thank you, President.

MR LEUNG KWOK-HUNG (in Cantonese): I have been listening to the debate here and I also attended all the meetings of the Subcommittee relating to poverty alleviation of the Legislative Council. I think that there is a very strange phenomenon, that is, when we discuss with the Government or political parties that have expressed stronger opposition to making improvements to the Comprehensive Social Security Assistance (CSSA) Scheme, the situation is like a group of doctors making a joint diagnosis of a patient, with some saying that the patient is suffering from liver cancer, while some say that he is suffering from liver disease and still others saying that he is suffering from lung disease. However, none of them has ever suggested the need for him to have an X-ray taken, that is, no one has ever said that he should have an X-ray taken. This group of doctors would neither say that he should have a blood test, nor would they conduct any kind of test on him.

Our case is very simple. To rely on the estimates of 1996 in going about our business surely cannot keep abreast of the times because such a long time has passed, is that right? Society has experienced so many changes but people who oppose making changes say that there is no need for change and that this will do. Such is the attitude of the Secretary and his aides seated there. What does being "scientific" mean? We are often criticized as being populist and advocating the handing out of money to secure votes. May I ask why you dare not conduct a credible survey? There are already data showing clearly that the wealth gap in Hong Kong is very great, so why can you not see this? There was once this couple. The husband said that the wife had never contributed to society, so they should not apply for CSSA. Consequently, the woman overworked and died as a result of working as a pizza delivery worker. This is the objective empirical evidence. Yet, today, we are still discussing whether there is poverty in Hong Kong and whether the present level of CSSA is acceptable or adequate, so it can be seen and said that this legislature is cold-blooded.

My own view is very simple. All along, the functions of the Government have been the subject of our discussions. The Government is the authority that manages this society. How does it manage this society? It does so by enabling its members to have a stable and comfortable life, not a luxurious one. We have a system called the social security system and in fact, this is a system for survival. This is just like people asking Mr LEE Cheuk-yan, "How are you of late?" and he replies, "I am surviving.". Buddy, that means he is not too good, does that not? That means he is ill, only that he has not yet died. This is how our CSSA system is like. These five points taken together in fact only serve to demonstrate that there is a net and if one falls into it, one will not die — however, first, one is not told how one can climb out of it; second, this net is being slashed with a knife stroke by stroke.

Members, our per capita income is US\$26,000 which is at the forefront in the world. This is absolutely enough to make us walk holding our heads high, however, our social security system is really a disgrace. This point alone shows that there are problems with it. This is as though someone had a highly developed brain but stunted legs, just like an ostrich. He surely will not live long and this is how we are like now.

Members, those CSSA recipients whom we are talking about do not receive CSSA payments for nothing. Of course, in this world, there are certainly people who will take to cheating. Let me tell you: This is very simple. The conservative camp in this legislature is bipolar and is schizophrenic when it talks about various issues. There are also insider dealings in the stock market and recently, the Legislative Council has also been shocked by such dealings. Would Members say that they will not trade in any stocks because there are insider dealings? We are still advocating the merits of buying stocks here every day, are we not? According to government figures, unemployed people account for over 10% of CSSA recipients and elderly persons account for the greatest number of them. There are also some people with disability among them and single-parent families also account for more than 10% of them. This being so, how possibly can these people abuse this system? Moreover, the abuse of this system by a small number of people does not justify not carrying out reform.

I remember that after I had been elected a Member of the Legislative Council, reporters asked me what I wanted to achieve. I said that the first thing was to demand an increase in the rates of CSSA, be it based on the 1999 or 2003 levels. Subsequently, I staged a protest. At that time, an official called Mr Paul TANG was about to leave and I pulled him by his sleeve. I nearly tore off his sleeve and he lodged a complaint against me for being violent. Buddy, you are an official and I only wanted to meet you for a talk. However, when I was pulling him by his sleeve, I could not see what the trick up his sleeve was. It turned out that the trick up his sleeve was to establish a Commission on Poverty in February 2005, that is, four months after my election.

Buddy, this Commission on Poverty is now defunct, so there is no need for it to discuss or do anything. All it did was some petty things. Now, the entire document has been tabled to the Legislative Council, so how is the Government going to respond? Put simply, just as I said when throwing down the gauntlet to the assistant to Secretary Matthew CHEUNG here yesterday, is the Government going to conduct an independent and large-scale survey with international credibility? Does it dare do so? If the Government says that it will do so, I will be the first one to raise my hands and legs in support, and I will also support giving the funding to the Government to do so.

Today, we need not say too much. I hope the Secretary will really respond as to whether, in response to our recommendations and accusations, public funds will be used to conduct a large-scale survey, so as to allay our doubts, answer to 6.9 million Hong Kong people and save some 1 million to 2 million poor people, in particular, elderly persons. Otherwise (*The buzzer sounded*) Now, I have no more time to speak.

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

(No other Member indicated a wish to speak)

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Madam President, once again, I wish to express my gratitude to Dr Fernando CHEUNG for moving this motion today and the other 20 Members for putting forward their valuable advice and proposals. I can fully appreciate Members' aspirations, their concerns and their intentions. Their advice and the recommendations of the report will be of immense value to our consideration in policy making in the future. However, please also allow me to reiterate one point I made at the beginning of this motion debate, the point that the Government must ensure the sustainable development of a non-contributory social security scheme wholly funded by the public coffers — the Comprehensive Social Security Assistance Scheme (CSSA Scheme). This is a very important point. I have already explained to Members the backgrounds and objectives of the various policies. I shall now give a concise and consolidated reply to Members' specific concerns.

Given the challenges brought about by our ageing population, we must prudently consider all proposals that have long-term implications on our welfare expenditure. Our overall CSSA expenditure has increased from \$9.4 billion in 1997-1998 to \$17.6 billion in 2006-2007. In other words, there was a drastic increase of 86.8% over a span of 10 years. As at the middle of 2007, CSSA recipients accounted for 7.4% of Hong Kong's total population. And, in late January 2008, the number of CSSA recipients was as large as 496 000.

Even if we look at the elderly only, we will notice that the proportion of elderly CSSA recipients in the age group of 60 or above in Hong Kong actually soared from 13% in mid-1997 to more than 16% in mid-2007. The relevant

recurrent expenditure also increased from \$4.6 billion in 1997-1998 to \$8.3 billion in 2006-2007, with the provision of CSSA for the elderly accounting for as much as 4% of the Government's total recurrent expenditure. As the expenditure on CSSA provision rises incessantly with the ageing of our population, we must, and we have been striving to, provide an effective and sustainable safety net to those who cannot support themselves financially. The effectiveness and sustainability of such a safety net is very important.

We have always been very concerned about the needs of the elderly and those in financial difficulties. And, we have been sparing no efforts to provide them with a safety net and various forms of assistance, so as to cater for their basic needs in living and thus improve their life.

Over the years, apart from investing huge resources in the provision of non-contributory social security assistance, the Government has also been adopting a multi-pronged and comprehensive approach, whereby elderly persons, children and youngsters in need are provided with various heavily subsidized services. Apart from the cash assistance available to eligible recipients under the social security system, there is also a health care safety net for low-income households and the disadvantaged members of society, provided by the medical fee waiver mechanism under the public-sector health care system. Under this mechanism, all CSSA recipients are entitled to free medical services at public hospitals and clinics without even having to undergo any means tests.

The Government has been investing huge resources in the development of education and training, with a view to providing children and youngsters with more development opportunities and easing inter-generational poverty. Under the CSSA Scheme, depending on the circumstances of individual cases, school children can receive a number of special grants — as Members are clearly aware — to meet their tuition fees, transportation fares to and from school, examination fees and even meal expenses. And, the Government also operates a time-tested public housing scheme, under which people and families in need, including CSSA recipients, of course, are given support in the form of housing, with a view to making sure that all in society can have a decent home.

Given the challenges brought about by our ageing population, we must prudently consider all proposals that have long-term implications on our welfare expenditure. I believe that all the Members here, similar to me, will have very vivid memories of how things were like when Hong Kong was caught in

economic difficulties. Although the economy of Hong Kong has been performing quite well recently, we must not lower our guard, as we are still vulnerable to various uncertainties and risks posed by the external economic environment. We must make sure that our limited public resources can cope with ever-increasing demands, and that the safety net in society can continue to develop in a stable and sustainable manner.

In case our economy suddenly worsens, as when the financial turmoil at the turn of the century and the outbreak of atypical pneumonia several years ago repeat themselves, for example, there will be an even greater need for us to make sure that people and families in need can be protected by the CSSA net. We must therefore prepare for adversities and the rainy days in good times and make sure that whenever necessary, the use of our limited resources can be optimized to achieve the greatest results. We think that the existing CSSA policy can already strike a reasonable balance and provide sufficient leeway for meeting future challenges.

As I clearly pointed out just now, like all Members, I am also very concerned about the pressure felt by CSSA recipients amidst the recent rises in food prices. We will continue to keep a watch on the latest developments and closely monitor movements in the Social Security Assistance Index of Prices (SSAIP) and other economic indicators. If movements in the SSAIP and other economic indicators point to the persistence of high inflation, we will, I reiterate, seriously consider the possibility of asking for permission to adjust the standard CSSA rates according to inflation rates before the next annual adjustment cycle is due, meaning that the cycle will be advanced. I believe that the mechanism concerned is time-tested and can ensure that the purchasing power of CSSA rates can remain at levels sufficient to cope with recipients' basic needs.

I now wish to respond to several specific questions. A number of Members pointed out just now that the requirement pertaining to the family as a unit of application will make it very difficult for elderly persons to succeed in applying for CSSA. In response, I wish to clarify several points here. The first point is about the declaration pertaining to elderly applicants' financial conditions, commonly called the "bad son statement". As a matter of fact, all elderly applicants must in the very first place give the relevant information in the application form. As Members are aware, the procedure of making the declaration is very simple, not at all complicated. It is just a sheet of paper, a form. Declarants need only to put down ticks and their signatures on the form,

declaring whether the elderly applicants concerned are in receipt of any financial support from them. All is so simple. I must emphasize that this requirement is meant to ensure that no one will try to shift the burden to taxpayers. This is a very important point. I can appreciate the concern expressed by Members just now, the concern as to what elderly applicants should do in case their children refuse to make the declaration. I wish to tell Members that in case of necessity, elderly persons can always apply for waiver of this requirement. The Director of Social Welfare may, under special circumstances, exercise his discretion and accord compassionate treatment to needy elderly applicants. The reason is that the existing mechanism has flexibility built in. We will accord special compassionate treatment to needy elderly persons, and I will also urge the Director of Social Welfare to be very flexible when exercising his discretion. I hope Members can understand that there is flexibility in the mechanism.

My second point of reply is about disregarded earnings. In this connection, I wish to clarify some misunderstandings. Many Members are of the view that there may be deductions of CSSA amounts given to recipients. But as a matter of fact, there will be no deductions. The first \$800 of any monthly earnings from employment can be retained in its entirety. As for the next \$3,400, half of the amount will be disregarded. This means that the maximum disregarded amount is \$2,500. In other words, there will be an extra \$2,500 on top of CSSA payments. This is an incentive, encouraging people to work harder to receive more. I think this can certainly give CSSA recipients the incentive to work and seek employment and help them cultivate a healthy attitude towards employment. This is very important.

My third point of reply concerns the issue of rent. In this connection, I wish to clarify that adjustments to the maximum grants to cover rent are made according to changes in the private housing rent index of the Consumer Price Index A. For instance, the grant for a single person is currently \$1,265 monthly, and that for a household of six is \$4,435. We will continue to closely monitor changes in the index and make appropriate adjustments.

Just now, Mr Albert CHAN questioned whether the existing CSSA rates are adequate, and he also mentioned some individual cases. I can tell Members that we have actually adjusted all CSSA rates upward by an average of 2.8% since 1 February. The average monthly amount received by a one-person household is now \$3,579, and those for two-person, three-person, four-person

and five-person households are respectively \$3,579, \$5,945, \$7,990, \$9,451 and \$11,194. Members will agree that these amounts are by no means small. As I recently mentioned in reply to an oral question, in the case of a household with the husband working as a security guard and the wife a cleaning worker, the combined earnings will range from \$10,500 to \$11,000. This can therefore show that the abovementioned CSSA payments are not at all low when compared with the earnings of self-reliant households in general.

Madam President, the economy has been improving in recent years. At this stage, we will focus on implementing the new arrangements for disregarded earnings, and through the Support for Self-reliance Scheme, we will also encourage and help able-bodied CSSA recipients to stand on their own feet. I very much agree with Prof Patrick LAU, that CSSA recipients should be encouraged to work.

Besides, we are currently conducting a comprehensive study on how best to provide employment assistance on a "one-stop" basis, with a view to further facilitating the job-seeking efforts of members of the public (including CSSA recipients), assisting them in securing employment and offering them the required training. We encourage able-bodied CSSA recipients to make full use of the disregarded earnings mechanism under the CSSA Scheme. In this way, as I explained in my analysis just now, they can join the workforce to increase their earnings and improve the life of their families. We also encourage them to enroll in different training schemes to upgrade their occupational skills, so that they can achieve the goal of moving "from welfare to self-reliance" and stand on their own feet as soon as possible.

The Employees Retraining Board has completed the strategic review of its way forward. At the meeting of the Panel on Manpower tomorrow afternoon, we will give a comprehensive account on all the relevant proposals and the entire planning blueprint, describing the whole series of projects on expanding the scopes of training and retraining and upgrading service quality. The Government attaches very great importance to training as a long-term social investment. With the help of relevant reviews, we will seek to provide a more diversified and comprehensive range of training and retraining services, so as to equip trainees with the skills required to cope with the needs of social development.

Madam President, through the CSSA Scheme and other policies, we will seek to assist needy individuals and families in society in meeting their needs in all aspects. We will also enhance the various support measures, so as to assist able-bodied CSSA recipients in achieving self-reliance. I hope Members can continue to support the Government's work in this respect and offer valuable and substantive advice.

Madam President, I so submit. Thank you.

PRESIDENT (in Cantonese): Dr Fernando CHEUNG, you may now reply but you only have 42 seconds.

DR FERNANDO CHEUNG (in Cantonese): President, I am very grateful to the many Members who spoke in support of this Report. However, I am greatly disappointed by the response given by the Secretary. In particular, when he talked about the problem relating to the "bad son statement", he said that it was only a very simple form and one only had to put down a tick to indicate that one was unwilling to support one's parents and it was just as simple as that. However, I wonder if Members know that when elderly persons have to take this piece of paper to their children and ask them to sign it, they have to give up their dignity and when they ask their children to put down this tick, how heavy the weight borne by them is and how great the humiliation to the whole family is. As a result, many elderly persons in need are not being cared for.

President, I believe that the rate of CSSA nowadays is only enough for the basic survival of a family, not for its basic needs. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Dr Fernando CHEUNG be passed. 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.

PRESIDENT (in Cantonese): Second motion: Transformation of old industrial areas.

I now call upon Mr CHAN Kam-lam to speak and move his motion.

TRANSFORMATION OF OLD INDUSTRIAL AREAS

MR CHAN KAM-LAM (in Cantonese): President, a recent international property research report points out that, among some 200 most expensive cities around the world, the Grade A office rentals in the core districts of Hong Kong have jumped to the second place, second only to London. While this second place carries a positive implication that our economic development has flourished and hence attracted a large number of international investors to come to start businesses in Hong Kong, there is nonetheless a dark side to it. It shows that running businesses in Hong Kong has to pay high office rentals, which will undermine our overall competitiveness. Meanwhile, it demonstrates precisely that there is a shortage of commercial land in Hong Kong, which may affect our economic development in the long run.

According to the "Hong Kong 2030: Planning Vision and Strategy Study", it is projected that the demand for Grade A office in Hong Kong's central business districts would increase from 4.1 million sq m of gross floor area in 2003 to 6.7 million sq m, representing a net increase of 2.6 million sq m. How can we find sufficient land to cater for the need arising from future economic development in just 20 years?

From the latest Application List, we can see that the only site in the core district that is available for commercial development is the Central Market at Jubilee Street, Central. We all know that there have been repeated requests from the community for conservation, old buildings in particular, which all of us consider necessary. We are therefore concerned about the additional office area that can eventually be created from this lot, which is still an unknown. Furthermore, the number of private or old buildings in core districts that can be used for redevelopment is not great, and may not suffice the need of development. As a result, we have focused our attention on the new developed areas, for instance, Kai Tak and the existing old industrial areas. At present, the commercial land within Kai Tak is just like a piece of blank paper, pending further planning before it can be launched. However, the redevelopment of those old industrial areas which have become business areas seem rather difficult and complicated. The objective of proposing this motion today is therefore to arouse public discussion on the old industrial areas. We certainly hope that the Government will respond proactively and take effective measures to promote the transformation of old industrial areas, with a view to adding momentum to Hong Kong's economic development and making advance planning for the new look of this international metropolis.

Traditional industrial areas, such as Kwun Tong, Kowloon Bay, San Po Kong, To Kwa Wan and even Tsuen Wan and Tuen Mun, indeed have potentials for development into secondary core business districts. With so many large-scale enterprises moving from core to secondary business districts to minimize the cost of rental in recent years, a great opportunity has been presented for the development of secondary business districts into areas of Grade A offices. As the majority of the old industrial areas are most favourably located along MTR lines, so provided that there is comprehensive design of the new Grade A offices in terms of hardware facilities, communications system and even office management in the course of redevelopment, market demand could be satisfied. We can therefore envisage that with better transport ancillary facilities and overall planning, the old industrial areas are desirable places for the development of Grade A offices. The DAB considers it necessary for the Government to optimize the existing downtown industrial sites and upgrade them to Grade A offices, in order not to affect the local supply of Grade A offices and undermine our status as a financial centre.

All along, the Government has adopted the so-called "market-led" approach in the transformation of old industrial areas, whereby developers in the market can undergo demolition or redevelopment as they wish. However, it has been proved that such an attitude of waiting for lady luck is not desirable at all. The redevelopment of old industrial areas should not just focus on the reconstruction of industrial buildings, but requires better planning of the old industrial areas in a comprehensive and planned manner. Certainly, this cannot be achieved by any developer or individual property owner alone. We must realize that the layout and planning of an industrial area built four or five decades ago are totally incompatible with the present-day planning requirements of a financial business area. Nowadays, factory buildings can be found everywhere in an industrial area, all erected side by side, hence resulting in very narrow streets and a lack of parking spaces. It can be imagined that after redevelopment, the new business area will still preserve the outlook of the old industrial area. We consider that: Firstly, it is necessary for the Government to find a positioning for the transformation of old industrial areas and undertake advance planning. Secondly, it has to promote more expeditious transformation to further improve the overall environment of the town centres, such that the public can enjoy a higher standard of working and living.

I wish to point out that, only about 200 hectares of industrial land have been re-designated as "Other Specified Uses (Business)" in the past six years. However, it does not mean that the industrial buildings found on these 200 hectares of land have naturally been converted into commercial use. On the contrary, applications for change of use were often subject to many constraints. In some cases, the application process took as long as 10 years, thus no satisfactory result has yet been yielded.

Take the application for the redevelopment of the former cement factory in Siu Lik Yuen, Sha Tin, as a hotel as an example, where the applicant had spent more than 10 years. At that time, one of the reasons why the Town Planning Board (TPB) opposed the redevelopment proposal was that the idea to develop a hotel conflicted with the prevailing industrial land use and the surrounding environment. This case has no doubt reflected the mindset of the Government: Despite that it has the intention to transform the industrial areas, but different departments operate individually according to their respective rules and procedures in respect of such transformation.

As a result, we think that the Government should exert more effort to provide incentives to encourage comprehensive transformation of old areas partially or as a whole. The most common problem identified and encountered by property owners in the course of partial transformation is compliance with the requirements laid down by the Fire Services Department or the Buildings Department. We hope that the Administration will determine the necessary requirements laxly on a case-by-case basis. Another most controversial issue is the relaxation of the use of industrial land by reviewing and amending the definitions of "industrial use" and "factory". By relaxing the definitions further, more industries will be permitted to operate in factory buildings, thereby improving the present vacancy level. We believe such a change is after all better than converting the buildings into warehouses for it would not create many additional job opportunities for the urban areas. Rather, it would impose tremendous pressure on traffic in the long run. Therefore, we think that different measures can be adopted by the Government in respect of the change of land use, for instance, the payment of regrant premium in instalments so as to relieve the financial burden of developers or property owners, and raise the motivation of property owners to apply for transformation on their own initiative. We also hope that the Government will consider such measures as the transfer of plot ratio and land exchange because, subject to the planning need, a factory building may be required to have its building height reduced, or even subject to an area or plot ratio cap, thus rendering the owner concerned to suffer a loss. Through the transfer of plot ratio or land exchange, the interests of property owners in the area will be assured on the one hand, while the overall planning need can be satisfied on the other.

President, it is precisely because the regrant premium is so high that some property owners have applied for "a waiver to temporarily relax restrictions contained in lease of land", for the purpose of carrying out non-industrial activities for a short period of time. Very often, property owners are required to pay the so-called "forbearance fee" as a condition of waiver to temporarily change the use of land. However, given that the waivers normally have a term of just one year, the property owners will have a lot of uncertainties in their business plans. Therefore, we think that the Government can consider removing the term for the "waiver to temporarily relax restrictions contained in lease of land" in respect of target buildings that cannot possibly be redeveloped in the short run. Once the term is removed, the property owners concerned can convert the buildings as they wish in compliance with the condition on change of land use, which will in turn enable them to have more specific investment interests and better utilize the non-industrial factory buildings.

The DAB is of the view that applications can be made in respect of industrial buildings located in the urban area for a temporary business licence for operating restaurants or other businesses for a short period of time, for instance, arts workshops or other non-industrial uses.

President, we hope that the Government will determine a positioning of the transformation of old industrial areas and consider incorporating our nine major planning proposals in approving the redevelopment plans. These nine proposals include expanding the functions of the Urban Renewal Authority; implementing the planning and redevelopment projects in phases; providing more incentives to promote transformation; expanding the green areas; requiring the property owners to set back the redeveloped buildings; rationalizing the transport network; promoting harmony with the adjacent areas; providing more footbridges to connect the commercial buildings and utilize the promenades. Due to the time constraint, it is impossible for me to elaborate here the nine proposals in detail. President, the redevelopment of old industrial areas actually started many years ago. However, due to a lack of government incentive to speed up the pace of redevelopment, we can see that the redevelopment of old industrial areas is still progressing very slowly. For this reason, we consider that advance planning can brook no delay. Otherwise, the new buildings will have to face many constraints when re-planning is warranted. The DAB therefore hopes that the Government will act immediately and expeditiously plan to bring new outlooks to the old areas. It will be too late to regret if we let slip the opportunities.

With these remarks, President, I beg to move.

Mr CHAN Kam-lam moved the following motion: (Translation)

"That, as there is an increasing shortage of commercial land available for development and, at the same time, many old industrial areas in Hong Kong have a serious ageing problem and the situation of factory building units being left vacant, converted into warehouses or used for other non-industrial purposes is prevalent, the precious land resources are not fully utilized, this Council urges the Government to take proactive measures to comprehensively re-plan the old industrial areas to provide a

basis for compliance in the course of transformation, with a view to fully utilizing their potentials for development and achieving the objective of optimizing the use of land resources; the specific measures include:

- (a) fully relaxing the land uses of industrial land, implementing the payment of extra premium by instalments, as well as re-examining and amending the definition of "industrial use" and "factory";
- (b) strengthening the role of the Urban Renewal Authority to enable it to actively participate in the redevelopment of old industrial areas;
- (c) rationalizing the road layout and increasing transport ancillary facilities in the old industrial areas; and
- (d) increasing leisure and recreational facilities as well as expanding green areas in the old industrial areas."

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

PRESIDENT (in Cantonese): Two Members intend to move amendments to this motion. The motion and the two amendments will now be debated together in a joint debate.

I now call upon Mr Alan LEONG to speak first, to be followed by Mr SIN Chung-kai; but no amendments are to be moved at this stage.

MR ALAN LEONG (in Cantonese): I remember a few colleagues of the Subcommittee on West Kowloon Cultural District Development and I visited Spain in 2005, to examine the building of Bilbao's local metropolis district and its results. The deepest impression of the whole journey on me is how the authorities of all levels worked with the local business sector and community bodies to revitalize old communities with different historical and cultural background, and eventually turning Bilbao from a derelict industrial city into a scenic cultural, services and high technology metropolis. The success of Bilbao is an important inspiration for Hong Kong, which is also undergoing economic restructuring and experiencing a decline in the traditional industries.

In Bilbao, the government and the community share the same belief that the transformation of an old industrial city does not simply mean an industrial building or area getting a facelift, being demolished or redeveloped, and the outcome of transformation also does not simply mean replacing old factory buildings and warehouses with curtain-walled commercial buildings. Rather, it aims to bring about a new economic, cultural and social living lifestyle in the local communities, with a view to improving the people's living, both in qualitative and quantitative terms. President, the Chief Executive emphasized the concept of progressive development in last year's policy address, advocating the pursuit of overall progress, while at the same time striving for benefits to the economy, culture, society and the environment, thereby forming the direction to achieve sustainable, balanced and diversified development. I sincerely hope that such a notion of progressive development is not merely an empty slogan, but can really be realized in Hong Kong.

President, I have some personal experiences and feelings about urban regeneration obtained in my capacity as a Non-Executive Director of the Urban Renewal Authority (URA) over the past two years. It is the original intent of the URA to promote people-centred urban regeneration in Hong Kong through redevelopment, rehabilitation, conservation and revitalization. From the past two years' service in the URA, I observed that everyone from top down was committed to promoting people-centred urban regeneration. However, the urban renewal strategy formulated by the Government failed to answer the new demands of the community for development. This has caused numerous controversies surrounding the work of the URA, and even affected social harmony.

For this reason, President, the general direction of my amendment and that of Mr CHAN Kam-lam's original motion are actually identical. However, just as I had said in moving the motion "Review on Urban Renewal Strategy" in this Council two years ago, in order to enable the URA's efforts to be more effective and better meet the need of the times, the Government should expeditiously complete the review of urban renewal strategy, and in particular give the URA greater flexibility in respect of the financing of redevelopment projects and the interactive processes with local residents and shop operators. And the URA should be enabled to abandon the profit-making mindset of developers and

formulate plans on the regeneration of the community by stressing more on preservation and revitalization, hence turning itself into a facilitator of transformation of community outlook. I believe this new mindset is not only applicable to the regeneration of residential and business areas, but will certainly apply to the transformation of old industrial areas, too.

President, I would like to illustrate my proposal by highlighting the situation of Kwun Tong district. Last year, the URA conducted a consultation on the redevelopment proposal of the Kwun Tong town centre and subsequently proposed some amendments. The revised redevelopment proposal, however, held that the plot ratio should increase to 7.5, which would also include a commercial residential floor area of 400 000 sq m. The URA explained that this was to cater for the highest financial risk bearable by the URA. President, it is not so difficult for us to imagine that the layout of the redeveloped Kwun Tong town centre will be identical to that of the APM standing on the opposite side of Kwun Tong Road, where both are air-conditioned malls with expensive luxurious flats. Assuming that the old industrial areas are developed a la the direction of the prevailing urban renewal strategy and become business areas packed with high-rise buildings, I have great reservation and queries about whether this is the most desirable for the local residents and shop operators.

In fact, metropolises around the world have already abandoned the approach of transforming old industrial areas into offices or residential areas through demolition. Instead, more flexible, diversified and updated strategies have been adopted. President, we often hear the so-called "loft" mode, which actually refers to the fact that many European and American cities make use of the characteristics of old factories or warehouses, such as tall ceiling height, highly usable layout and cheap rental, and allow artists or craftsmen in the communities to move in and create a mixed zone of creation, production and residency. A number of mainland cities wish to follow on their heels and model on them. The Contemporary Art Terminal in Overseas Chinese Town, Nanshan District, Shenzhen, is an example frequently cited by the local media.

On the other hand, President, the place where old industrial areas are found used to be inhabited by a large number of factory workers or small-scale factory owners. However, the decline of industries has brought about a change in the demographic structure of the relevant communities. And yet, such

community and ancillary facilities as medical, social service and educational support fail to meet the needs of the residents newly moved in. The vacated industrial sites actually offer some opportunities for the improvement of living facilities in the communities.

Instead of designating all old industrial areas as offices or air-conditioned malls in a broadbrush manner, it would be better to change the use of the industrial areas according to the actual need of the respective communities. As many small and medium enterprises are now under immense pressure of high rentals, the transformation of industrial areas may serve as attractive operating conditions for the operators concerned. Furthermore, the industrial areas may be revitalized to provide higher education at the community level. In view of the need for land to build new community facilities, the industrial areas again provide the necessary space and solution to this problem.

President, the Civic Party very much agrees with the objective of "fully utilizing the old industrial areas' potentials for development and optimizing the use of land resources" as proposed in the original motion. The Civic Party believes that under this new development concept, the use of land resources should focus more on the needs of local residents and take into account the needs in their daily life, thereby enabling the regeneration of old industrial areas to be led by local residents. The Civic Party also noted that the Administration is planning to review the urban renewal strategy. We hope that the Administration will not only be people-centred, but will also promote the participation of people from all walks of life in the transformation of old industrial areas on the premise of a community-led approach, with a view to improving the people's quality of living.

With these remarks, President, I propose my amendment.

MR SIN CHUNG-KAI (in Cantonese): Economic restructuring is an essential stage of all societies. From the evolution of Hong Kong from a tiny fishing port to the development of such traditional industrial and commercial activities as garment, watches, plastics and toys, followed by development in the economic domain including finance, real estate, tourism and hotel, and information technology, and to the expansion into industries like arts and culture, personal services and creative design, each stage presents different needs for infrastructure. In respect of daily life, people have higher expectations on the

quality of living, and demand more diversified cultural and recreational activities as well as more community facilities that better meet their needs. This will not only enable them to lead a fuller and more comfortable life, but will also create alternative needs for basic infrastructure. In order to respond to the need for community development, the use of land in Hong Kong must be adjusted accordingly to avoid mismatch of supply and demand and waste of social resources.

A report released by The Hong Kong Polytechnic University in November 2006 stated that the high vacancy rate of industrial buildings in Hong Kong had resulted in a loss of rental income of about \$7.5 billion. Despite that the rentals of both Grades B and C offices in the urban area have significantly increased in tandem with economic recovery, hence driving the tenants to turn to higher quality industrial buildings and reducing the vacancy rate, old industrial buildings that are conventional in design or with inadequate facilities still find it difficult to attract potential tenants. They can at best wait for acquisition by developers for redevelopment or approval by the Government for change of use. On the one hand, the longer it takes to change the building use, the more vacant units and higher wastage would be resulted. On the other hand, a shortage of business units has pushed up rentals and so there is a slim chance that people's needs for cultural and recreational grounds as well as medical, welfare and educational facilities would be met given the shortage of land.

In the wake of transformation of old industrial areas, the Government does not only need a proactive and progressive mindset to re-examine the overall planning by allowing more diversified use (other than industrial use) like business, cultural and recreational, and leisure activities, it should also further relax all restrictions and provide greater incentives to facilitate changes in the use of industrial buildings.

In relation to re-planning, old industrial areas in the urban areas, for example, Kwun Tong, Kowloon Bay, Kwai Chung and Tsuen Wan, are packed with industrial buildings previously built to tie in with the rapid industrial development in the past. If the Government simply converts these industrial buildings into taller and bigger commercial buildings that are more closely packed, there could not be any significant change in Hong Kong's city outlook. Worse still, these densely-packed curtain-walled or large commercial buildings will create screen and heat island effects, which may cause serious health impact on the residents. Therefore, we propose that when industrial land is released for re-planning and redevelopment, the planning standards to be adopted by the

Government should prescribe more public space, lower development density, smaller screen effect and more green areas. Apart from the provision of more diversified complex facilities and industrial-commercial buildings, different types of cultural, recreational and sports complexes, residential places for the elderly, child care centres and open space should also be provided to cater for the need of the community as a whole.

In case the old industrial buildings in a transformed industrial area undergo redevelopment or renovation, the Government should require that the new industrial buildings to be green buildings with more green and environmentally-friendly features, for example, sky gardens, central air filtering and independent air-conditioning systems. This will facilitate the upholding of the "user pays" principle. Furthermore, footbridges should be used to connect industrial buildings to separate pedestrian and vehicle passages, so as to reduce the chances of people breathing in exhaust air emitted by vehicles.

In relation to the removal of restrictions, the Government should review the planning control policy on existing industrial-commercial land with regard to the restrictions imposed on applications for converting existing industrial buildings for commercial purpose, relax the use of some industrial land subject to the safety requirements, and re-examine the definitions of "industrial use" and "factory" to facilitate the development of more diversified industries such as design, technology and telecommunications, as well as appropriate promotional activities like fashion fairs.

There are many reasons why the use of old industrial buildings cannot be changed. Maybe it is because the property owner concerned fails to obtain sufficient ownership shares to apply for a change of use, or he has yet to identify another industrial building with cheaper rental for removal, or the application concerned did not obtain government approval so easily while having to bear the high forbearance fee for a change of use.

At present, if an application for a change of use of industrial buildings fails to obtain the necessary approval after more than nine months, it will be subject to a forbearance fee that is three times of the standard rate or 1% of the capital value (whichever is the higher). It means a monthly rental of around \$23 per sq ft or even higher, which is on a par with the rental of Grade A offices in North Point and is one to several times that of the traditional old industrial buildings at \$4.5 to \$5.5 per sq ft and quality industrial buildings at \$12 to \$16

per sq ft. Property owners are required to undergo cumbersome application procedures and wait for the approval of the Town Planning Board, the Buildings Department and the Lands Department on the one hand, and pay a high forbearance fee on the other hand. This will naturally dampen their desire to apply for the waiver.

We have therefore suggested a series of measures, which include reducing the "Forbearance Fee for Commercial Use in Existing Industrial Buildings" in the Metro Area in, say, Hong Kong Island, Kowloon, Tsuen Wan and Kwai Tsing, so as to relieve the burden of property owners; relaxing the approval criteria for converting single or multiple industrial buildings units to commercial use, for example, allowing the canteens of industrial buildings to open to the public (if the fire safety or structural requirements permit) and operate in the same way as ordinary restaurants, as well as developing suburb centres in the New Territories to provide cheaper industrial and commercial land and create more job opportunities for the new towns in their vicinity.

In the past, we have seen factory buildings in Shek Kip Mei being converted into creative art centres, many new people attracted to engage in creative industries in the "Metro Loft" of Kwai Fong, and the evolution of the Fo Tan industrial area into the Fontanian Art Village after more than 100 artists have set up workshops there. These are examples of the successful transformation of old industrial buildings.

We hope that the above suggestions will induce more cases of successful transformation on a larger scale, thereby creating more room for the future development of creative industries, cultural, recreational and sports activities, as well as different kinds of social enterprises and small and medium enterprises in Hong Kong, while at the same time contributing to planning on urban beautification, improved and healthy life and enhanced living environment.

I so submit.

SECRETARY FOR DEVELOPMENT (in Cantonese): Madam President and Honourable Members, to begin with, I wish to thank Mr CHAN Kam-lam for moving this motion debate on the transformation of old industrial areas today. Actually, ever since I assumed office as Secretary for Development in July last

year, I have been working with my colleagues to explore this significant issue. In order to gain a deeper understanding of the transformation of factory building units and the environment in old industrial areas, I have visited the tenants of the industrial buildings in Wong Chuk Hang and also paid an inspection visit to the Kwun Tong Industrial Area. Naturally, in the course of exploring the issue in the past few months, we also gave full consideration to the views expressed in the motion debate entitled "Assisting in the transformation of factory buildings" moved by Mrs Selina CHOW on 31 January last year.

Today, I first wish to give a concise description of how industrial land and factory buildings are being used and how the Government has been helping to optimize the use of factory buildings. It is hoped that this can facilitate Members' discussions later on at this meeting. Following Members' delivery of their speeches, I shall speak again to give a consolidated reply to their suggestions.

According to the Rating and Valuation Department's Hong Kong Property Review 2007, the total stock of flatted factories and ancillary office accommodation was 17 396 000 sq m at the end of 2006. Distributed evenly between the urban areas and the New Territories, this is indeed a very large quantity, second only to the total stock of domestic units. Vacancy was 1 250 000 sq m, representing 7.2% of the total stock in this category. Over 50% of the vacant space was found in the three districts of Kwun Tong, Kwai Tsing and Tsuen Wan. In view of the fact that the annual vacancy rates from 2001 to 2003 were higher than 10%, we can say that the idling of industrial buildings as a problem has seen continuous improvement over the past few years.

With the boom of the Hong Kong economy over the past two years, both the average prices and rents of industrial buildings have edged up steadily but the increase in prices has been more noticeable than that of rents. For example, there was a rise of 9.8% in the provisional rental index of flatted factories for 2007, but the price index for the same period increased by 25.3%. All these statistics can perhaps indicate that there is still a considerable demand for flatted factories in the market nowadays. And, I believe that this is, to a certain extent, attributable to the various measures put in place so far, such as those allowing applications for changing the uses of factory buildings and the development of industrial land for non-industrial purposes.

Faced with Hong Kong's industrial restructuring and the migration of its traditional industries, we have been reviewing from time to time the development of old industrial areas over the past decade or so, so as to ensure the optimum use of our precious land resources as rightly pointed out by Members.

In regard to town planning, the Planning Department (PD) will assist the Town Planning Board (TPB) in reviewing from time to time the land uses in Hong Kong on the basis of social and economic needs with a view to revising the Statutory Zones in the Outline Zoning Plans of the various districts. During the 10-year period from 1991 to 2001, totally 250 hectares of General Industrial Land was rezoned by the PD for other uses. In 2001, as rightly pointed out by Mr CHAN Kam-lam, we introduced a new type of land use zone known as Other Specified Uses annotated "business" zones. This new type of land use zone is basically meant to combine commercial land and industrial land, thus allowing greater flexibility in the use of existing industrial land. Since then, totally 200 hectares of industrial land has been redesignated as Other Specified Uses annotated "business" zones. Actually, there are no longer any industrial lands in the whole of Kwun Tong and Kowloon Bay, and in the relevant Outline Zoning Plans, all industrial land has been converted to Other Specified Uses annotated "business" zones. The redevelopment or conversion of old industrial buildings in "Business" zone for both commercial and clean industrial uses, including "Office Related to Industrial Use", "IT and Telecommunications Industries" and "Research, Design and Development Centres", are now the column of uses always permitted in industrial land, that is, Column 1 uses, which do not require any planning permission from the TPB. Where appropriate, an application may even be filed with the TPB for conversion to Column 2 uses, which cover hotel development. Since the introduction of this new type of "Business" zones in 2000, we have processed 78 planning applications pertaining to the development of hotels in these zones. Approval was given to 71 such applications, involving 48 locations.

Other Specified Uses annotated "Business" zones aside, 50 hectares of industrial land was also rezoned between 2001 and 2005 for other uses, including "Residential" (Group E), "Comprehensive Development Area" and "Commercial" uses. In some of these cases, the Government took the lead in rezoning the industrial land concerned. In other cases, land owners and other related persons applied of their own accord to the TPB for rezoning under the Town Planning Ordinance. The TPB will consider all such cases in the light of

actual circumstances, and vetting will usually be conducted within three months. To sum up what I have been saying, the total size of industrial land in the Outline Zoning Plans of the various districts has dropped drastically from 800 hectares in the late 1980s to 300 hectares at present.

In order to ensure that factory buildings can cope with market demand during the process of economic restructuring, the TPB also revised and expanded the column of permitted uses in industrial zones. In 1987, the TPB extended the definitions of "Industrial Use" to cover design, research and development in relation to industrial processes and allowed the setting up of trading firms which required large storage space and frequent loading/unloading and limited ancillary office space in industrial buildings.

In 1997, the TPB further extended the definitions of "Industrial Use" to include training in relation to industrial processes and further relaxed the control on uses always permitted in industrial buildings and land by allowing the ancillary office use of up to 50% of floor area and showroom use of up to 20% of floor area. As a matter of fact, the definition of "Industrial Use" adopted in town plans gives a far more extensive coverage than the definition of "Factory" under the Factories and Industrial Undertakings Ordinance.

Besides, the column of uses always permitted, that is, uses which require no planning application, in "Industrial" zone, has been extended to cover "Office Related to Industrial Use", "Information Technology and Telecommunications Industries" and even "Design and Media Production".

Apart from requiring planning support, changing the uses of industrial land or factory buildings will inevitably involve modifications to land leases and therefore the payment of regrant premium. For this reason, while the PD has sought to provide support, the Lands Department (LandsD) has also introduced various measures to assist people in filing applications for relaxing the control over the uses of industrial buildings, with a view to facilitating the transformation of factory buildings. Generally speaking, the current practice is that once an owner has ascertained that the proposed new uses are covered by the column of uses always permitted as set out in the Outline Zoning Plan concerned, he can file an application with the relevant Land Administration Office directly. If the case involves a land lot with unified title, the applicant may apply to the Land Administration Office for altering the land lease for the demolition and redevelopment of the factory building or the refitting of it for other purposes.

In that case, regrant premium is of course payable. However, if the case simply involves an individual unit in a factory building, the applicant will usually apply for a Waiver, and he will have to pay the Waiver Fee, which is determined on the basis of the increased rent resulting from the change in use. At present, since titles are usually not unified, the transformation of factory buildings takes the form of waivers in most cases.

I now wish to say a few words in response to another type of fee mentioned by Mr SIN Chung-kai just now — the Forbearance Fee. The Forbearance Fee and the Waiver Fee are two entirely different fees. The Forbearance Fee is charged when a factory building owner violates the terms of the land lease. What I mean is that the owner converts the factory building for commercial, office and show room uses without permission. If the LandsD finds out any violations of land lease terms during regular inspections or after receiving a complaint, it will take enforcement actions. Usually, the LandsD will first issue a written warning to the owner concerned, demanding him to make rectification and obtain planning permission within a specified period of time. If he requires a longer period of time to comply with the demand, the LandsD will consider granting a forbearance period. The Forbearance Fee mentioned by Mr SIN just now will be charged under such a situation.

In order to provide active support for the transformation of factory buildings, the LandsD has, in recent years, simplified the procedure of handling short-term waiver applications. Standard rates for assessing Waiver Fees have been introduced to expedite the approval process. The simplified procedure is currently applicable to applications from "Information Technology and Telecommunications Industries", industries other than "Information Technology and Telecommunications Industries" and industrial premises located in basements. The waiver fee is determined according to standard rates. In other words, it is not necessary to make separate assessments for separate uses, and this can save time. Waiver fees may be paid on an annual basis, or the owner may pay a lump-sum fee in advance for the permanent waiver relating to the property concerned. In other words, there will be permanent waiver during the life-time of the building. Information about the simplified procedure and standard rates is available on the website of the LandsD. As at January 2008, the number of waivers approved by the LandsD which are still valid stood at some 450.

In case the uses proposed by the factory building owner are not covered by the column of always permitted uses in the Outline Zoning Plan, an application to the TPB is required, so as to alter the land uses and obtain planning permission. The TPB must consult the departments concerned, including the Fire Services Department and the Buildings Department, and their comments on changing the land uses must be obtained before the TPB can consider granting planning permission.

Having examined the results of the Government's measures to support the transformation of factory buildings over the years and also the responses of different sectors, I tentatively think that the transformation of factory buildings still faces many thorny problems. First, titles are not unified in many cases, such that many flatted factory buildings can only be partially transformed, leading to the lack of co-ordination and fire safety concerns. Second, the sectors concerned are often deterred by regrant premiums and waiver fees. Third, in many cases, it is impossible to renew and develop the rest of an old industrial area, so the development potentials of individual factory buildings and industrial land lots are affected. I am convinced that Members will certainly offer some very valuable insights concerning all these topics when they speak later on. And, I would also like to take this opportunity to tell Members that I do realize that many more efforts must be made to achieve industrial restructuring. I therefore think that the debate today can serve as a very suitable forum for us and Members to exchange tentative views.

Thank you, Madam President.

MR WONG KWOK-HING (in Cantonese): Madam President, with the advent of the post-industrial age sets in, countries all over the world experience significant structural changes in their economies, and a lot of industrial land is left idle in developed cities following the decline of the manufacturing sector. Hong Kong is no exception. As our economy transformed to the financial services industry, many industrial buildings were vacated, and the previously busy and crowded industrial areas also became desolated.

Thanks to the bright minds of Hong Kong people, many industrial building units have been converted into classrooms of cookery courses, mini warehouses, arts and music workshops, and so on. Yet, these are only individual and piecemeal transformation of a small scale and thus fail to give play to the cluster

effect. On the other hand, concerning the application for a waiver to relax restrictions in land leases, though the Secretary stated earlier that the application procedures have been streamlined, they are still pretty cumbersome. Furthermore, the waiver period is normally only one year and subsequent renewals are necessary on a quarterly basis, which will dampen the desire of property owners or tenants for transformation. For instance, I have once handled a case where an organization organized electrical technician training courses in a factory building in Kwai Chung, but it was eventually forced to close down owing to the difficulties encountered in application. This shows that it is beyond the ability of any organization to promote full transformation of an industrial area for turning over a new leaf, but overall planning by the Government is required to further revise the outdated limitations or statutes, with a view to enabling the old industrial areas to further transform or bring their new functions into play.

Madam President, different countries and places have many different ways of transforming the abandoned industrial land. Early in 1863, an old abandoned quarry site and landfill in Paris was converted into a scenic woodland park called the Buttes Chaumont. The dwindled Zhu Shan industrial zone of Nantou, Taiwan, was revitalized thanks to the promotional efforts of the local authorities over the past two years. Factory tours are now organized for the public to visit the area and engage in lantern-making and parent-child do-it-yourself activities, thereby offering new conditions for outdoor teaching activities.

Beijing 798 art zone is another highly successful example. Some artists set their eyes on this old industrial area in around early 2002, which was subsequently developed into an art zone where artists enjoy low rental and greater room for creativity. Today, Beijing 798 has become a well-known example of transformation of old industrial areas.

Industrial areas in Hong Kong are usually highly accessible and in close proximity to business and residential areas, which are indeed favourable conditions for transformation. Take Tsuen Wan as an example. In this Hong Kong's earliest developed new town is Chai Wan Kok, where numerous factories and warehouses had been constructed and created a great number of job opportunities for the support of many families in the 1970s and 1980s. Yet, many factory building units are now vacated in the wake of a downturn in industrial development, which is unfortunately a waste of our land resources.

The Secretary highlighted this problem in the speech made earlier, stating that these buildings were commonly found in places such as Kwun Tong, Tsuen Wan and Kwai Chung in Hong Kong now. Should the Government take the lead to further promote the revitalization of these buildings, I think that new development opportunities will definitely be secured for such new industries as tourism and service in Hong Kong in the future.

Before Mrs LAM assumed office as the Secretary and was still the Permanent Secretary of the Home Affairs Bureau, I had once met with her to put forward a series of proposals to revitalize Tsuen Wan. The revitalization of Tsuen Wan through the development of tourism economics, for instance, may actually bring new horizons by, say, optimizing the beautiful promenade that stretches along the shore of Tsuen Wan and Tuen Mun so as to develop a genuine Gold Coast that will provide one-stop ancillary facilities and beautiful landscape, as opposed to the so-called "Gold Coast", which is indeed a very small property development. Should the beautiful promenades along the shore of Tsuen Wan and Tuen Mun be linked up, this may bring new impetus to its development and create more job opportunities. Therefore, I eagerly hope that the Development Bureau will consider this proposal from members of the public in a more comprehensive manner.

On the other hand, different organizations are very concerned about the development of the whole area as it involves various interests. In that case, will the Government consider further relaxing the restrictions according to the need of different buildings or units in change of uses, with a view to increasing the room for transformation and hence revitalization of industrial buildings, and offering better development prospects for the old industrial areas? I hope that the Government will adopt a more audacious and creative mindset in this respect.

Thank you, Madam President.

MS AUDREY EU (in Cantonese): President, I remember that I was a secondary student when I first went to a factory building as a summer job worker in a wig factory. The next year, I had my summer job again at a spinning factory.

With the relocation of industries of Hong Kong northward, I remember that it was 1997 when I went to a factory again in my capacity as the then Chairman of the Hong Kong Bar Association. A renowned photographer, having seen a picture of me in a newspaper, offered to take some pictures of me free of charge and asked me to go to his studio in an industrial building in Aberdeen immediately. He then took some pictures of me. I think that these experiences represent the different uses of factory buildings at different times.

The Government always reiterates the importance of assisting the small and medium enterprises (SMEs) and developing creative industries. The transformation of old industrial areas certainly bears risks, but it offers opportunities, too. In fact, this is not something that happens only today. When old factories flocked northward in the 1990s, a large number of factory buildings were vacated. What is the situation now? From the figures given by the Secretary for Development in her earlier speech, we noticed that there has been an improvement in the vacancy rate as the vacated factory buildings are now occupied by different new industries. In fact, these vacated factory buildings or old industrial buildings which have been converted to other uses can serve many new creative purposes.

It can be seen that many media organizations have moved to different industrial estates in recent years. Not only Television Broadcasts Limited moved its headquarter from TV City at Clearwater Bay to the Tseung Kwan O Industrial Estate in 2003, Asia Television Limited also moved its headquarters to the Tai Po Industrial Estate last year. In addition, *South China Morning Post*, the Oriental Press Group, Next Media Limited and Asia Netcom of the media sector also moved to different industrial estates one after another. Many front-line staff, such as reporters and actors, are working in industrial estates at present.

While the Tai Po Industrial Estate has already reached its full capacity, the occupancy rate of the Yuen Long Industrial Estate also reaches as high as 99%. These figures show that the emergence of non-traditional industries has gradually boosted the demand for industrial land. What should be done by the Government to tie in with these new developments?

In respect of privately-owned factory buildings, benefiting from the low rental and long-term lease of the old industrial areas, some small-scale non-traditional industries are undergoing low-profile development. Hence, we can see different kinds of SMEs clustering in the industrial areas, which include waste paper recyclers, arts workshops, drama troupes, music rooms, band rooms

and even studios which I mentioned earlier. What is more, there are production houses and private kitchens, and so on. President, I was once invited by my friend to dine in a factory building. The atmosphere inside was not bad except that I was a bit scared when using the escalators, which were very slow. I felt very uncomfortable, worrying that they might stop or fail at any time. But apart from this, the parking fees of industrial buildings are most inexpensive.

In fact, there are some overseas examples of the revitalization of industrial areas on non-government initiative. For instance, The Brewery in Los Angeles, the United States, which used to be a brewery, was subsequently developed into an art colony after some artists had rented the place. Right in front of us is a similar case in Hong Kong, where a group of arts teachers and students of The Chinese University of Hong Kong were attracted to the vacated factory buildings in Fo Tan in 2000. By 2002, there were 70 artists in residence in Fo Tan where an arts hub gradually took shape. This is indeed a positive development if the Government can exercise proper use and guidance, and it will be most regrettable if timely action cannot be made accordingly.

Earlier, the Secretary for Development also mentioned that the Administration had changed the planning procedures, which were pretty convenient. However, people who have actually gone through the procedures would tell you that they have to overcome many obstacles. Despite that changes have been made, payment of regrant premium is still required, as also mentioned by the Secretary just now. Very often, the payable premium is so high that it may render the cause impossible. What is more, they are also required to comply with the requirements of the Fire Services Department, Lands Department and Buildings Department, and are subject to different fees and regulations. For instance, you may wish to open a canteen in a factory building, but not only the display of advertisement is prohibited, the installation of full-length glass wall is also prohibited to prevent the passers-by from looking into the premises. There are a lot of rules, but many of them are entirely outdated.

Secretary, I understand that this is not your problem, but that of many departments. Insofar as the discussion on the transformation of old industrial areas is concerned, just as Mr WONG Kwok-hing said earlier, the first and foremost task is to remove all restrictions and implement measures in the light of the different conditions in respective districts.

As for government-owned factory buildings, the Civic Party suggests that the Government should consider changing the use of different industrial lands according to the varying needs of different communities, with a view to improving their medical, welfare and education services. In fact, as explained by Mr Alan LEONG of the Civic Party in his speech earlier, we see eye to eye with other Members, like Mr SIN Chung-kai, in many respects.

Mr CHAN Kam-lam's original motion proposed to facilitate the transformation of old industrial estates through redevelopment, but the Civic Party considers that large-scale redevelopment would have more far-reaching implications on society and the environment. It is therefore hoped that it should only be considered as a last resort or would not be considered until the very last moment.

President, I so submit and hope that Members will give more views. I also hope that the Secretary will discuss with other government departments about how our land can be optimized.

MR WONG TING-KWONG (in Cantonese): Madam President, following the northward relocation of the local manufacturing and production processes to the Mainland over the past two decades or so, the market demand for factory buildings has shrunk, hence leaving a large number of vacated factory units. As indicated by the data of the Hong Kong Property Review 2007, the total stock of private flatted factories in Hong Kong was some 170 million sq m last year. Although the vacancy rate has dropped from 10.5% in 2002 to 7.2% in 2006, it is estimated that these vacant factory buildings have resulted in a loss of billions dollars worth of resources, in spite of the fact that factory units used for non-conforming purposes, that is, engaging in activities totally unrelated to industrial production, have already been factored into calculation.

Despite the definition of "industrial use" as promulgated under the Town Planning Board (TPB) in 2003 having been extended to cover more non-productive industrial modes and purposes like training, research and design to cater for the need of market development arising from economic restructuring in Hong Kong, industrial building owners who are exempted from the application of change of land use under the new definition are still required to pay regrant premiums which are often very high. Furthermore, as the sales of factory units

have caused the ownership of many factory buildings to be fragmented, it is therefore not easy to gather a certain percentage of ownership to apply for a change of use of factory buildings for other purposes.

Neither is it easy to develop high value-added or high technology industries by making use of industrial buildings through an expansion of the use of industrial land, thereby enabling the vacant factory buildings to grow in value. In response to a question raised by me in November 2006, Mr Michael SUEN, the then Secretary for Housing, Planning and Lands pointed out that the Factories and Industrial Undertakings Ordinance aimed at protecting the occupational safety and health of employees working in factories and industrial undertakings, rather than specifying the user restrictions on factory building units. For this reason, whether or not to relax the user restrictions on factory building units to facilitate their conversion to other uses does not fall within the ambit of that Ordinance.

It seems that there is presently no specific legislation to regulate the user restriction of factory building units. The introduction of a new law for this purpose may involve significant legal issues as to how and whether the terms and conditions of a land lease should be changed because of the substantial premiums at stake.

Therefore, the DAB proposes to fully relax the use of industrial land by increasing the flexibility of the Schedule of Uses. Take the wholesale trade as an example. Since wholesale trade is currently listed under Column 2 of the Schedule of Uses for Industrial zone, so any development should obtain the prior approval of the TPB. We suggest that the Government should consider listing theme wholesale under Column 1 of the Schedule of Uses for Industrial zone, and specify that factory buildings are only allowed to engage in wholesale trade in whole. In case the owner of one floor or a few floors' factory building units applies to convert the units for wholesale use, approval must be sought from the TPB. We consider that in so doing, investors will be given incentive to change the use of industrial buildings, while at the same time ensuring that the wholesale trade operating in an industrial building will not conflict with other industrial uses of the same building.

This proposal is actually compatible with my long-standing suggestion that Hong Kong should be fashioned into an all-year-round capital of international exhibitions and sales. Last year, a proposal of the DAB in this regard was

submitted to the Government, suggesting that exhibitions and sales cities of products from the Mainland can be developed in the existing industrial buildings as a permanent exhibitions and sales platform. This helps attract purchasing staff from around the world to come and make Hong Kong a worldwide exhibitions and sales trading centre, thereby enhancing both passenger and cargo flows. As a result, not only factory buildings will enjoy a growth in value, new points of economic growth will also be developed in helping to launch mainland brands onto the international market. But this idea requires the support and co-operation of the Government in terms of policy, which include streamlining the application procedures for change of land use; introducing measures to implement the payment of regrant premium in instalments, as well as amending the definition of factory in existing legislation and the criteria of industrial use to allow legitimate use of the buildings for exhibitions and sales purpose. Only in this way can this idea be realized.

With these remarks, Madam President, I support the original motion and the amendments.

MR JAMES TO (in Cantonese): President, in fact, many industrial buildings are no longer used for industrial purpose. At present, the transformation or conversion of these buildings are often conducted in a piecemeal manner under certain operations, for instance, applications in respect of planning (if any change in planning is prohibited by the Government) or litigations concerning land lease through which the wordings contained therein can hopefully be disputed for purposes of changing the use of the land. Firstly, this approach will be adopted to change the land use provided that no heavy investment is involved, and in case the Government subsequently institutes prosecution, the merits of each case will be considered to see if it is worthwhile to engage in a lawsuit with the Government. Assuming that a loophole is identified however small it may be in the course of it, showing that the previous interpretations of certain wordings can no longer apply vis-a-vis the current development of common law, the wordings restricting the use would then be pryed open to achieve a wider coverage. Certainly, negotiations can be made with the Government If a developer has purchased the property in whole, he may even negotiate with the Government for a lease modification.

However, it seems that Government does not have a concrete idea of how the land can be optimized. At the same time, however, negotiation with the Government must be very cautious as this involves significant interests in respect

of business and development. If the relaxation of land use is really implemented in an area-by-area basis, the community will certainly ask: Why was there relaxation in one area but not the other? Does it intend to accommodate a particular developer who has more land reserve in that area? Is this an intention to cater for railway development or the special theme of a particular industry? Hence, relaxing the land use of a particular area will only give rise to suspicions. Unless there are reasonable justifications, the relaxation of land use must be implemented across the board. How can it be implemented on an area-by-area basis?

Judging from an objective standard, dilapidated industrial buildings that are prone to collapse will be purchased by the Urban Renewal Authority for fear that restoration will only mean a waste of money. That is why they are simply purchased. However, is the purchase price solely determined by the age of the building? What will be factored into consideration when some units, for example, have been partially sold or are owned by a single person? This actually involves many interests that are too significant.

Furthermore, one may have a different perception from another angle. For instance, a lot that has been granted to a voluntary organization (the examples are certainly not always the same), a petrol filling station or electricity plant, or a village school, should be surrendered to the Government when it is no longer used for the specified purpose. And yet, it is possible that the land was granted at an extraordinarily low rent, or even granted for free provided that it is dedicated for a particular use. History nonetheless shows that some of the land was sold to self-financed users for particular uses. The Legislative Council has been following up these cases. Once the land concerned is no longer used for a specified purpose, is it necessary for us to ensure that the user will benefit from the radical change in land use? This begs the question of whether benefits should be transferred to the users in this way. If the Government does not benefit from the relaxation at all — because exempting the users from all payments benefit neither the community nor the Treasury, does it worth doing so? If we really have to do it, will it give rise to serious controversy?

Of course, there may be many other alternatives. If the case in question is a revision of wordings or a relaxation of certain legislation, many things can possibly be done. Let me cite an example. Recently, the Government is

considering allowing private property owners to apply for compulsory sale of a land lot in whole by reducing the relevant threshold from 90% to 80%. Will it have the same impact on both industrial and residential buildings? Land resumption involving residential buildings relates not only to money. If the resumption of land is conducted by the Urban Renewal Authority (URA), the tenants will have greater protection, say, insofar as rehousing is concerned. However, will it be the same for industrial buildings? I do not think so. While it is said that this may involve means of living or even more serious issues, many industrial buildings are dilapidated, left idle and probably inhabited by nothing but mice. For this reason, the implications that the Government should consider will be far less than that of residential buildings. The resumption of the Wah Kai Industrial Centre aroused serious controversies in the past. But since this incident took place about a decade ago and that cases of industrial buildings closing down or being left idle have become more prevalent, the factors to be considered can be plenty and comprehensive. While I consider further relaxing the restrictions imposed on residential buildings may probably give rise to problems, the principle or implications involved may not necessarily be so significant for industrial buildings.

All in all, I wish to further stress that if the Government intends to have the URA deal with the existing situation, certain parties may enjoy greater protection. And yet, this should not slow down URA's pace of redeveloping residential buildings (the redevelopment of old buildings), otherwise, I will "have to thank the Government". Many kaifongs living in those dilapidated buildings are still waiting for the Government to "save" them and make their wish come true. If the Government suddenly indicates that it will redevelop the industrial buildings and relax the restrictions imposed on the developers to remove all their stumbling blocks, such that they can optimize the land for development (as the developers may help boost up the land value and the land premium receivable by the Government), the minor owners and tenants of these residential buildings (who are waiting for rehousing) will be seriously affected. Therefore, I hope that the Government can draw a bottomline where "redevelopment of residential buildings should not be affected by all means".

I have made these points as reference for the Government in consideration.

DR KWOK KA-KI (in Cantonese): Madam President, this topic concerning industrial buildings is worthy of discussion because, after two decades of economic restructuring, there are now less and less production processes being carried out in industrial buildings in Hong Kong.

But nowadays, the role of these industrial buildings has actually changed. I remember that I have been to these industrial buildings for many times but not even once have I seen any production-related activity being carried out there. For instance, tutorial classes are provided there for children and so, I went there; I went there to take family photographs; and I went there because some friends engaging in the service sector had opened their offices there. I know that some of the activities are conducted by taking advantage of the loopholes in law. But why have they eventually settled down in those buildings and do they, in fact, have a need to do so?

In fact, there is an anomaly in Hong Kong and that is, the rent and premium are exorbitant. In fact, these industrial buildings are the only place where many small and medium enterprises (SMEs) and businesses with a small capital can operate. People who do not believe this can go and take a look at the industrial buildings in Chai Wan, Tsuen Wan, and so on. They will find many small-scale business activities being carried out there.

If we must really introduce changes to them abruptly by, say, changing some of the buildings into something like the grandest MegaBox in Kowloon Bay or those best-looking buildings around the MTR stations, what would happen? I think some people might stand to benefit from it, especially the major developers, because the rent might surge from the present level of a few dollars or \$10 to \$20, \$30 or \$40 per sq ft. But if we ask: Will this benefit the users? Sometimes I have no idea. There are two types of users. One is those who are leasing the units to provide services; and the other is the ultimate users, such as ordinary people like us. I reckon that the costs to be borne by both types of users will keep on rising.

In fact, we now face two questions. One is that in order for Hong Kong to achieve further development, is it a must to change the land use in some districts? The second question is: Is there niche for small-scale business operation in Hong Kong to survive? I think if we fully relax the restrictions by, for instance, developing prestigious hotels all over Wong Chuk Hang, turning all the buildings in Kowloon Bay or those near Hong Kong East into high-class office buildings or perhaps even developing buildings in Tsuen Wan into hotels, that would be most undesirable. Another problem is that in 92% of these

buildings — Mr WONG Ting-kwong also said earlier that there are over 90% of them — the units have been put to such uses, and the operators are actually playing a part in taking forward industrial and business development in Hong Kong. Sometimes, it is because they cannot rent ground-floor shops or business premises that they have no other alternative but to operate in those districts. We all know that many of those districts are inconveniently located and not easily accessible by public transport.

But why do they still operate their business there? There is a reason for them to do so. Because that is the only place where they can find very little room for survival. So, when the Government considers changing the land use of the old industrial areas in the future, it must not neglect one issue in its consideration. How much room is provided for these businesses? Will the business environment in Hong Kong be further worsened?

Second, we certainly cannot stay put insofar as development is concerned. We can see that there is less and less usable land in Hong Kong, and development is not an option on some other land. For instance, we must protect heritage sites, and we do not use some of the land in the proximity of country parks. Therefore, it is impossible not to make use of the industrial land. But if such land would really be put to use in the future, I only hope that when changes must be made, firstly, they must not be made in a broad-brush manner and secondly, changes must have regard to the ultimate needs in the market and that is, the needs of tenants and users.

I think it is necessary to conduct surveys in order to find out what kinds of business are operating there, because we are, on the other hand, still encouraging businessmen, and even businessmen currently engaging in production in the Mainland, to relocate their factories back to Hong Kong. Indeed, efforts have been consistently made to this end with two objectives: First, we hope that these businessmen can provide more employment opportunities, so that the many non-skilled workers who do not have high educational attainments will have job openings.

Recently, I have heard from members of the public that their employers who used to operate factories in the Mainland now face great difficulties in their operation in the Mainland due to, among other things, the ever increasing wages and the many unusual and harsh taxes or fees, and some have, therefore, chosen to relocate their operation back to Hong Kong. If we extensively relax the

restrictions on these industrial sites in one go, and if I were a property developer, I would certainly know what I should do. I will definitely adopt an option that can maximize the benefits and the best way to do so is to develop buildings, hotels, offices, and so on. As for the other uses, sorry, that is not my concern.

But in its consideration the Government cannot neglect the fact that while we encourage the development of a business-friendly environment in Hong Kong on the one hand, we, on the other, still hope that industrial production processes will be carried out in Hong Kong. In fact, these production processes, irrespective of their scale, have increased over the past few years. I expect that if the cost of production in the Mainland continues to rise, there should be more and more Hong Kong businessmen who used to operate their factories in the Mainland returning from the Mainland to Hong Kong, for there is already such a trend now. So, when considering relaxing the restrictions, the Government must think about this group of people as to whether or not there would be room for them to survive in the future.

These two reasons for making changes aside, there is also the urban renewal factor which, I think, is important. Urban renewal is being carried out in every country and territory. I think nobody will oppose the principle of redeveloping old or dilapidated buildings which require improvement, but if changes are made on this basis, the Government should consider this in the context of its future replanning endeavours, in that some areas would require assistance from the Government to develop into a new area for, say, cultural and recreational or other uses, and insofar as these uses are concerned, many Members have mentioned some considerations today. The objective is to realize these new concepts, so that they will at least create a better environment. For instance, it can be turned into a new hotel area, or when developing sites in the proximity of a residential area into a business area, high-class offices or residential areas, changes can also be made in that direction. However, I think this should be taken forward cautiously.

Second, there is certainly the problem of land premium. As we all know, in Hong Kong, the question of land is still of great concern to the public and the Government. I think the public would not wish to see that the interest of our public coffers cannot be protected in the process. So, even if there will be changes, I think apart from the reasons and factors that I have just discussed, the Government should also examine whether this would benefit only individual major property developers, but not members of the ordinary public.

I so submit. Thank you, Madam President.

MR ALBERT CHAN (in Cantonese): President, when it comes to changing land uses in industrial areas, Hong Kong actually has a profound and long history of doing this. Many districts in Hong Kong, especially many large-scale private housing estates, are products of gradual redevelopment after a former industrial site was rezoned as a Comprehensive Development Area. Many housing estates in Lai Chi Kok, Sham Shui Po and Tsuen Wan and also the Tai Koo Shing are developed on former industrial sites, and such change of land use is still taking place continuously. President, insofar as this change is concerned, it is, in general, a good policy with clear concepts, principles and procedures set out for its implementation.

Of course, some options will certainly be particularly beneficial to certain land owners, especially property developers. Among the many planning cases that I have followed up, the case of Shiu Wing Steel Mill has made the deepest impression on me. There were three steel mills back then during the planning of the development of Tseung Kwan O. The land use planning of the site of Shiu Wing Steel Mill was most comprehensive, as the entire site of the steel mill was planned for residential use. As for the other two steel mills, one of it happened to be located on a site "severed" in the middle by a crossroads, and the Government finally invoked the land resumption law to recover the site. This is a tactic of the Government in planning which compelled a steel mill to be recovered by the Government under the Land Resumption Ordinance, for such resumption was in public interest and deemed necessary given the need for road construction. The other large-scale steel mill was spared, and it subsequently co-operated with other consortiums to develop residential property on the site. So, there is also a difference depending on the affinity with the Government even in respect of the development of industrial land. Whoever is on good terms with the Government and whoever has the status will be given special treatment.

The change of land uses has caused many problems before. A case in point is Container Terminal No. 9 (CT9) in Tsing Yi. According to the original plan of the Government, the site of CT9 was originally planned to be a so-called buffer zone and designated for hotel development. Then, the consortium exploited the loopholes and grey areas in law and eventually developed the so-called serviced apartments there, but these serviced apartments could

eventually be sold individually by way of transfer of legal title. Certainly, this had led to many disputes. The Lands Department categorically vowed that they would not grant approval to similar developments in future, but the consortium has already exploited the loopholes to reap huge profits and profiteer. The interest of small owners has nevertheless been jeopardized by these special lease terms, and as they did not know that the land was granted in such a way, they thought in the beginning that it was just ordinary sale and purchase of private property. Therefore, in the course of transformation, the transparency, openness, fairness and impartiality of the policy on transformation are very important principles which require adherence by the Government.

After transformation, will the small owners be misled when they, attracted by publicity or for some reasons, purchase the property concerned and will their interest be injured and will the property delivered to them turn out to be of inferior quality? The Government is absolutely duty-bound to ensure that the developer, in any circumstance when such property is put up for sale, will handle all cases of transformation, land grant conditions and the relevant information provided subsequently in an open, fair and impartial manner.

In recent years, President, I have helped many owners in these negotiations. For example, the owners of many industrial buildings in Tsuen Wan hope that ownership can be combined, so as to apply for permission for redeveloping their buildings into hotels or commercial buildings. In this regard, many small owners actually lack professional support. The Development Bureau can take up this role and study how assistance can be provided to the small owners of these buildings in law as well as in the professional and procedural aspects, so that they can proceed with reasonable redevelopment through a certain procedure. It is because in all cases of redevelopment, even though consent has been secured from 90% of title owners, the persons who take on a leading role will often meet many financial and technical obstacles. Some small owners may not be willing to sell their property to the developer for development and so, whether or not this responsibility should be given to the Urban Renewal Authority (URA), the Hong Kong Housing Society or a new body established by the Government to assist these small owners is, I think, an issue that we must face in the future, because

this type of development should not always rely on major developers who can, through this process, monopolize the market of development. If small owners can pool their efforts together in carrying out redevelopment, the small owners themselves can be benefitted and at the district level, the entire community can also be improved through redevelopment.

President, I also wish to take this opportunity to bring up the issue of the Waterfront Slaughterhouse, and I hope that the Secretary can really pay attention to it. As the land grant conditions stipulated that the Waterfront Slaughterhouse must be used as a slaughterhouse, no changes can be made — in fact, the slaughtering of pigs is, of course, another political issue — but insofar as the planning of land use is concerned, the Waterfront Slaughterhouse is absolutely unsuitable for use as a slaughterhouse anymore. If we have to change its use, given the extremely harsh control imposed by the land grant provisions, the problem may remain unresolved for the next 20 years if the Government does not relax its policy and exercise discretion to allow the site to be developed for other uses. I hope that the Secretary can really use her political wisdom to help resolve this problem which has existed in Tsuen Wan for over two decades. Thank you, President.

MR TAM YIU-CHUNG (in Cantonese): President, the DAB has been striving for the transformation of old industrial areas, in order to optimize the use of land and take forward the economic development of Hong Kong. Last year, the DAB conducted a study jointly with the Hong Kong Policy Research Institute on how to optimize the use of existing industrial land in Tuen Mun and put forward a series of short-, medium- and long-term proposals on development. Through this motion debate today, we hope to throw out a sprat to catch a mackerel, with a view to improving the development planning of Tuen Mun.

Tuen Mun is situated in Northwest New Territories and adjacent to the western part of the Pearl River Delta (PRD) and the Western Corridor, and with the opening of the future Hong Kong-Zhuhai-Macao Bridge, Tuen Mun will become the connecting point between Hong Kong and western PRD and so, Tuen Mun has a strong edge geographically. At present, the industrial buildings in Tuen Mun have a utilization rate of over 90% but as they are mainly used as warehouses, this is no doubt a gross waste of resources. Such being the case, in the short term, the Government should relax the restrictions on land use and

extend the uses of industrial buildings in Tuen Mun. In order to create jobs while achieving the short-term objective of maintaining sufficient industrial land, the Government can follow the practice that it had adopted before in handling the Kwun Tong Industrial Area by changing the use of the industrial buildings from "industrial" to "other specified uses" annotated industrial/office use, thereby encouraging investors to redevelop the buildings, so as to attract commercial tenants and when there are demands for industrial and factory premises in the market, the units can be used as factories again and this will greatly increase the flexibility of land use.

As an objective of development in the medium term, the Government can make changes in respect of planning and assist the transformation of industrial buildings into clusters of factory outlets of various themes or research and development (R&D) centres for design. An example is to develop a R&D centre for fashion design. At present, Tuen Mun is quite easily accessible by public transport. The existing industrial area is located beside the Tuen Mun West Rail Station and it takes only 30 minutes to travel from Kowloon to Tuen Mun. There are many bus routes in Tuen Mun travelling to and from other districts, and it is very convenient to travel from Tuen Mun to the Mainland via Lok Ma Chau or Shekou, or by ferry. On the other hand, the units in the industrial buildings have a large floor area whereas the rent is much less expensive than that in the urban area. Added to this is that during the planning of the industrial area, consideration was already given to the need to cater for a large number of heavy-duty trucks going in and out of the area. The roads are, therefore, developed with sufficient load bearing capacity and so, there are very good ancillary facilities to support the development of thematic clusters of outlets.

We propose that the Government should provide policy support. In respect of the planning of uses, the Government should consider incorporating thematic wholesale markets into regular "industrial" use, and as long as the entire block of building is used for wholesale business, application for permission would be unnecessary but if wholesale markets are operated on some floors only, it would still be necessary to apply for permission from the Town Planning Board. This can encourage investors to change the uses of the industrial building while ensuring that the wholesale trade operating in the industrial building will not conflict with other industrial uses in the building. What should be the major areas of business of these wholesale markets? We consider that the final decision can rest with the market. The study conducted

by the DAB found that whether from the perspective of business opportunity or public aspiration, there is relatively more room for developing thematic clusters of outlets selling electronic products, household electrical appliances and garments.

Converting industrial buildings into thematic clusters of outlets will attract a huge flow of people to the buildings and in this connection, the buildings will need to make certain changes to meet the requirements of the Buildings Department and the Fire Services Department. The Government should provide one-stop services to assist in the conversion work of these buildings.

Our study also found that through the opportunities brought by new cross-boundary and local transport infrastructure, Tuen Mun has the potentials to become a R&D centre for fashion design in the PRD. Now, there is not any dedicated exhibition centre for fashion in Hong Kong. The existing industrial buildings in Tuen Mun can be used as exhibition venues and a permanent showroom of local fashion design and brand names. Buyers from places all over the world can go to Tuen Mun directly from the Hong Kong Airport, and it is also very convenient for mainland customers to go to Tuen Mun via the Western Corridor. Enterprises can set up their offices, design galleries and workshops in Tuen Mun and receive orders and then immediately make samples for customers. They can also send the designs via the Western Corridor to factories in Shenzhen and other places for mass production. The centre can also be home to a training institute for fashion design and become a cluster of shops where customers can order clothes tailor-made for them. If the Government can lead the industry to create industrial icons in the district, this can effectively facilitate the transformation of industrial buildings in Tuen Mun.

As a long-term strategy, the DAB proposes to redevelop the Tuen Mun industrial area for commercial use by developing regional shopping malls, hotels, and so on. There is now a population of 1.85 million in New Territories West excluding the outlying islands, and in the Tuen Mun and Yuen Long districts, there is already a population of 1.05 million. Such a huge population can support the development of regional large-scale shopping malls to provide residents with various venues for spending and leisure activities. However, there is not any regional shopping mall in New Territories West at present. In this connection, the industrial land beside the Tuen Mun Town Centre West Rail station can be developed into a regional mega shopping mall. The development of a shopping mall can facilitate the renewal of the industrial area in the town

centre and hence attract spending by residents from New Territories West and even the PRD and increase job opportunities. Diversified recreational facilities can also be provided in the shopping mall, such as an ice skating rink, bowling alleys, and so on. Coupled with the associated development in nearby areas, the original industrial area in Tuen Mun can become a new leisure, recreational and cultural centre in the district. Results of the questionnaire survey conducted by us show that most interviewees support this long-term objective of development. Therefore, the Government should draw up proper planning guidelines to provide a basis for compliance in the course of transformation and hence reduce obstacles and speed up economic development.

I so submit. Thank you, President.

MRS SELINA CHOW (in Cantonese): President, first of all, I thank Mr CHAN Kam-lam who, in this meeting today, followed up the topic of a motion proposed by me and passed in this Council last year. I am very grateful to him. Particularly as we now have a new Director of Bureau, we certainly hope that there can be further development.

As regards whether or not the industrial buildings can take on new uses and how disused industrial buildings can be put to good use as they are social resources, we certainly do not wish to see them all being left vacant. At present, many of these buildings are either left vacant or used for non-industrial purposes. In this connection, the Liberal Party has actually discussed this problem with the Government more than once. Even after Secretary Mrs Carrie LAM assumed office, I have taken up this issue with her and she also expressed support for it. Although she was very busy as she had just taken up office — we have seen that she has made very active efforts in respect of conservation — she promised me that she would conduct in-depth studies in this respect and I am very grateful to her. Now that this issue is brought up again in this Council and discussed from some different angles. This, I think, is very good.

Some small and medium enterprises (SMEs) which are operating or used to operate in industrial buildings may be or may have been forced to move out or requested by the Department in writing to cease using their units for their operation after they had failed to apply for permission to change the use of the industrial premises. These SMEs have maintained frequent communications

with me and they are very concerned about the speeches made by Members today and also the response of the Bureau. If these industrial areas or industrial buildings being left unused or not being fully utilized can be redeveloped for other uses, say, for commercial use, I certainly consider this a good thing. But this would still depend on whether the districts where the industrial buildings are located can cope with these changes or conversions. I think this is necessary from the planning perspective.

From the redevelopment perspective, if changes are made to the entire district, for instance, when many industrial buildings are left vacant in an area, changes are therefore made to the entire district, certainly this is a good thing but that would mean a huge project, and while I consider this a good arrangement, we have some misgivings about whether such a project can be completed in a short time. Having said that, however, I call on the Secretary to — I believe she will — consider this carefully from the planning perspective, for this will, to a certain extent, benefit the overall urban development and the improvement of the environment.

Another point which I wish to raise again is that Financial Secretary John TSANG used to have a vision, as he had thought about redeveloping San Po Kong into a loft, or for the purpose of the so-called loft living as in foreign countries by redeveloping the district into a residential area for the young and trendy, but this would involve making changes to the entire district. How long exactly would it take? How many complicated procedures would have to be completed before this could be achieved? A vision is, after all, a vision, and it may not be realized easily in reality.

But in the short term, we can see that a large number of industrial buildings are actually very worn-out or face the problem of multiple ownership by many small property owners. With regard to changing the uses of these buildings, the Government said that an application made by the principal owner would be considered. But the ownership of many industrial buildings actually belongs to numerous small owners. It is indeed difficult for these small owners to join forces and work together.

In the debate last year we proposed that the Government might really have to consider establishing a public body similar to the Urban Renewal Authority as a facilitator to take forward this issue, and I even exchanged views with the

Secretary in this respect. While this proposal may have certain merits in principle, it is, after all, not the only option of the way forward.

If some non-public professional bodies or persons or organizations in the private sector can assume the role of a facilitator, that could perhaps be more flexible and efficient, but this would definitely require the Government to provide certain incentives. In other words, in respect of changing the uses of industrial buildings, the Government must provide facilitation in terms of policies. If the Government can introduce "enabling" policies to enable this to be done more conveniently and easily by providing incentives and "removing restrictions" in law, many private professional bodies may be able to take on the role of a facilitator and everything may be done more expediently and effectively. But in any case, I very much hope that the Bureau can expeditiously make a decision on the issue and tell us how the objective can be achieved.

As for the many proposals made by other Honourable colleagues, such as those concerning community facilities, they will, in fact, depend on how the uses of these industrial buildings will be changed and so, this is actually where the key lies.

Thank you, President.

MR TIMOTHY FOK (in Cantonese): Madam President, following the continued deepening of economic structuring and gearing in with the mainland economy, the economic structure of Hong Kong has now focused on the several pillars of financial services, trade, tourism and logistics. This, coupled with globalization and international division of labour, has caused the original structures of industries and the manufacturing sector to gradually fade out. A serious vacancy problem has thus emerged in industrial areas which used to be scattered in the urban area and new towns.

Many old government industrial buildings have the means to carry out demolition or redevelopment and change the uses of the buildings given that the Government is the principal owner. But to owners of general private industrial buildings, as they have to make complicated applications and pay exorbitant regrant premiums, they may not be able to carry out redevelopment on their own, and other than manoeuvring for acquisition by major property developers,

all they can do is to stand by and watch their units being left vacant, resulting in a drastic drop in income. In fact, if we look at the many old industrial areas in Kwun Tong, San Po Kong and Chai Wan, we will find that only few factories are still engaged in production. Redeveloped factory premises have all been converted into new industrial and commercial buildings or even hotels while those which have not been redeveloped are utterly dilapidated, thus creating a picture of glaring incongruity.

I must point out that if we just sit idly by watching the old factory buildings being left vacant, that would be a serious waste of urban land to both the owners and the economy and society as a whole. If the Government has increased the provision of urban land by reclamation on the one hand but allowed a considerable area of urban land to be left vacant on the other, such wastage is indeed unacceptable.

Madam President, I fully appreciate that it is a mission impossible to redevelop all vacant industrial buildings in one go. But their revitalization is absolutely possible. A simple way to do so is to provide, through concessionary arrangements, less expensive training and activity bases for the performing arts and cultural sectors which are in desperate need of land and space. Indeed, since a "cattle depot" can be turned into an arts village, factory buildings can certainly be turned into practising workshops. In fact, in London and Beijing there have long been cases where vacant industrial premises are converted into arts and cultural villages, and good results have been achieved. I must add that one "cattle depot" can only solve the venue problem for a small number of arts and cultural groups. There are still many arts and cultural groups facing a lack of venues, particularly the traditional performing arts groups which require larger space for performance and practice, such as Chinese opera troupes. Therefore, the revitalization of vacant industrial buildings will be a most desirable arrangement that can generate reciprocal benefits and create a win-win situation.

With these remarks, I support the motion.

MS MIRIAM LAU (in Cantonese): Madam President, the uses of old vacant industrial buildings can actually be very extensive. I still remember that in the debate on the motion on strengthening support for Tin Shui Wai last year, I proposed that the development of the logistics industry in the Yuen Long

Industrial Area could not only optimize the use of land but also facilitate the development of the logistics industry and even assist residents in nearby Tin Shui Wai in their employment, thus killing three birds with one stone.

Indeed, there has all along been a shortage of land for logistics use in Hong Kong. As early as in the era of former Chief Executive TUNG Chee-hwa, the development of the Lantau Logistics Park was already proposed but still we have yet to see its realization. This has seriously disrupted the planning of the industry and impeded the development of the logistics industry overall. Such being the case, I reckon that competition will be very keen for the site measuring 250 000 sq ft at Container Port Road South, Kwai Chung, recently put to tender by the Lands Department for logistics development, the value of which is estimated by the market to be over \$1 billion. But even if this site is sold, it can be put to use only in 2013 and so, it cannot address the pressing problem. Besides, the industry is also concerned that the site, which is to be sold by tender, may eventually be acquired by major consortiums and then leased to small and medium enterprises at high rent, which is not conducive to the main objective of reducing the cost of the logistics industry. Therefore, putting the existing vacant factory premises to practical uses by enabling more logistics companies to become tenants and operate on these premises is an option worthy of consideration.

If logistics companies wish to operate in old industrial buildings, as the ceiling height of some factory buildings may not allow entry by container trucks, structural alterations may, therefore, be required. But at present, the change of uses will involve various government departments, as it is necessary to apply for the permission of the Town Planning Board, Fire Services Department, Buildings Department and Lands Department and also submit a huge volume of documents. Then the various departments have to hold meetings to consider and approve the application and even conduct site visits for verification purposes. The procedure is cumbersome and the formalities are very complicated. The vetting and approving formalities, which often make the applicants feel weary and exhausted, have eventually deterred applications. I think the procedures should be streamlined by all means. Co-ordination should be enhanced among the departments to facilitate the provision of one-stop service for the convenience of operators.

Moreover, although the definition of land for "industrial use" was expanded in 2001 to include industries-related activities in respect of quality control, packaging, storage/loading and unloading or cargo forwarding, this is applicable only to the traditional logistics industry. At present, the industry has taken active steps to develop the third-party and fourth-party logistics business which means that professional logistics service providers will take up work in respect of management, liaison, resource matching and provision of solutions in the entire supply chain. The problem is that traditional office premises may not be able to cater for these companies and so, if traditional factory buildings can accommodate the operation of logistics management, it would provide more room for the development of these industries and the industrial buildings can also be put to good use.

Madam President, the proposal of converting old industrial buildings for use by the logistics industry has actually long since been put forward in the community. As far as I can remember, I already made this proposal as early as eight to 10 years ago, which was also very much supported by the logistics industry. I have put forward and discussed this proposal with many officials and senior officials, and they all replied that this is worthy of studies. However, this has remained just a lip-service by the Government for no action has been taken. Recently, the report of a study conducted in 2006 by the Hong Kong Polytechnic University on commission by 25 trade associations has expressly proposed that the authorities should study the inclusion of logistics management in "industrial use", but it seems that the Government has neither given any response nor taken actions actively to provide support. In this connection, I very much hope that the Administration will positively give a response today and make more comprehensive planning for the old vacant industrial buildings or factory areas to fully utilize the land and prevent our precious land resources from being thrown down the drain. In this way, these factory premises can be given a new lease of life and realize their inherent economic benefits.

Madam President, I so submit.

MR LEUNG YIU-CHUNG (in Cantonese): President, with regard to the problem of old industrial areas, I think it is two-fold. Firstly, as colleagues have just said, there are many vacant units in the factory areas, or these areas are already very dilapidated. In fact, it is indeed necessary for us to take rigorous measures to tackle this.

Certainly, I agree with some colleagues that overall redevelopment or overall re-planning may be necessary, or else a problem of incongruity would arise in the district. Indeed, we have seen that some districts really need community facilities, including medical, education or other cultural and recreational facilities as mentioned by Mr Alan LEONG earlier on, and it is necessary to strike a balance among them. In this connection, I hope that the Government can identify the districts for which planning must be made seriously and consult community groups and locals, in order to look into how improvement can be made to the districts. This is a job that must be done.

On the other hand, I can see that some industrial areas are in fact not very much on the wane. On the contrary, they are very prosperous. The Kwai Hing Estate, which is within my Kwai Fong constituency, is an example. Since I became a district board (DB) member of this district in 1985, I have been witnessing its changes over the last two decades or so. I remember that when I first became a DB member of this district, the district was very prosperous indeed. From the Kwai Fong and Kwai Hing footbridges to the industrial area across the road, the pedestrian flow was so huge that barely could the footbridges cope with it. Later, after much lobbying, the Government carried out expansion works at the footbridges to make them convenient for workers to go to work. But in the 1990s when the expansion works were completed, the activities in the district began to wither following the relocation of many factories northward, resulting in the decline of industrial development. In recent years, however, I have again seen a gradual increase in the flow of people. Why?

I have found that in some factory areas, as some colleagues have said earlier, their development is no longer confined to putting the buildings to industrial use as in the past, for many of them have been redeveloped for other uses. For example, some buildings similar to industrial buildings have been converted as offices and warehouses and this has led to a gradual increase in the flow of people. This is the case not only in the factory areas. Recently, I have seen that in two government-owned industrial buildings, including Chun Shing Factory Building, the letting rate is not low because many small enterprises need units of a smaller size. The size of the units aside, the rent of the units must be low, in order for them to operate their business. Chun Shing Factory Building is the only government industrial building providing units with a more even and spacious layout. So, they have been very popular among many enterprises in the leasing market.

This shows that small enterprises require units which are cheaper to rent and not too big in size to develop their businesses. As we all know, President, Hong Kong also relies strongly on the development of small and medium enterprises (SMEs). If we force these SMEs to rent units in those properly-built commercial buildings of a larger scale, the expensive rent is actually beyond their affordability. Therefore, there is indeed a need for these units to exist.

So, I think the Government should consider how, from the angle of supporting the development of SMEs, the use of existing factory buildings or industrial areas can be changed, so as to provide room for them to survive. In fact, they can not only facilitate the development of small enterprises, but also help create employment opportunities. This, I think, is what the Government should really consider seriously. But if we carry out demolition work just when we see a place has become old, or if we carry out demolition work just when we see that the utilization rate is unsatisfactory and then put up the land for sale in the market, the land will only be acquired by major consortiums for development, meaning that the SMEs will have to face monopolization once again. I am very worried about this.

Recently, I have seen that in the case of Hung Shui Kiu, the site, which is originally government land, has now been triggered by consortiums for development of low-density residential blocks. I am really very worried. President, as Dr KWOK Ka-ki said earlier on, the same would very likely take place if we just put up these sites in industrial areas for sale in the market, and once they were monopolized by consortiums, not only would it be undesirable for the community, it would also stifle the development of SMEs.

In this connection, I think in handling these problems, especially the problem concerning the transformation of industrial areas or industrial buildings that colleagues are talking about now, the Government must really exercise care, in order to find out how monopolization can be pre-empted while having regard to the development of SMEs, and this is most important. Moreover, consideration should be given to how this can complement community development. I have seen that the Government has now recovered government land at Hung Shui Kiu for low-density residential property development. However, it had been proposed before that the site be developed into an environmental town but the proposal was shelved. Now, the Government suddenly said that part of the site would be used for developing low-density

residential buildings. How does it complement community development? It may never be able to complement community development. Rather, it may ruin the development of the entire community.

Now, the Government has been doing this piecemeal, not in a holistic manner; nor does it have an overall blueprint. To me, this is very worrying indeed. What is my concern? I am worried about confusion and the fact that such development could not truly and thoroughly cope with the needs of the community. Another problem is that this approach adopted by the Government often neglects a very important element and that is, the need to consult members of the community. This is also the case in the Government's resumption of the site at Hung Shui Kiu. I think this is a very serious problem. So, with regard to changing the uses of industrial areas or factory buildings, I think importance should be attached to how reviews or consultations should be conducted, and only in this way will the change of land use be meaningful.

Finally, I would like to talk about factory buildings. Mr James TO mentioned Wah Kei Industrial Building earlier on and I think it is a good example. Some factory operators in Wah Kei Industrial Building still have not received compensation. The building has been demolished but the tenants have not yet received their compensation. There is a very bizarre case in which the authorities said that the tenant was not eligible for compensation because his unit was not used for industrial purpose. This is where the problem lies: The building is an industrial building but the Government said that it was not used for industrial purposes, which means that even the Government has acknowledged the fact that some of the units originally intended for industrial use were not used for industrial purpose and yet, the Government still allowed this situation to exist for a very long time. How should this problem be handled? This is indeed a problem. I hope that the Government can put the problems on the desk for more discussion and consultation with us.

President, I so submit.

PROF PATRICK LAU (in Cantonese): First of all, I wish to emphasize that insofar as the transformation of old industrial areas is concerned, the crux of the issue lies in the Government's industrial policy direction. Indeed, there must be a clear industrial policy to provide a basis before we can effectively make comprehensive planning of industrial sites and handle the transformation of old industrial areas.

Some members of the sector have reflected to me that the Government, in fact, holds that there are still demands for industrial sites in Hong Kong and so, it does not wish to change the land uses of industrial areas. In its "Report on the Updated Area Assessments on Industrial Land in the Territory" published in early 2006 the Planning Department proposed to maintain by all means the current land uses of industrial sites, in order to cope with the ever increasing activities of industry-related non-manufacturing sectors and provide the storage space required by the restructuring of Hong Kong into a logistics hub in the Pearl River Delta Region.

But on the other hand, the Town Planning Board has in recent years amended many outline zoning plans to allow some old industrial areas such as Kwun Tong, Cheung Sha Wan and Kowloon Bay to be rezoned to "Other Specified Uses (Business)" or OU (Business). I think between the two directions of development, a more balanced and desirable approach is to incorporate creative industries into the industrial policy and encourage them to pursue development in factory buildings in old industrial areas.

In fact, some small-scale creative industries, such as those engaging in arts, painting and handicrafts, art galleries, architectural design, model making and film production, have relocated their operation to old industrial buildings which have undergone transformation. A few years ago, a group of students of the University of Hong Kong and I conducted studies and made a proposal on the redevelopment of old industrial buildings for commercial and residential uses and we won the grand award in an international competition for students. This experience not only shows that the transformation of old industrial areas is a trend to which great importance has been attached in the international community. It also proves that many local talents can give play to their creativity in revitalizing the old industrial areas in Hong Kong.

However, the regrant premium is really beyond the affordability of SMEs in general, and with regard to many approved hotel development projects on OU(Business) sites, was it actually because the regrant premium was too expensive that a decision on withdrawal was taken? Moreover, it is costly to redevelop old buildings with poor safety and hygiene conditions and bring them up to compliance with the current standards. So, the Government's industrial policy must include the provision of substantial incentives to attract different new industries to make use of these areas for their operation.

Certainly, the successful transformation of old industrial areas will require detailed town planning and urban design strategies. It is essential to make improvements to the district by carrying out greening works and improving ancillary community facilities. In order to avoid the production of a huge amount of construction and demolition waste, consideration should be given to the fact that these old factory buildings do offer great potentials of other uses, because they were designed with very strong load bearing capacity and high ceiling and so, they are very suitable for conversion to other uses, such as art galleries.

The Government should work with architectural professionals to assess the conditions of old industrial buildings, on the one hand and draw up different designs in the light of the different conditions of the buildings on the other in order to utilize the buildings by either maintaining their existing use or redeveloping suitable buildings for other uses. Moreover, we can also consider how those buildings which are too dilapidated can be put to use. We can vacate land in the district for construction of such facilities as parks, pedestrian sites and community centres. Only in this way can improvement be made to the environment as a whole, in order to attract other developments. We should also improve the traffic and pedestrian networks on the principle of green buildings and sustainable development, with a view to creating and revitalizing the local features and characteristics of the community.

President, I hope that the views which I have just put forward from the policy formulation, overall planning and design perspectives can provide some insights to the Government in respect of how assistance can be effectively provided for the transformation of industrial areas.

I so submit. Thank you, President.

MR BERNARD CHAN: Madam President, I sometimes attend business meetings in the Kwun Tong-Kowloon Bay area. This is a neighbourhood which is no more than 20 minutes away from where we are now — here in Central. Yet, the contrast between the two areas is enormous, almost as if they are two completely different cities.

The streets in Central are jammed, full of traffic, and the pavements are spilling over with people. Just over there, across the harbour, the roads and the sidewalks are almost empty.

We have already seen changes in land use in some industrial areas, including parts of Eastern Kowloon. There, and in places like Aberdeen, we have seen old industrial buildings converted into offices, shopping malls and showrooms. Changing land use in this way encourages new forms of economic activity, and it creates jobs.

We sometimes hear calls for the Government to somehow encourage the manufacturing industry to return to Hong Kong. However, I think common sense tells us this is not going to happen. Indeed, more and more factories are now closing down in Shenzhen, for the same reasons they left Hong Kong years ago — rising labour costs, environmental controls, and so on. So, there is a great deal of potential in our old industrial areas.

That potential does not just apply to commercial and residential use. I believe it also applies — as the Honourable Mr CHAN says in his motion — to leisure, recreational and green spaces. In my opinion, there is an urgent need for us to start devoting more land to these purposes.

This might sound crazy, but if I want to let my son run around on some grass, the best way to do it is to buy air tickets and fly the family down to Singapore and go to the park. Needless to say, we cannot do that very often.

When I visit other cities overseas, I always notice how much more space they have, both between the buildings and in the form of parks and green spaces. Just a few weeks ago, Mr LEE Kuan-yew actually warned the people of Singapore against Hong Kong-style over-development.

In most respects, Hong Kong beats Singapore. But when it comes to allocating urban areas for leisure — especially for families and children — we really come a very bad second. Meanwhile, we have large amounts of vacant or underused space, some of which is surprisingly close to our overcrowded downtown areas.

We all know there are bureaucratic issues here, but we should not use them as an excuse to leave these districts under-utilized. These districts are a major opportunity to make Hong Kong a better living environment — better for ourselves as residents, better for visitors, and better for the young talent we want to attract. We are hurting ourselves by not taking this opportunity.

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

MR LEUNG KWOK-HUNG (in Cantonese): In fact, on this issue, I seldom some people do not agree to transforming useless or disused things into something useful. Over the past year or two, there have been continuous debates about how urban planning should be done in Hong Kong. Certainly, many colleagues have focused on the commercial or industrial perspective, saying that if the land use of the existing industrial areas is changed (all that they have talked about boils down actually to changing the land uses), then it should be done by transforming the existing buildings or factory premises or the districts into places with business opportunities. All that has been said boils down to just this point.

In fact, such advocacy is in response to an appeal made in the course of economic development in recent years. What is this appeal? It says that in this city, especially as further land development is difficult in the downtown area and while the economy has begun to bottom out, what is most important under such circumstance? It is the recovery of the property market. In fact, Hong Kong people have had these days before when areas being homes to such heavy industries as dockyards were turned into large-scale housing estates, and an oil depot was turned into a large-scale housing estate. In the past, this was beyond dispute or simply indisputable, because the then Government did not have to make long-term planning for the future development of Hong Kong. Nor did it have to make planning in respect of how to develop a city into a suitable home for 7 million people. The situation back then was different from what is happening now. We were then moving on continuously in the direction of post-war economic recovery.

But what are we talking about here? What we are talking about today is to transform the old industrial areas for a great variety of uses. I have been listening very attentively to the speeches made by Members who have all expressed their opinions. Of course, this year is the election year. A Member returned by a geographical constituency would certainly say that doing this and that in his constituency would be the way out, while another Member would say that doing this and that in another constituency would be the way out. I think this is a very strange phenomenon. I maintain that if we do not make detailed planning for Hong Kong, especially for community development, changing the land uses of old factory areas will be impractical. Because firstly, who is going to do it? Who is going to pay for it? Who is going to take care of the people sacrificed in the process? If we do not have a vision, what will be the end-product to be produced by us in the future? Insofar as this issue is concerned, according to what I have heard about this project, it is actually quite similar to the West Kowloon project, because it is a change of the overall policy.

So, I oppose firstly, the establishment of this thing called the Urban Renewal Authority (URA), which is given powers by the Government but not subject to the monitoring of the Government, and I am strongly opposed to it. Instead of believing that these organizations would do the job, it might as well be better for the Government to do it by itself, because the Government can raise objection and be directly responsible for it, and at least there is somebody on the top taking charge of this. Secondly, how can we let those people who may be adversely affected express their opinions? I have not heard anything about this. We have heard that the decision should rest with the market. What does it mean by "decision should rest with the market"? This will only lead to two outcomes. First, this will give rise to extensive monopolization (no one knows whether this thing called the URA will still exist in the future). In other words, in order to fulfill this requirement, the site will be recovered because it must not stand in the way of development, just as how the case of Wah Kei Industrial Building was handled. Second, changes will be made in a fragmentary manner. But both options are wrong; neither of them can achieve any result.

So, what we should be talking about today is not whether or not the so-called industrial areas should be transformed, but how they should be transformed. My view is simple. We should have a new concept. Assuming the old industrial areas will undergo changes in the future, then in each district there should be an authority made directly responsible for this task. It should be directly accountable to the Government; it should carry out work on the basis

of full, comprehensive consultation, rather than leaving it to the market. Nor is it appropriate to appoint a large-scale organization to do the job, only to find out in the end that we can never monitor it. Only when this is proceeded with on such a basis that what we saw happening in the past can be avoided, that is, when construction works is carried out before planning, what follows will be demonstrations in an attempt to stop the construction works. Let me tell Members that if we do not do it in the right way, a situation will definitely arise, as in the case of the Queen's Pier. But if this is really done and I am not sure whether this will be really done, what is set to happen also happens in other places of the world and that is, in the course of redevelopment of old districts, conflicts are set to arise when the interest of the people and the public is not taken care of appropriately. I hope that the Government can understand this point.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon Mr CHAN Kam-lam to speak on the two amendments. He has up to five minutes to speak.

MR CHAN KAM-LAM (in Cantonese): President, I very much thank the two Members for proposing their amendments. Indeed, we attach great importance to the transformation of old industrial areas and this process will embody a spectrum of short-, medium- and long-term measures, which are actually mentioned in my motion. However, my original motion stresses more on the gradual demolition of old buildings which is very likely to take place in the industrial areas over a period of time in the future. For this reason, if preparatory work is not carried out in terms of planning, confusion may arise in the industrial areas in the future. This is precisely what I wish to stress.

As the amendments proposed by the two Honourable colleagues are not in conflict with my original motion, we will support their amendments. Thank you, President.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, once again, I wish to thank the 17 Members for expressing their views during the past two hours of debate. Members' views, as pointed out by Mrs Selina CHOW, are many and varied, but I have also heard many significant and common messages from them. I strongly agree to all these messages, but their advice certainly also makes me realize most profoundly that the transformation of old industrial estates is a very complex issue indeed. Because of this conviction, I do think that the SAR Government should show its commitment to tackling this great and complex challenge. Many Members mentioned overseas experience. I once also worked in London, and during my leisure hours, I often visited Tate Modern, which is an example of the successful transformation of old factory buildings. In the past six months or so, I also visited Beijing, Shanghai and Shenzhen, where I was able to observe their work of old district renewal and heritage conservation. My conviction is that, given the usual flexibility and enterprising spirit of Hong Kong people. I simply cannot see why we should fail to do well.

Several Members delivered a very clear and common message to me. First, we must ensure the optimum use of our factory buildings and precious land resources by fully exploiting their development potentials. As I said at the beginning of this debate, at present, the total stock of factory buildings is 170 000 sq m, which is 77% more than that of office buildings. For this reason, we must not lightly waste all these precious resources. This explains why we have, for quite some time, been making huge efforts in planning or the alteration of land uses. But I must also admit that our achievements over the past decade or so have been very limited. We must therefore redouble our efforts.

Another significant message is that this time around, in the course of transforming old factory building areas, we may have to be more careful with how we should handle the conflict between demolition for redevelopment and renovation for reuse. I note in particular that in his amendment, Mr Alan LEONG proposes to replace "redevelopment" with "renewal". Actually, I have come to feel more and more deeply that whether we are talking about urban renewal or heritage conservation, redevelopment may invariably be something which is both physically damaging and heartbreaking. Therefore, we must not lightly choose demolition for redevelopment right at the very beginning. But of course, I can also appreciate the request for planning in Mr CHAN Kam-lam's original motion. I understand that in order to make changes to the room for activities and public facilities in an entire district, it may really be necessary to carry out some sort of demolition and redevelopment, so as to provide more land.

But in the case of factory buildings, if we look at the classification of all existing factory buildings according to age, we will realize that our factory buildings are not quite so old. The factory buildings completed before 1970 account for only 8.1% of the total stock. Nearly 60% of our existing factory building units were completed after 1980. Therefore, whether in terms of structure, available space and "malleability", these factory buildings all have potentials of renovation for reuse. It is especially worth noting that these factory buildings were originally constructed at very high plot ratios. As rightly pointed out by Mr CHAN Kam-lam, roads are already fully lined by these buildings. Therefore, it is unlikely that their redevelopment can bring forth any greater development potentials. For this reason, renewal and revitalization may be the most desirable direction that we should actively explore.

Another common viewpoint is about Members' hope that when we explore the redevelopment of old factory buildings or old industrial areas, we can look at a district as a whole, consider the surrounding environments and pay heed to the benefits of town planning, greening and cityscape beautification, rather than simply focusing on individual blocks. I note in particular Members' hope that we can better exploit the unique advantages and features of individual districts. Mr TAM Yiu-chung was right in saying that the unique development potentials of the factory buildings in Tuen Mun may be markedly different from those of their counterparts in Kwun Tong.

Today, I wish to discuss several issues with Members. First, quite a number of Members mentioned that it is necessary for us to further extend the definition of "Industrial Use", and that the existing procedures of altering land uses are still very complex. The existing procedures sounded very simple in my several minutes of introduction at the beginning of this debate, but honestly, even I myself must first spend several days on digesting the huge volumes of information from different government departments before I could finally compile a flow chart that could enable me to make the procedures comprehensible to Members in a matter of minutes. I therefore agree entirely that our current procedures relating to changing the uses of factory buildings are not user-friendly enough.

For example, when we look at the very common type of cases, those relating to changing the uses of factory buildings for the purposes of operating retail shops and services industries, we will see that there are in fact many scenarios. If a case relates to a factory building in an "OU(Business)" zone, the operation of retail shops or services industries will belong to the Column 2 uses, meaning that an application must be filed with the Town Planning Board (TPB). But if the case relates to a factory building in an "OU(Business)" zone with buffer floors, with one or two floors in the middle as separation, the operation of retail shops and services industries there will belong to the Column 1 uses, meaning that no planning permission from the TPB is required. And, if the case relates to a factory building in an industrial zone, it will involve the Column 2 uses, but this will be restricted to the ground floor. Therefore, shop operators and small property owners will find the whole thing very confusing, not knowing what the actual situation is.

And, I also believe that apart from the application procedures, another greater concern of small owners should be land premiums and the fees involved. The rationale behind extending the definitions of "Industrial Use" is to do away with the need for modification of lease conditions and application for waiver. In this way, people will not have to pay all the fees that they are currently required to pay. All these problems do involve a wide range of issues, and they may affect government revenue. Therefore, I cannot make any undertaking lightly here, saying that it is very easy to handle these problems.

There is actually one very special point which, I hope, Members can consider. Members have mentioned that government departments are not quite so flexible and there is also a lack of co-ordination among them. But I must emphasize the point that in the course handling the transformation of factory buildings or applications for changing the uses of them, we must not compromise one thing — public safety, or fire safety, to be precise. When preparing for this motion debate, other than holding discussions with colleagues of planning and land administration, I also invited Chief Fire Officers to meet with me, so that I could gain an in-depth understanding of the related problems detected by the Fire Services Department.

The titles of some factory buildings are not unified. In many cases, those property owners who apply for converting a factory building for commercial or other uses may only own a portion of the titles of the building. Inside the same building, there may still be some industrial activities, and this may pose some

potential hazards, as industrial activities may include the storage of materials, which poses quite a high risk of fire and accidents. If we lightly permit the conduct of commercial activities inside a factory building still with industrial activities, and if such commercial activities will attract large numbers of visitors who do not work in the building and thus are not sufficiently familiar with the fire drills or other safety measures of the building, then once there is a fire or any accident, the lives and safety of such visitors will be at risk. Therefore, I said just now that the protection of public safety is one important thing which must not be compromised. For this reason, this principle or restriction must be firmly adhered to when processing applications for changing the uses of factory buildings. I do not know whether Members are aware that in the past three years, there were unfortunately two serious fires involving factory buildings. One fireman died in harness, and more than 30 other firemen were injured. Therefore, in regard to handling the transformation of factory buildings, I hope Members can realize that individual government departments are not actually inflexible; rather, they simply regard public safety as a very important concern that must not be compromised. And, I agree entirely to this position. As Secretary for Development, despite all my concern about the transformation of factory buildings and land uses, I cannot possibly allow any adverse effects on public safety.

Next, I wish to discuss the role of the Urban Renewal Authority (URA), an issue mentioned by quite a number of Members in the debate. The URA has been striving to improve the living environment of residents in old districts when conducting all existing urban revitalization projects. For this reason, and as Mr James TO reminded us just now, even if the URA is to be given any new mission, we must first make sure that it can first complete its existing tasks and commitments. It is especially worth mentioning that after surmounting many difficulties, we have recently succeeded in implementing the 25 projects left over by the former Land Development Corporation. We have already made certain commitments to the affected residents. Consequently, the conduct of all these projects should not be affected in any way by any new mission given to the URA.

In any case, however, as requested by Mr Alan LEONG, I wish to reiterate that at a later time, we will launch a review of the urban renewal strategy. In this review, we will focus on examining the relative weightings of the 4Rs (Rehabilitation, Redevelopment, Preservation and Revitalization) in the renewal strategy of the URA. During the review, if the URA is requested to

expend some of its resources on the revitalization of old industrial areas, so that redevelopment, revitalization and rehabilitation work can be carried out, the URA and I will study the relevant proposals with an open attitude. But I must reiterate that, as I have just mentioned, the URA must first attend to its core projects properly.

I hope Members can understand that the URA is requested to play such a role basically because it possesses the so-called "Sword of Imperial Sanction" in the course of redevelopment. In case private negotiations cannot result in the assembly of titles, the URA may, on the ground of "public purpose", apply to the Government for invoking the Lands Resumption Ordinance as a means of land assembly. Therefore, we cannot rule out the possibility that in requesting the URA to carry out redevelopment in old industrial areas, we may also need to vest with it the ultimate power of applying to the Government for invoking the Lands Resumption Ordinance as a means of land assembly. My tentative view is that in cases involving the improvement of residents' living conditions, as when their living environments are appalling, a decision to invoke the ordinance on the ground of public purpose can more easily find public favour, but if the purpose is solely for revitalizing some commercial or industrial lands, the public may not so easily agree that such a purpose should be regarded as a public purpose justifying invoking the Lands Resumption Ordinance.

Anyway, whether we are talking about the URA or other organizations, I still agree, and I must admit, that nowadays, after implementing various measures to support the transformation of factory buildings and the revitalization of old industrial districts for more than a decade, we can no longer rely entirely on the market to play the required role. As a result, the identification of an enabling agent should be a subject we must explore when going about the next stage of work. In principle, as what Mrs Selina CHOW said of my discussions with her, I basically wish to see the emergence of such an enabling agent from the market, rather than another public organization established by the Government to assume the role. Mr LEUNG Kwok-hung is rather apprehensive of such organizations, and I can appreciate his worry. For this reason, I hope that under the SAR Government's long-held principle of market leadership and government support, this can become our guiding principle in transforming and revitalizing old industrial areas.

Members have also raised another topic, and they hope that the transformation of factory buildings or old industrial areas can bring forth greater benefits to the local communities, such as more public facilities and green public areas. We are duty-bound to do so in terms of planning. However, I have already mentioned many problems which show that the present difficulties do not lie so much in planning, as our town plans are already very satisfactory in many cases. As Mr LAU is also aware, many industrial land lots have been converted to "OU(Business)" zones. But since titles are not unified, individual owners are unable to assemble enough titles for redevelopment or development. This often makes it difficult for us to implement the original planning intent.

In this connection, Mr CHAN Kam-lam and some other Members have pointed out that the Government may once again need to do something to offer support. I hope Members can still remember the Land (Compulsory Sale for Redevelopment) Ordinance, which came into force in 1999. Under this Ordinance, assistance is given to an owner who has acquired at least 90% of the total undivided shares of a land lot, and such an owner may apply to the Lands Tribunal for the compulsory sale of the remaining undivided shares for the purpose of redevelopment. This Ordinance aims precisely to expedite private-sector redevelopment, including the redevelopment of privately-owned factory buildings. With a view to further assisting private-sector redevelopment in the market, we launched a public consultation exercise in 2006, proposing to slightly relax the 90% threshold for certain classes of lots under the mechanism set out in the existing Ordinance. It was proposed that if an owner could successfully assemble 80% or more of all the undivided shares of a lot, he or she might also apply for the compulsory sale of the remaining shares under the Ordinance. On the basis of the consultation findings, we gave a briefing to the Legislative Council Panel on Development early this year. We tentatively proposed to relax the requirement regarding two classes of lots, so that there could still be compulsory sale of the remaining shares when 80% of the total undivided shares were acquired. Specifically, it was proposed that the application threshold of not less than 80% of the undivided shares shall be applicable to a lot with all buildings aged 40 or above or a lot with "all units but one" acquired. However, some members of the Panel on Development expressed very strong concerns and reservations about our proposal, fearing that it might affect the protection of private property right. I understand that the Panel on Development will hold a special meeting on 6 March to listen to the views of different sectors before deciding whether or not to support the Government's proposal. I hope that in this debate on the transformation of old industrial areas and the revitalization of old factory buildings, Members can realize the sure merit of the proposal.

As I have mentioned, only 8% of the existing factory buildings are aged 40 or above. This means that to truly maximize the effects that may be achieved, it may be necessary for us to designate factory buildings as a new class of buildings under the Ordinance, so that the proposed application threshold can also be applicable to them. But it may not be possible to make any decision on this proposal now, as I believe it is rather controversial. If Members think that the proposal is worth exploring as part of our efforts to revitalize factory buildings, I very much hope that I can join hands with them to continue the exploration in this direction.

In conclusion, I am very grateful to Members for their suggestions today. In conjunction with the relevant departments and Policy Bureaux, the Development Bureau will conduct an in-depth analysis. It is hoped that we can thus achieve the optimum use of our land and resources. Actually, over the past seven months, we have looked at some concepts that may achieve some results in respect of heritage conservation, such as those relating to revitalization, financial incentives, transfer of plot ratios and land exchange. I believe that all these concepts are, to a certain extent, compatible with the transformation of factory buildings. They should thus merit our exploration.

In her concluding remarks during the motion debate on 31 January last year, Mrs Selina CHOW said that this very complex issue should be left to the next Government. Our new Government has already been working for eight months, so it is now the time we stepped up our efforts to tackle this rather complex subject, which is, however, very important to Hong Kong. Thank you, President.

PRESIDENT (in Cantonese): I now call upon Mr Alan LEONG to move his amendment to the motion.

MR ALAN LEONG (in Cantonese): President, I move that Mr CHAN Kam-lam's motion be amended.

Mr Alan LEONG moved the following amendment: (Translation)

"To add "Hong Kong is a small place with a large population," after "That, as"; to add ", many communities also need land allocation to

enhance and increase community facilities" after "land available for development"; to delete "strengthening" after "(b)" and substitute with "expeditiously reviewing the Urban Renewal Strategy and studying realigning"; to delete "participate in the redevelopment" after "to enable it to actively" and substitute with "complement the renewal"; to delete "and" after "transport ancillary facilities in the old industrial areas;"; and to add "; (e) according to the needs of different communities, studying changing the land uses of old industrial areas to improve the medical, welfare and educational support for the communities; and (f) encouraging re-planning of vacant factory buildings to provide development opportunities for creative industries, cultural industries, social enterprises and various small and medium enterprises" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Alan LEONG to Mr CHAN Kam-lam'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): Mr SIN Chung-kai, as Mr Alan LEONG's amendment 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. 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.

MR SIN CHUNG-KAI (in Cantonese): President, as Members must be hungry now, I will not use all the three minutes.

President, I move that Mr CHAN Kam-lam's motion as amended by Mr Alan LEONG be further amended by my revised amendment.

President, my amendment purely serves to revise the wording. Mr Alan LEONG has "pasted" some words to the original motion, and I only seek to make some amendments to the wording of the amended motion. I thank Members for their support.

Mr SIN Chung-kai's further amendment to the motion as amended by Mr Alan LEONG: (Translation)

"To add "; (g) reducing the Forbearance Fee for Commercial Use in Existing Industrial Buildings in the Metro Area, so as to assist in converting the industrial buildings in the Metro Area to commercial use; (h) relaxing the approval criteria for converting single or multiple industrial building units to commercial use, so that industrial buildings with fragmented ownership can more easily change the use of individual units; (i) expeditiously developing suburban centres in the New Territories to provide cheaper industrial and commercial land as well as to create more job opportunities for the new towns in their vicinity; (j) using footbridges to connect industrial buildings to separate pedestrian and vehicle passages, so as to reduce the chances of people breathing in exhaust air; and (k) in comprehensively re-planning the old industrial areas, allowing more diversified land uses, including land for commercial, cultural, recreational and leisure facilities as well as open space, lowering the density of development, increasing public space and reducing screen effect" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr SIN Chung-kai's amendment to Mr CHAN Kam-lam's motion as amended by Mr Alan LEONG, 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 CHAN Kam-lam, you may now reply and you have one minute 52 seconds.

MR CHAN KAM-LAM (in Cantonese): With regard to this motion today, I very much thank Honourable colleagues for making concerted efforts to put forward to the Government a rather unanimous view, calling on it to undertake this difficult and complex task in the future. Certainly, we consider that the Secretary for Development is a very proactive Director of Bureau, as she has courageously committed to undertaking even such a difficult task.

We understand that in the old industrial areas there are indeed very complicated problems. This is so especially in the existing buildings because when it is necessary to change their uses or pull them down for redevelopment, there will be a lot of difficulties indeed. But under the present arrangement, when we wish to change the use of some units, the policy has indeed imposed many restrictions. We appreciate that, as reiterated by the Secretary, no

compromise can be made when it comes to fire prevention or safety. However, I hope that the Government can handle these issues flexibly because some of them do not concern fire prevention or safety indeed. Let me cite a simple example. Restrictions are imposed on a canteen adjacent to the road in that the door of the canteen is required to open inward rather than outward in the direction of the road and the canteen is even prohibited from hanging the shop sign. Why should there be such restrictions? I think if there can be some flexibility in the policy which can at the same time facilitate business operation in the old industrial areas, that would indeed inject more vitality into Hong Kong and further rationalize the renewal or changes in the old industrial areas. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr CHAN Kam-lam, as amended by Mr Alan LEONG and Mr SIN Chung-kai, be passed. 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 11.00 am on Wednesday, 27 February 2008.

Adjourned accordingly at eleven minutes to Eight o'clock.

DOMICILE BILL

COMMITTEE STAGE

Amendments to be moved by the Secretary for Justice

<u>Clause</u>	<u>Amendment Proposed</u>
2(1)	By adding “, unless the context otherwise requires” after “this Ordinance”.
2(1)	By deleting the definition of “parents” and substituting – ““parent” (父母), in relation to a child, means – (a) the natural father or natural mother of the child (whether or not the natural father and natural mother are married to each other); (b) a parent of the child by adoption; or (c) a stepfather or stepmother of the child.”.
2	By adding – “(1A) For the purposes of the definition of “parent” – (a) an adoption means – (i) an adoption under an adoption order made in accordance with the Adoption Ordinance (Cap. 290); or (ii) an adoption recognized as valid by the law of Hong Kong; (b) where a child is so adopted and subject to paragraph (c), the adopter or adopters, and not any other person, is or are treated as the parent or parents of the child; and (c) where –

- (i) a person married to a natural parent of a child has adopted the child under an adoption within the meaning of paragraph (a); and
- (ii) by virtue of paragraph (c)(i) of section 13(1) of the Adoption Ordinance (Cap. 290), the child stands to the adopter and that natural parent exclusively in the position of a child born to them in lawful wedlock in respect of the relevant matters within the meaning of that section 13(1), or by virtue of any law of the country or territory of adoption other than Hong Kong, the child stands to the adopter and that natural parent exclusively in such a position in respect of such matters,
the adopter and that natural parent, and not any other person, are treated as the parents of the child.”.

4 In the Chinese text, by deleting subclause (1) and substituting –

“(1) 未成年人的居籍爲他當其時與之有最密切聯繫的國家或地區。”.

4 By deleting subclause (2).

7 By deleting the clause and substituting –

“7. Acquiring a domicile in another country or territory

In determining for the purposes of section 5(2) whether an adult has acquired a domicile in a country or territory other than Hong Kong –

- (a) account shall be taken of whether his presence in

that country or territory is lawful by the law of that country or territory; but

- (b) even if his presence in that country or territory is unlawful by the law of that country or territory, that fact does not preclude a determination that he has acquired a domicile in that country or territory.”.

8(3) In the Chinese text, by deleting “在緊接該行爲能力恢復之前的他的” and substituting “他在緊接該行爲能力恢復之前的”.

New By adding –

“10A. Closest connection

(1) In determining for the purposes of section 4, 8 or 10 the country or territory with which an individual is for the time being most closely connected, account may be taken of any relevant matter.

(2) In determining for the purposes of section 4 the country or territory with which a child is for the time being most closely connected, account shall be taken of any preference that the child may have as to the country or territory in which to have his home.

(3) In determining for the purposes of section 8 the country or territory with which an adult lacking the capacity to form the intention necessary for acquiring a domicile is for the time being most closely connected, account shall be taken of any intention that he might have, immediately before losing that capacity and as an adult, as to the country or territory in which to make a home for an indefinite period.

(4) Any matter taken into account under subsection (1), (2) or (3) may be given such weight as is appropriate in all the circumstances of the case.”.

13(1) By adding “(other than section 12)” after “as if this Ordinance”.

13 By deleting subclauses (2) and (3) and substituting -

“(2) For the purposes of a determination under subsection (1), this Ordinance (other than section 12) applies in place of –

- (a) the rules of common law for determining the domicile of an individual to the extent that those rules are inconsistent with this Ordinance (other than section 12); and
- (b) section 11C(2) of the Matrimonial Causes Ordinance (Cap. 179), which section is repealed by this Ordinance.

(3) For the purposes of subsection (2)(a), the rules of common law for determining the domicile of an individual include (without limitation) –

- (a) the rule that a domicile of origin is given to every individual at birth by operation of law;
- (b) the rule that a child has a domicile of dependency;
- (c) the rule that a married woman has at all times the domicile of her husband;
- (d) the rule on the acquisition of the domicile of choice based on residence and intention of permanent residence;
- (e) the rule on the revival of the domicile of origin;
- (f) the rule that a mentally incapacitated adult retains the domicile that he had when he became mentally incapacitated for so long as he remains in that condition; and
- (g) the rule that the standard of proof required to prove that an individual’s domicile changes from a domicile of origin to a domicile of choice is more onerous than that required to prove a change from a domicile of choice to another.”.

Appendix I**WRITTEN ANSWER****Written answer by the Secretary for Food and Health to Dr Raymond HO's supplementary question to Question 1**

As regards whether an environmental hygiene conditions report had to be prepared by every arriving aircraft, as required by the Department of Health and the Civil Aviation Department, every airline has in place a scheme to keep its aircraft clean and hygienic. The two Departments will also inspect the aircraft to ensure that they are hygienic. According to the established international practice, there is no requirement for aircraft to submit an environmental hygiene report to the authority concerned every time upon their entry into a territory.

Appendix II**WRITTEN ANSWER****Written answer by the Secretary for Food and Health to Mr WONG Yung-kan's supplementary question to Question 1**

As regards penalties, under the Quarantine and Prevention of Disease Ordinance (Cap. 141), any person who obstructs a health officer in the performance of his duties on the aircraft (for example, prevents a health officer from going on board an aircraft; conceals from a health officer the true state of the health of the crew, passengers or other persons on board an aircraft, and so on) shall be liable on summary conviction to a fine of \$10,000.

Appendix III**WRITTEN ANSWER****Written answer by the Secretary for Security to Dr Fernando CHEUNG's supplementary question to Question 3**

As regards whether a police officer would clearly inform a detainee, when he explains the reason for the search to the detainee before conducting the search, that if the detainee has any concerns about the search he could raise them with the Duty Officer of the police station, the internal guidelines of the Force currently do not provide for the above arrangement. However, the Force has formulated a number of measures after its review on the practices regarding the search of detainees, with a view to further improving the procedures for searching detainees. Among these measures, the police will revise the "Notice to Persons under Investigation by, or Detained in the Custody of, the Police", to stipulate that if a detained person raises any concern about the reason for and/or the scope of the search prior to or during the search, the officer conducting the search will bring such concerns to the attention of the Duty Officer. In addition, the Force will promulgate internal guidelines stipulating that the police officer conducting the search is required to explain to the person concerned, before the search is to be conducted, that he could raise with the Duty Officer his concerns, if any, regarding the search.

The Force has reported the various improvement measures arising from the review on the practices regarding the search of detainees to the Legislative Council Panel on Security at its meeting on 4 March 2008.

Appendix IV

WRITTEN ANSWER**Written answer by the Secretary for Education to Dr KWOK Ka-ki's supplementary question to Question 4**

We did not conduct any evaluation on the impact of scheduling examinations immediately after school holidays on students in leading a balanced life. Yet, we are always concerned about the quality of students' life and the pressure they may face in their studies. In this connection, we advise schools to improve their assessment practices by placing more emphasis on assessment for learning. Pen-and-paper tests/examinations should be reduced. Different modes of assessment, including daily classroom observation and learning tasks, could be used as formative assessment whenever appropriate. They would enhance a more comprehensive understanding of students' abilities and learning in various aspects, give recognition to their efforts and achievement made during the learning process, and reduce the weighting of pen-and-paper tests/examinations and hence their pressure on students. As we have observed, most primary and secondary schools have used assessment to provide feedback to enhance learning and teaching, and have adopted diversified modes of assessment to evaluate the learning process and effectiveness.

In realizing the medium-term targets of the curriculum reform, we would continue to advise schools to allocate lesson time flexibly, adopt measures to maximize students' learning time and avoid spending too much time on tests/examinations. It could help create space for students to achieve a healthy lifestyle for whole-person development. The enhancement of the positive value of assessment and examinations in adopting diversified mode of assessment hinges on the concerted effort by both schools and parents in providing students with appropriate guidance and encouragement, and helping them balance between their personal life and studies so as to lay a good foundation for a healthy and happy life.

Appendix V

WRITTEN ANSWER**Written answer by the Secretary for Food and Health to Ms Audrey EU's supplementary question to Question 6**

Regarding the recommendation to ascertain the number of disposable food containers used at schools, the Environmental Protection Department is planning to conduct a survey on the volume of disposable food containers used at schools in around April 2008. The Education Bureau will provide assistance in conducting the survey.

The Administration will continue its efforts to encourage green lunch at schools and other waste reduction initiatives among the schools and the community.