

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 9 April 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

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 MRS SOPHIE LEUNG LAU YAU-FUN, G.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 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 KWONG CHI-KIN

THE HONOURABLE TAM HEUNG-MAN

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

MEMBER ABSENT:

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

PUBLIC OFFICERS ATTENDING:

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 STEPHEN LAM SUI-LUNG, J.P.
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

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

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 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

MS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

PRESIDENT (in Cantonese): Clerk, please ring the bell. A quorum is lacking.

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

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

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>
Merchant Shipping (Limitation of Shipowners Liability) (Rate of Interest) (Amendment) Order 2008	56/2008
Electoral Affairs Commission (Electoral Procedure) (Legislative Council) (Amendment) Regulation 2008.....	66/2008
Public Health and Municipal Services (Setting Aside Places for Use as Public Pleasure Grounds and Cessation of Setting Aside Places for Use as Public Pleasure Grounds) Order 2008	67/2008
Public Health and Municipal Services Ordinance (Amendment of Fourth Schedule) (No. 2) Order 2008	68/2008
Food and Drugs (Composition and Labelling) (Amendment: Requirements for Nutrition Labelling and Nutrition Claim) Regulation 2008	69/2008
Pilotage (Dues) (Amendment) Order 2008	70/2008
Employees Retraining Ordinance (Amendment of Schedule 2) Notice 2008.....	71/2008
Tax Reserve Certificates (Rate of Interest) (No. 3) Notice 2008.....	72/2008

Other Papers

- No. 80 — The Financial Reporting Council
Annual Report 2007
- No. 81 — Audited Statement of Accounts together with the Director
of Audit's Report of the Hong Kong Rotary Club Students'
Loan Fund for the year ending 31 August 2007
- No. 82 — Audited Statement of Accounts together with the Director
of Audit's Report of the Sing Tao Foundation Students'
Loan Fund for the year ending 31 August 2007
- No. 83 — AIDS Trust Fund
2006-2007 Accounts with the Director of Audit's Report
- No. 84 — Report No. 50 of the Director of Audit on the results of
value for money audits - March 2008
- Report of the Bills Committee on Pneumoconiosis (Compensation)
(Amendment) Bill 2008

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Allowing Pay Television Operators to Transmit Digital Broadcast Signals of Free Television Broadcasters

1. **MR HOWARD YOUNG** (in Cantonese): *Madam President, it has been reported that a pay television operator earlier proposed to the Government that the Copyright Ordinance be amended to allow pay television operators to transmit to their clients, through their systems, the digital television broadcast signals of two free television broadcasters. The operator estimated that this would substantially increase within a short period the penetration rate of Digital Terrestrial Television (DTT) broadcasting, and 90% of the population of Hong*

Kong could view the Beijing Olympic Games broadcast in digital format. In this connection, will the Government inform this Council:

- (a) whether, technically speaking, subscribers of pay television services can view DTT broadcasting programmes without buying a digital set-top box separately; if there are technical constraints, of the details;*
- (b) whether it is reviewing the restrictions imposed by the Copyright Ordinance on the transmission of the broadcast signals of free television broadcasters by pay television operators; if it is, when the outcome of the review will be available; if not, the reasons for that; and*
- (c) what other measures it will adopt to expeditiously increase the penetration rate of DTT broadcasting?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Madam President, before answering Mr YOUNG's question, I would like to briefly clarify the general background of the reception of television broadcasting.

At present, there are some 2.2 million households in Hong Kong, over 99% of which have at least one television set. Most of them live in multi-storey buildings. In general, these buildings have communal antenna broadcast distribution (CABD) systems installed to receive free television signals on the air for transmitting to individual households. CABD systems can be upgraded to receive signals of DTT broadcasting, which has just commenced, in parallel with analogue broadcasting signals. To view DTT programmes, individual households only need to equip their existing television sets with DTT decoders (commonly known as "set-top boxes") or buy integrated television sets capable of decoding digital signals.

For pay television service, operators currently transmit their pay television programmes to subscribers through various networks, including cable, satellite, broadband and conventional telephony networks. Individual subscribers have to use the decoders provided by the operators to view the pay television programmes.

My reply to Mr YOUNG's question is as follows:

- (a) The provision of DTT services includes high definition (HD) television programmes. Most existing pay television decoders are standard definition (SD) decoders. As such, unless the pay television operators are willing to offer HD decoders free of charge, pay television subscribers still need to purchase or hire a separate HD digital decoder from the service operators for viewing both pay television and DTT programmes (including HD television programmes). In addition, HD television programmes demand a very high transmission capacity. At this juncture, some pay television networks do not have sufficient capacity for providing HD television programmes to subscribers.
- (b) At present, pay television operators are permitted under the Copyright Ordinance (Cap. 528) to receive free television broadcast programmes through CABD systems and retransmit them immediately without alteration to individual subscribers in the buildings. Through the interconnection of the pay television networks with the CABD systems and the transmission of signals to households via the same blockwiring, subscribers may use the same television outlet to receive free and pay television programmes. This arrangement makes it possible for subscribers to receive both free and pay television programmes without the need to install additional television wiring and outlets within their flat.

Under the Copyright Ordinance, pay television operators are not allowed to include free television programmes in their pay channel programmes for transmission through their networks to subscribers in buildings without authorization. However, pay television operators are free to enter into retransmission arrangements with free television operators through their own commercial negotiation.

Copyright exception must comply with the requirements of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) of the World Trade Organization, including, among others, that any copyright exception shall not unreasonably prejudice the legitimate interests of the right holder, and shall not conflict with a normal exploitation of the work. We believe that enacting laws

that require free television operators to allow pay television operators to retransmit free television programmes is not in compliance with the aforesaid requirements of TRIPS. This will also adversely affect the free television operators' incentives to invest in new DTT networks, and the existing pay television network capacity will be tapped for relaying the same free television programmes transmitted on the air. Such proposal is therefore not in line with our overall policy objectives of encouraging the broadcasting industry to invest and enriching the programme choices for viewers. We consider that the existing Copyright Ordinance already strikes a balance among the interests of all parties, protecting copyright on the one hand and accommodating the needs of television viewers on the other. We therefore do not see a need for a review on this matter.

- (c) DTT has been launched for some three months and public response is positive. The Government has launched a series of promotional and education activities to promote DTT, and will continue to work with the industry to give the public a better understanding of DTT. The viewing public may then decide for themselves when to switch over. We believe that with a wider range of new digital reception products available at competitive prices in the market and more diversified programmes offered, the public will be ready to switch to DTT.

MR HOWARD YOUNG (in Cantonese): *Madam President, as far as I am aware, there seems to be three different pay television operators in Hong Kong. My question is: If they are willing to retransmit free television broadcast signals through their own networks, can they do so by purely reaching a commercial agreement with the free television broadcasters or are they still required to seek the Government's approval? If the Government's approval is required, can the Government ensure that these three operators will be treated equally?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): In response to Mr YOUNG's supplementary question, as I said in my main reply, this is a commercial decision. If they have agreed to such a commercial decision, they do not have to obtain the Government's consent.

MR SIN CHUNG-KAI (in Cantonese): *My supplementary question is similar to that of Howard YOUNG. But as far as I understand it, there should be four pay television operators.*

I wish to ask the Government this: Insofar as the free television broadcasters are concerned, with how many pay television operators have they reached an agreement? Does the Secretary know how many of the four pay television operators and two free television broadcasters have reached an agreement?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): According to our understanding, no agreement has been reached so far.

PRESIDENT (in Cantonese): Second question.

(Mr Howard YOUNG raised his hand)

PRESIDENT (in Cantonese): Mr Howard YOUNG, do you wish to ask a supplementary question?

MR HOWARD YOUNG (in Cantonese): *The Secretary said earlier that a commercial decision would have sufficed. But Mr SIN Chung-kai pointed out just now that there are a number of pay television operators. Even though the Government's approval is not a prerequisite, has the Government considered how to ensure that the agreement, if any, is made on a level playing field, so that it will not create a situation where an agreement reached with a certain operator will deter the making of agreement with other operators?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Madam President, as I said just now, government intervention is not appropriate as this is a commercial agreement.

MR JAMES TIEN (in Cantonese): *President, I have pressed the button but somehow the light is not on.*

Secretary, I have installed HD digital television at home recently, and the image is really so clear that even the artistes' acnes can be seen. But my concern is the installation process. Apart from a few new HD applied television sets, the old television sets in my home have to be replaced in order to view HD television programmes. And a "set-top box" costs more than \$2,000 which, in my opinion, may not be affordable to the general public. If the Government wishes to extensively promote DTT in the future, what new policies and measures will be put in place so that digital television, be it provided on a subscription basis or free of charge, can become more popular as proposed by the Government? If all television sets have to be replaced and each "set-top box" costs more than \$2,000, I believe the grassroots do not have the means to afford it. What policies will be implemented by the Government in this aspect?

PRESIDENT (in Cantonese): Mr James TIEN, this is a very good supplementary question. I believe many members of the public will also be interested. However, the main question is about whether pay television operators can access programmes of free television broadcasters. So, can you think about how you can relate your supplementary question to the main question?

MR JAMES TIEN (in Cantonese): *I will try to establish a little bit of linkage between them. (Laughter)*

The Cable TV cannot install the "set-top box" in my home now — sorry, it is cable not Cable TV, it is

PRESIDENT (in Cantonese): Pay television operator.

MR JAMES TIEN (in Cantonese): *The kind that is subscription-based. What I can think of are the Cable TV and NOW. I mean pay television operators can provide the installation service but the free television broadcasters cannot. In fact, most of the grassroots in Hong Kong have all along been watching free television programmes. What new policies will be introduced by the Government to enable them to view HD television programmes extensively in the future?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): I thank Mr TIEN very much for his supplementary question. As you, Madam President, have said, this is the concern of many people.

First of all, regarding the "set-top boxes", I have also checked the price and found that it has been lowered quite substantially since early this year. Regarding the price stated by Mr TIEN just now, according to my understanding, it has been lowered by more than 20% at least. Besides, our current DTT coverage is 50% and will reach 75% before the Olympic Games in August. As Mr TIEN said, I believe many people wish to view the Olympic Games with better transmission quality and I will not rule out the possibility that some people will install these "set-top boxes" or purchase the integrated television sets that I mentioned earlier before the opening of the Olympic Games in order to watch the HD programmes.

On the part of the Government, apart from launching publicity on digital television broadcasting in December, we have also taken a series of actions, including the broadcasting of APIs on television and radio, distributing leaflets and posters, providing information, such as the database of DTT coverage, through the government website. We have also briefed the 18 District Councils on the introduction of digital television broadcasting and commissioned the Radio Television Hong Kong to produce on-line information episodes on digital television broadcasting which have also been distributed to all secondary and primary schools in the form of CD-ROMs.

So, the Government has been stepping up publicity efforts in this aspect. As I said just now, I believe people will have stronger desire to buy such "set-top boxes" or integrated television sets as the Olympic Games draw nearer.

MR CHAN KAM-LAM (in Cantonese): *President, in part (a) of the main reply, the Secretary said that some pay television networks do not have sufficient capacity for providing HD television programmes to subscribers. But we have noticed recently in some advertisements on pay television service that these "set-top boxes" will be given out as gifts or HD television sets will be sold at a very cheap price. Since there are not many pay television networks in Hong Kong, can the Secretary tell us which pay television network he was referring to when he said "some" pay television networks? Does he refer to one network, two networks or three? Or does he refer to one particular network? I hope the*

Secretary can give us an explicit answer. After hearing the Secretary say that "some" operators do not have sufficient capacity, will the people think that their subscription for the service of an operator or the purchases that they made cannot really serve the purpose? Will the Government worry that those advertisements are misleading? Can the Secretary explicitly point out which network he was referring to?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): I thank Mr CHAN for his supplementary question.

At present, there is only one pay television operator in Hong Kong providing limited HD programmes through its telephony network. As the transmission speed required for transmitting the HD programmes of the two free television broadcasters is around 14 Mbps, the operator, given the existing technology and without affecting the picture quality, is unable to transmit through its network HD programmes to the 50% of the buildings in the territory not yet accessed by its fibre optic network. Therefore, it has to negotiate with them one by one. I hope Mr CHAN Kam-lam can understand this. If Mr CHAN needs to obtain more supplementary information on the technical issues involved, I can request my colleagues to provide a written reply to him later on.

MR CHAN KAM-LAM (in Cantonese): *President, the Secretary has not answered my question because I asked him which operator he was referring to, not about technical problems. Consumers should be given a very clear message. So, if they are told which operator is involved, they will have a clear understanding of the situation.*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Madam President, regarding this question, as there may be comments that other operators would be affected should I reveal the name of the operator, I think I can explain it to Mr CHAN in private, but it is inappropriate for me to answer this here in this Council meeting. If Mr CHAN is interested, I will certainly explain it to him after the meeting.

PRESIDENT (in Cantonese): Last supplementary question.

MR HOWARD YOUNG (in Cantonese): *Madam President, in the first paragraph of the main reply, the Secretary mentioned "set-top boxes" through the communal antenna Mr TIEN mentioned that "set-top boxes" are expensive. It is pointed out in the main reply that individual households need to equip their existing television sets with "set-top boxes". May I ask the Government whether it has made enquiries about or study the possibility of installing one decoder for the whole building for the transmission of signals by cable television or pay television networks, so that many households in the building can save the cost of installing the "set-top boxes"? Is this technically viable?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): *Madam President, this is a very good supplementary question and very technical. Please allow me to give Mr YOUNG a written reply after the meeting. (Appendix I) According to my understanding, a lot of technicalities are involved. It is inappropriate for me to answer the question here as I am not a technician. I will answer Mr YOUNG's question in writing later.*

PRESIDENT (in Cantonese): *Second question.*

Maintenance of Water Meters

2. **MR TOMMY CHEUNG** (in Cantonese): *Madam President, in its Report Issue No. 3 of Reporting Year 2007-2008 published in the middle of last month, the Office of The Ombudsman revealed that the Water Supplies Department (WSD) received a total of 85 666 complaints about suspected overcharging of water bills between April 2005 and October 2007, of which 32 945 were confirmed, involving excessive charges totalling \$38.07 million. The causes of overcharging included defective meters, and so on. Recently, I have also received complaints from a number of restaurants that the authorities took a long time to send their staff to repair the meters after they were found to be defective. In this connection, will the Government inform this Council:*

- (a) *in each of the past three years, of the number of cases of defective meters and the average time taken to repair these meters;*

- (b) *given that WSD has indicated its acceptance of the recommendations on preventing overcharging which were made by The Ombudsman in the above report, how WSD will, after implementating such recommendations, determine the water consumption of the users concerned during the period when their water meters are defective; and*
- (c) *whether it will further expedite the meter replacement programme, and of the specific timetable for implementing the arrangement for users to report meter readings?*

SECRETARY FOR DEVELOPMENT (in Cantonese): Madam President, the WSD of Hong Kong installs water meters to record water consumption of its customers for billing them. With the passing of time, water meters may become defective as a result of wear and tear of mechanical parts or the effects of external elements.

The WSD makes available resources each year to replace water meters that have passed the prime of their service lives. When the department's meter readers or field staff find any defective meters, they arrange for replacement of the meters. To collect data on the state of operation of water meters in Hong Kong, the department also removes water meters randomly at regular intervals for tests at its Water Meter Testing Laboratory.

A customer who finds his water meter to be defective or not performing satisfactorily may report it to the WSD. Upon receipt of a report, the department will follow up and deal with it as soon as possible.

Regarding the three points raised by Mr Tommy CHEUNG, I would like to reply as follows:

- (a) In the past three years (2005-2006, 2006-2007 and 2007-2008), the number of cases of defective water meters was 5 514, 8 568 and 7 098 respectively.

Upon receipt of a notification of defective meters by its Customer Services Hotline at 2824 5000, the WSD takes one working day to visit the premise and follow up. Defective meters of domestic and other low-consumption customers (accounting for 99% of the

accounts) could be replaced on the same day of the visit. On average, it takes 10 plus minutes to replace a meter of this nature.

For defective meters of high consumption customers such as restaurants, which is of utmost concern to Mr Tommy CHEUNG, the WSD first liaises with the customer concerned to arrange for a date and time for the replacement of water meter so as to minimize the inconvenience caused to the customer. It takes two to three hours to replace a meter of this nature.

- (b) For the period when water meters are defective, the WSD will calculate water charges according to section 31 of the Waterworks Regulations. Details are as follows:
- (i) charges should be calculated according to the average daily rate of consumption obtained between any successive readings before that period; or
 - (ii) at the discretion of the Water Authority, charges should be calculated according to the average daily rate of consumption between any successive readings following the repairing or replacement of a meter that was out of order; or
 - (iii) where it would be inappropriate to calculate the consumption in the manner specified in paragraph (i) or (ii), whether by reason of fluctuations in consumption or otherwise, charges should be calculated in such manner as may be agreed between the Water Authority and the consumer.
- (c) Since 2006, the WSD has expedited the replacement of meters that have been in use for more than 12 years. In the years 2006-2007 and 2007-2008, about 230 000 and 370 000 such old water meters were replaced respectively. The department will do its best to complete the replacement of such old meters by 2011.

Since 1999, customers may inform the WSD of the water meter readings they took through the interactive voice response system (IVRS) of the WSD Customer Telephone Enquiry Centre. Occasionally, for example, when meters are inaccessible to meter readers for taking meter readings, the department may also request its customers to use the IVRS to provide meter readings.

MR TOMMY CHEUNG (in Cantonese): *Madam President, in part (a) of the main reply, the Secretary said that it would take two to three hours to replace a meter for high consumption customers. However, she has not told us how long it will take to deal with a complaint of defective meter from a restaurant, for instance, from the moment the complaint is lodged to the close of the case. Insofar as these cases are concerned, the restaurants often think that it will take a very long time. So, may I ask the Secretary whether she has any data telling us how long it will take from the receipt of the complaint to the completion of the replacement of meter? Besides, does the department have any performance pledge informing the commercial customers of the shortest time required for handling complaints of defective meters?*

SECRETARY FOR DEVELOPMENT (in Cantonese): Madam President, regarding Mr CHEUNG's supplementary question, as I said just now, it will take around two to three hours to repair large meters for high consumption customers or general restaurants which account for only 1% of the total number of accounts. In other words, the water supply has to be suspended for about two to three hours in order to carry out the work. Given long business hours of general restaurants in Hong Kong and the need to suspend water supply for the repair and replacement work, we are of the view that it is a reasonable and convenient arrangement for the WSD to take immediate follow-up action upon receipt of complaint and liaise with the customer to arrange for a date most convenient for meter replacement. Because of this, it is very difficult to lay down a rigid standard of how many days the replacement work must be finished. Moreover, under some circumstances, the WSD may request that the water pipes should be repaired and replaced in tandem with the meter replacement work in order to facilitate the replacement of meter. So, the time required may vary from case to case.

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

MR TOMMY CHEUNG (in Cantonese): *The Secretary has not answered my question about performance pledge. Does the WSD have any performance pledge on when these problems will be followed up immediately?*

SECRETARY FOR DEVELOPMENT (in Cantonese): As I said, we will take prompt follow-up action on complaints lodged through the WSD's hotline. As I said in the main reply, we will follow up cases lodged by low-consumption customers the next day and in some cases, the meter can be replaced on the same day of the visit. So, high consumption customers may feel that the time required for dealing with their complaints is longer not because we are late in calling them to follow up and understand their cases. Rather, it is because the follow-up work is different from case to case and so, the time required is different.

DR LUI MING-WAH (in Cantonese): *Although the frequency of water meters becoming defective is not high, which is around 0.3%, a defective meter is, after all, a nuisance to customers. Can the Secretary tell us, firstly, the reason causing defects in water meters; and secondly, the serviceable period of meters, while the current practice is to replace old meters which have been in use for more than 12 years? Is it too long for meters to be replaced only after 12 years of use?*

SECRETARY FOR DEVELOPMENT (in Cantonese): Madam President, regarding the causes of defective meters in the first part of the supplementary question, as I said in the main reply, with the passing of time, water meters may become defective as a result of wear and tear of mechanical parts, or the effects of external elements or the impact of certain works. Basically these are the causes.

Concerning the second part of the supplementary question about the optimal service life of meters, we are now replacing meters which have passed the prime of their service lives, which is 12 years. In fact, meters of different sizes have different optimal service life and 12 years is considered the prime of service life for the smallest meters (15 mm). These small meters will be replaced after being in use for more than 12 years. Regarding larger meters or meters for higher consumption, such as the 25 to 100 mm meters, the prime of their service life is seven years only. For the even larger ones such as those 150

to 300 mm meters used in restaurants, their optimal service life is four years. We will replace the meters according to their optimal service lives. I said earlier that they will be replaced after 12 years because 99% of customers in Hong Kong are low-consumption accounts using small meters.

MRS SELINA CHOW (in Cantonese): *In the main question, it is said that 32 945 complaints were confirmed. And the Secretary said that 99% of the accounts are domestic customers. May I ask the Secretary, after these complaints have been confirmed, what compensation will be given to these domestic customers, and whether the authorities will admit their mistakes or adopt public relations tactics to make things more acceptable to domestic customers? Because they have in fact been overcharged.*

SECRETARY FOR DEVELOPMENT (in Cantonese): Of course, if it has been confirmed that we have overcharged our customers, we will refund the overcharged tariffs to them in order to be responsible. Regarding how we can offer our apology, perhaps I can discuss this with the Director of Water Supplies. Concerning the Report of The Ombudsman published last month, the WSD has accepted and will implement the recommendations made therein. I hope all the people of Hong Kong will understand that the Government has made continuous effort to improve the services of our public utilities, in particular water supplies.

MS EMILY LAU (in Cantonese): *President, more than 30 000 complaints have been confirmed but there are 80 000-odd suspected cases. President, it is also mentioned in the main reply that a total of 21 000 cases of defective meters were reported in the past three years. I hope the Secretary can clarify these three figures. That is, more than 30 000 complaints have been confirmed, but among the 20 000-odd cases of defective meters, many complaints may involve the same meter; and as 32 000-odd complaints have been confirmed, does it mean that the other 52 721 complaints have been confirmed to have no problem, or are they still under investigation? Why are there as many as 50 000-odd complaints? This is really a nuisance to the people. Has the Secretary looked into the situation so as not to subject the public to such great nuisances?*

SECRETARY FOR DEVELOPMENT (in Cantonese): Concerning these 80 000-odd complaints, The Ombudsman has looked into them, and we have also looked through these cases and conducted investigation into them. We found that there is no overcharge of water bills in 50 000-odd cases. Although these are complaint cases, I believe Ms LAU will also understand that complaints may not be substantiated after investigation. It is understandable that people may sometimes doubt the volume of their water consumption or their water bills.

Here I would like to provide some data for Members' reference. The WSD will conduct tests on some meters on its own initiative every year in addition to tests carried out in response to customers' complaints or requests for meter testing. Through these two channels, that is, conducting tests at the request of customers or on the WSD's own initiative, problematic or defective meters are identified and replaced. Most of these meters, or more than 90% of them are identified by the WSD in the tests conducted on its own initiative while there is a very small number of cases in which defective meters are identified and replaced pursuant to customers' complaints. Simply put, the complaints are often resulted from public misconception about the calculation of water tariffs or their inaccurate understanding of the volume of water consumption in the previous quarter. They are not necessarily because of problems with our investigation process.

MS EMILY LAU (in Cantonese): *President, the Secretary has not answered my supplementary question. These 30 000-odd complaints have been confirmed, and this is not a low figure. But the Secretary said that there were only 21 000 defective meters in the past three years. Why is it that 30 000-odd complaints were confirmed? Is it because the same meter has been out of order for a number of times? How is this figure arrived at?*

SECRETARY FOR DEVELOPMENT (in Cantonese): The 30 000-odd complaints are shown in The Ombudsman's Report as confirmed complaints. But the overcharging of water bills is not entirely due to defective meters. It may also due to other reasons such as errors made by meter readers or mistakes in estimation. In fact, among these 30 000-odd confirmed complaints, 55% were due to wrong estimation. That is, it was eventually discovered that the consumption volume had been overestimated as the WSD's practice is to estimate the volume of water consumption. So, one of our improvement measures is to

make special visits for meter reading instead of estimating consumption volume as far as possible. My reply to Ms LAU's supplementary question is that the 30 000-odd complaints are not entirely cases of overcharging water bills as a result of defective meters.

MR LAU KONG-WAH (in Cantonese): *According to the Secretary's reply, in fact, half of the overcharging cases are basically due to wrong estimation. There are obviously loopholes in this system of "mere guess". Will the Secretary consider adopting other methods, so as to improve the current practice which is time-consuming, ineffective and labour-intensive but may result in wrong estimation and the need to refund customers in the end? What measures are being considered by the Government to make improvement?*

SECRETARY FOR DEVELOPMENT (in Cantonese): I have also studied the problem with the WSD in view of the fact that not all the other public utilities in Hong Kong will send their readers to households for taking meter reading. Instead, they strongly encourage their customers to provide their own meter readings. As far as the WSD is concerned, while a total of 7.2 million water bills are issued a year, only 10 000-odd of them are based on meter readings provided by customers. The proportion is very low. However, as Members may know, water meters are often installed in places far away from the flats. For instance, some are installed in the water pipes area on the rooftop and we have to open it one by one in order to take the readings. So, it is different from other public utilities such as the Towngas. In spite of this, we will step up publicity by all means to encourage our customers to inform the WSD of the meter readings where possible. As Ms LAU has said, this will enable the customers to report the meter readings accurately and help reduce the manpower required. But I would like to reiterate that the location of water meters is really different from other public utilities. Thorough improvement may require massive financial resources for changing the installation of water meters.

PRESIDENT (in Cantonese): Last supplementary question.

MR HOWARD YOUNG (in Cantonese): *In the third paragraph of part (a) of the main reply, the Secretary said that it would take two to three hours to replace*

the meter of a restaurant. May I ask the working hours of the staff responsible for meter replacement? Under such a system, can the authorities ensure that the operation of the restaurants will not be affected during the replacement of the meter because their business hours start from morning until the late night hours?

SECRETARY FOR DEVELOPMENT (in Cantonese): I thank Mr YOUNG for his question. As I said in response to Mr Tommy CHEUNG just now, in dealing with cases concerning high consumption customers, we have to pay attention to and respect the operation of the restaurants. So, we have to negotiate with each other in arranging for the time for meter replacement. We will try our best to accommodate the needs of these commercial or high consumption customers when replacing their meters. For instance, in respect of manpower, while one staff member will be sent to replace a small water meter, five staff members may sometimes be assigned at the same time to replace a large meter, so that time can be saved and replacement work be carried out expeditiously without disrupting the business operation of the customer.

PRESIDENT (in Cantonese): Third question.

Private Aircraft Movements at Hong Kong International Airport

3. **DR RAYMOND HO** (in Cantonese): *President, I have noticed that it has become increasingly common for businessmen and executives to travel to and from places in the world by private aircraft. In this connection, will the Government inform this Council:*

- (a) *of the number of private aircraft movements at the Hong Kong International Airport (HKIA) and its percentage in the total number of aircraft movements at the HKIA in the past five years, as well as whether there is an upward trend in the number of such movements;*
- (b) *of the impact of private aircraft movements at the HKIA on its workload, especially in relation to air traffic control; and*
- (c) *how the relevant authorities ensure that the private aircraft taking off and landing at the HKIA comply with the relevant safety standards?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President,

(a) and (b)

The number of business aviation aircraft movements at the HKIA in the past five years increased from 1 287 in 2003 to 3 633 in 2007. The details are listed in the following table in the reply.

<i>Year</i>	<i>Number of Business Aviation Aircraft Movements</i>	<i>Percentage Share to Total Number of Aircraft Movements</i>
2003	1 287	0.68%
2004	1 732	0.73%
2005	2 082	0.79%
2006	2 853	1.01%
2007	3 633	1.23%

Although the business aviation traffic has grown rapidly in recent years, it only accounts for about 1% of the total aircraft movements at the HKIA and has a small impact on the workload of the airport and air traffic management.

(c) Like all other aircraft operating at the HKIA, business aircraft must comply with the safety standards and requirements set out in the Annexes to the Convention on International Civil Aviation. These requirements include requiring the flight crew to have appropriate licences and requiring the aircraft to be equipped with the Certificate of Registration of the aircraft, the Certificate of Airworthiness and the necessary navigation equipment to ensure safe aircraft operation.

The Civil Aviation Department (CAD) monitors the maintenance and airworthiness standards of all Hong Kong registered aircraft including business aircraft. In particular, all aircraft must undergo various types of scheduled maintenance checks in accordance with the maintenance schedules approved by the CAD. Typical major checks are scheduled every 12 to 18 months, whereas minor checks, which include visual inspection of the aircraft, must be completed daily and before every flight by the aircraft maintenance engineers and flight crew. In between the major and minor checks, based on the design of the aircraft, additional maintenance activities and checks will also be required every three to six months.

Hong Kong registered aircraft must complete all the checks to the satisfaction of CAD and acquire a valid Certificate of Airworthiness to fly. Similarly, other civil aviation regulatory authorities are responsible for the safety oversight of the aircraft registered in their own countries. Foreign registered aircraft are required to be maintained in accordance with the standards and requirements set out by their own regulatory authorities in order to ensure the maintenance and airworthiness standards of the aircraft.

In addition, the CAD conducts regular flight and documentation inspections of Hong Kong registered aircraft and, under the Safety Assessment of Foreign Aircraft programme, conducts inspections on foreign registered aircraft parking at the HKIA. These measures ensure both the Hong Kong registered aircraft and foreign registered aircraft serving Hong Kong meet the international safety standards.

DR RAYMOND HO (in Cantonese): *Many people around the world like to own private aircraft. I do not know if any Member in the Chamber owns private aircraft, and I do not intend to direct my comments at them. Please pardon me if they do own private aircraft, for I have no idea about who are owners of private aircraft. According to the information provided to us by the Secretary, private aviation traffic is still increasing although it only accounts for a small percentage of the total aircraft movements. Moreover, if we look at the annual increase over the past four years, a growth of 20% to 37% is registered in each of these years. Though the increase in each year was different, their movements had increased rapidly. I think this is worth our attention.*

I would like the Secretary to tell me one thing. While many aircraft, whether or not they are registered in Hong Kong, are now subject to monitoring by the CAD in respect of their maintenance and airworthiness standards, as well as the licenses of pilots, upon arrival at Hong Kong, have the relevant records been provided to the CAD before foreign aircraft arrive at Hong Kong, or before their landing at the apron?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, like other aircraft, business aircraft must comply with the standards of

local and foreign regulatory authorities. Therefore, all aircraft, before taking off in overseas countries, have to undergo major and minor checks, and inspections on the day of take-off, of the same standard adopted in Hong Kong, to ensure the safety of departing and arriving flight. So, Dr HO does not have to worry.

MS MIRIAM LAU (in Cantonese): *Madam President, the question is about private aircraft, but in the reply, the term "business aviation" is used, which I believe refers to the same service. In the main reply, it is mentioned that business aviation traffic has shown a threefold increase over the past five years. However, the capacity of the HKIA is limited. The Government said that since business aviation traffic only accounts for 1% of the total aircraft movements, it is not a big problem. However, I would like to ask the Government this: From the policy perspective, has the Government adopted an "all-are-welcome" attitude towards these business aviation aircraft, or has a quota been set in this respect in that restriction will be imposed when this traffic reached a certain percentage? What is the relevant policy?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, Ms LAU's supplementary question has brought forth a very good point. The target customers of business aviation service are people who need safe, highly-secured and convenient personalized service, including royal family members, prominent politicians, business executives of multinational corporations, and so on. As an international aviation hub, we do wish to provide diversified services. These business aircraft are welcome to Hong Kong, for this can enhance our competitiveness as an aviation hub. Actually, we are facing competition from other international aviation hubs, for they also wish to provide this type of service to these target customers.

Regarding the present co-ordination of the capacity of flight movements — Ms Miriam LAU asked about the capacity earlier — a system and a set of criteria have been put in place. A Schedule Co-ordinator is appointed by the CAD to co-ordinate the flight schedule at the airport. How will the schedule Co-ordinator carry out this task? Priority will be accorded to regular flights of airlines, including regular additional flights and charter flights. Since private business aircraft do not fly on a regular schedule, for instance, applications will only be filed when multinational corporations hold their meetings in Hong Kong,

and these are individual applications of an ad hoc nature. Under the existing guidelines, which are also formulated according to the international flight scheduling guidelines, these non-regular flights will be accorded a lower priority than the regular flights. In other words, slots will first be allocated to regular flights and charter flights, and the remaining slots will be allocated to other flights.

Returning to the subject, though the capacity of flight movements is rather tight at present, we are planning to increase the capacity gradually. Recently, the Financial Secretary has said in the Budget that the Government would allocate more resources and work in collaboration with the industry to gradually increase the capacity to 68 aircraft movements per hour by 2015. I believe, in future, we should be able to broadly meet the demand arising from the growth of business whether in business aviation or most importantly, regular flights.

MR SIN CHUNG-KAI (in Cantonese): *President, indeed, my supplementary question is similar to that of Ms Miriam LAU, only that the angle is slightly different. It is, of course, quite unlikely that aviation traffic will reach the saturation point very soon, but if there is really a sharp increase in aviation traffic, the use of another runway in Hong Kong, the one located in Shek Kong, can be considered. However, I do not know if it is technically difficult to do so. Has the Government considered this, or will it allow private aircraft to use that runway?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, we will not consider this option at the present stage. Certainly, insofar as an international airport is concerned, runway is not the only consideration, as immigration facilities are also required to provide support. As such, we maintain that it is more appropriate for the HKIA at Chek Lap Kok to meet the need for these services. Moreover, in respect of safety, the flying routes, co-ordination of airspace for air traffic, aircraft movement and aviation control, and so on, in Hong Kong are all within the purview of the CAD, and this, we think, is more appropriate.

DR RAYMOND HO (in Cantonese): *Concerning the Convention on International Civil Aviation signed by us, I do not know if it includes any*

restriction on us in respect of the number of foreign flights that we can allow to come to Hong Kong. In other words, can we stop these flights from increasing substantially in number? If we cannot do so, and given the rapid development of air freight transport I remember that it is stipulated in Article 128 of the Basic Law that Hong Kong should develop regional aviation services. As our airport is designed with a capacity of handling 86 million passenger trips per annum, the target of increasing to 68 aircraft movements per hour is indeed quite a lot. Will the Government consider these few factors when it makes the final decision on whether or not the third runway would be constructed?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, the Airport Authority is now considering the construction of the third runway and a feasibility study will soon commence. This is a very important issue, not only because of its technical feasibility and impact on the environment, but also the need to provide support in respect of airspace control and management. Even if another runway is constructed, we have to provide airspace for aircraft to take off and land. That means we have to take into account a host of factors simultaneously. We know that it is important for Hong Kong to maintain its competitiveness as an aviation hub and so, the Airport Authority will actively conduct the feasibility study on the third runway.

DR LUI MING-WAH (in Cantonese): *The Secretary said that it is necessary to allow private aircraft to come to Hong Kong and yes, it is surely necessary, for a lot of important people like to have their own aircraft. However, has the Government considered that both private aircraft and large aircraft take up airspace and movement slots, but the economic benefits that they can bring to Hong Kong are very different? How will the Government consider this? Will the flight movements of private aircraft be subject to control in future?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, as I have explained earlier, we have put in place a set of well-established and internationally recognized standards for handling slots application. Our Schedule Co-ordinator will follow these standards in allocating slots. As I explained earlier, these private business aircraft, be it passenger carriers or cargo aircraft, do not have a regular flight schedule. So,

like other non-regular and ad hoc applications, they will be given lower priority than regular flights. On this premise, we do not see the need to cap business flights when we can cater for the demand of both sides. We, of course, understand that the runway capacity and airspace are limited, and we will handle this cautiously. However, we think the set of standards that we have currently adopted can cope with the situation.

PRESIDENT (in Cantonese): Fourth question.

Exit Polls

4. **MR RONNY TONG** (in Cantonese): *President, regarding exit polls conducted on election days, will the Government inform this Council whether:*

- (a) *currently, the Government requires organizations or persons applying for conducting exit polls to declare their background and political affiliations, and so on; if so, of the relevant procedures; if not, the reasons for that; whether the Government will investigate the background of the applicants or applicant organizations when assessing their applications for conducting exit polls; if it will, the details; if not, the reasons for that;*
- (b) *it knows if the Electoral Affairs Commission (EAC) will take immediate actions when organizations conducting exit polls disseminate relevant polling information during polling hours to candidates or political parties or bodies which these organizations belong to or are friendly with; how the EAC ensures that such situations will not arise; and whether the candidates are required to include the costs of the polls concerned in their election expenses when they are informed of the interim results of exit polls during polling hours; if so, how it ensures that the candidates truthfully declare such costs; if not, of the reasons for that; and*
- (c) *it knows if the EAC will consider adopting more measures to enable voters to identify organizations conducting exit polls (for example, requiring the interviewers of such organizations to wear vests which are printed with the names of the organizations concerned); if not, of*

the reasons for that, and how the EAC ensures that the interviewers concerned will not deceptively claim that they belong to other organizations?

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

- (a) Both the Guidelines on Election-related Activities in respect of the District Council Election and the Guidelines on Election-related Activities in respect of the Legislative Council Election (the Guidelines) have provided detailed guidelines for the conduct, publication and broadcast of exit polls. Under the provisions of the Guidelines, the organizations or persons who intend to conduct exit polls need to apply in advance to the Registration and Electoral Office (REO) with the following information:
 - (i) their respective names and addresses;
 - (ii) the name, identity document number and contact telephone number of the responsible persons; and
 - (iii) a list of persons employed for the conduct of exit poll at each polling station together with their identity document numbers.

The applicants are not required to declare their political affiliation. Nor would the Government investigate their background. In regulating exit polls, we consider that it is also important to ensure the freedom of speech, of the press and of academic research.

- (b) Under the current Guidelines, there is no specific regulation on the use of information collected through exit polls. Nevertheless, any announcement of the results of exit polls or predictions during the polling hours may affect elector behaviour and may have an impact on the election results. In the existing Guidelines, the EAC reminds the media and organizations concerned that they should not announce the results of exit polls or make specific remarks or predictions on the performance of individual candidate or list of candidates in geographical constituencies before the close of poll.

According to the Elections (Corrupt and Illegal Conduct) Ordinance, "election expenses" in relation to a candidate or group of candidates at an election, means expenses incurred or to be incurred, before, during or after the election period, by or on behalf of the candidate or group for the purpose of:

- (i) promoting the election of the candidate or group; or
- (ii) prejudicing the election of another candidate or group,

and includes the value of election donations consisting of goods and services used for that purpose. Relevant electoral legislation also stipulates in detail the compilation of the return on election expenses. Candidates should comply with relevant electoral legislation in working out whether and how any expenses on exit poll should be counted towards their election expenses.

- (c) The existing Guidelines stipulate that interviewers of exit poll are required to wear an identification device showing the identity of the organization or person conducting exit poll. At present, prior to the polling day, the REO also announces to the public the list of persons or organizations allowed to conduct exit polls and displays such a list at the respective polling stations. To further enhance the transparency, the EAC has proposed the following new measures in the Proposed Guidelines on Election-related Activities in respect of the Legislative Council Election (the proposed guidelines) issued on 25 March:

- (i) to release also the contact telephone numbers of persons or organizations allowed to conduct exit poll to the public prior to the polling day for the reference of the public and candidates. Such a list will be displayed at the respective polling stations; and
- (ii) to require the interviewers of exit poll to make known to the electors the name of the organizations or persons conducting the exit poll at the start of the interview and that the exit poll is not commissioned by the Government.

The EAC also suggested a new measure in the proposed guidelines so that, before the grant of approval, the person or organization

allowed to conduct exit poll will be required to sign an undertaking to abide by the guidelines governing the conduct of exit poll. If any person or organization concerned fails to comply with the guidelines, the EAC may make a reprimand or censure which may include the name of the person or organization.

The EAC is currently conducting public consultation on the proposed guidelines till 23 April 2008. We would welcome views and suggestions on the proposed guidelines during the consultation period.

MR RONNY TONG (in Cantonese): *President, the Secretary has not answered the core question in part (b) of the main question.*

President, this part of my question is very simple. If a group or organization conducting the poll informs a certain political party of the interim result of the poll on the election day, so that the political party concerned can redeploy resources or change its strategy to facilitate its candidate to win the election, first, should the relevant expenses be declared; second, if these expenses are not declared, will it constitute corruption or illegal conduct; and third, if it will, how will the legislation be enforced?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, the relevant legislation has, in fact, stipulated in detail how the return on election expenses should be compiled. As to whether and how expenses on exit polls conducted by candidates should be counted towards their election expenses, this should be done in compliance with the provisions of the relevant electoral legislation. Concerning how the election expenses and electioneering work of a candidate should be declared, the decision will rest with the candidate.

MR RONNY TONG (in Cantonese): *So, does the Secretary agree that if such situation arises and the candidate fails to declare the relevant expenses, it will constitute a breach of the Election (Corrupt and Illegal Conduct) Ordinance and be regarded as a corrupt act? If that is the case, how will the legislation be strictly enforced to prevent the recurrence or occurrence of such law-breaching act? Why can the Secretary not give a simple answer?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, actually, the simplest answer is that every candidate should act in accordance with the electoral legislation. However, we cannot create a hypothetical situation in an abstract manner and ask the Bureau whether a certain act is illegal. I can only explain to Members the provisions in law and the provisions in the electoral guidelines.

PRESIDENT (in Cantonese): A total of 11 Members are waiting for their turn to ask their supplementary questions. Will Members who have the opportunity to ask questions be as concise as possible, so that more Members can ask their supplementaries.

DR YEUNG SUM (in Cantonese): *Secretary, we all know that ever since there was election, some political parties have conducted exit polls in elections of all scales because they have more resources and sufficient manpower, using the information on electors preference to make deployment on resources and manpower during the evening and night hours on polling day. In fact, to ensure the fairness of election, could the Government stipulate explicitly that when the result of exit polls is used for purposes relating to the election to some extent, the expenses involved must be declared according to the legislation, just as the expenses incurred in the distribution of leaflets? Will the authorities formulate fairer legislation on election?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, actually, the existing legislation and guidelines are indeed treating everyone equally without discrimination, and are already very fair. Over the years, we have adhered to the principles of fairness, impartiality and openness in making electoral arrangements. The provision on the declaration of certain expenses in the existing electoral legislation and guidelines is also applied to all persons equally without discrimination.

MISS TAM HEUNG-MAN (in Cantonese): *Some Members have earlier expressed concern about the exit polls conducted by certain political parties. However, in the response given by the Government, it is mentioned that the penalty under the relevant guidelines is only to make a reprimand or censure*

which may include the name of the person or organization concerned. In this respect, will the Government impose heavier penalty as a deterrent? At present, the person or organization concerned will only be censured, and after that, they will be under no control again, and cases like these just happen over and over again. Will the authorities consider imposing penalties with a severe deterrent effect?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, we are now talking about the Guidelines on election, which represent the experience that the EAC has gradually accumulated from the many previous elections. Electoral arrangements will be updated and enhanced in each election. However, this is, after all, just a set of guidelines but not legislation, and we thus consider it appropriate to make a reprimand or censure under the Guidelines. Over the years, both academic organizations and other civic groups have complied with the Guidelines in conducting exit polls and have not announced the result of exit polls before the close of poll, nor have they affected elector behaviour by announcing the results.

MISS TAM HEUNG-MAN (in Cantonese): I asked the authorities whether they would consider from the perspective of the deterrent effect, so that the Guidelines can serve as a deterrent. The Secretary has not answered my supplementary question.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, the Guidelines now in use have all along been effective. Moreover, in response to the views and concerns expressed recently, some new measures have been introduced in the latest draft of the Guidelines.

I have already told Members earlier that we will request organizations or persons participating in the exit polls to submit their particulars, which will also be made public on the Internet, for the public to identify these organizations. Moreover, we will set an earlier deadline for submitting applications for participation in exit polls, from seven days before the polling day to 10 days before the polling day. Therefore, we think it will be adequate to enhance the relevant arrangement before the election and reminding these organizations to act in accordance with the Guidelines.

MRS ANSON CHAN (in Cantonese): *The approval of these exit polls is granted mainly on academic grounds. Such being the case, it does not seem to be necessary to allow exit polls be carried out at each of the several hundred polling stations.*

Will the Government and the EAC consider requiring the applicant organizations to state the number of polling stations where they would conduct an exit poll and setting an upper limit?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, on the one hand, we have to ensure that the electors' motivation to vote and voting preference will not be affected by premature release of exit poll results. On the other hand, we have to respect the freedom of speech and academic research. Therefore, generally speaking, organizations and persons who are willing to follow the guidelines will be allowed to carry out exit polls. There are 500-odd polling stations, and we will allow them to carry out exit polls provided that they can follow our arrangements.

MR ALBERT CHAN (in Cantonese): *President, it is indeed an open secret that exit polls are used by certain political parties for election purposes. In the 2004 Legislative Council election, the electioneering teams of some candidates were withdrawn at 6 pm and electors were asked to vote for another candidate. There was extensive coverage of these examples in newspapers. That the expenses on exit polls had never been included in the election expenses of these two candidates was also an iron-clad fact. However, the attitude of the Government towards these problems is like "the three monkeys", as it has been covering the eyes, ears and mouth. I do not know if the Secretary is calling a stag a horse, or is he trying to impersonate those three monkeys by taking no action to address the problem*

PRESIDENT (in Cantonese): What is your supplementary question?

MR ALBERT CHAN (in Cantonese): *President, I am just about to ask my question. Turning back to the monkeys, is the Secretary completely unaware of these problems, or will he keep on pretending to be the three monkeys?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, in handling exit polls, the most important consideration is that organizations or persons conducting exit polls cannot announce their results before the close of poll at 10.30 pm. Our first and foremost consideration is to safeguard the freedom of electors to choose the candidate whom they wish to support. This is the cardinal principle. Over the years, we have been able to uphold this principle.

MR ALBERT CHAN (in Cantonese): *The Secretary has entirely distorted my supplementary question. The Secretary said in his reply that the expenses of election-related services should be counted towards the election expenses. If this is already an open secret and the expenses of these relevant services have not been declared as election expenses, will the Secretary request the Independent Commission Against Corruption (ICAC) to conduct thorough investigation into these cases which are iron-clad facts known to the public?*

PRESIDENT (in Cantonese): Mr Albert CHAN, though this is a good question, it is not part of the supplementary question that you asked earlier.

MR ALBERT CHAN (in Cantonese): *President, this is a follow-up question on the three monkeys.*

PRESIDENT (in Cantonese): Mr CHAN, it has nothing to do with the three monkeys, and the ICAC is not a monkey.

MR ALBERT CHAN (in Cantonese): *President, I am just saying that the Secretary acts like those three monkeys*

PRESIDENT (in Cantonese): That would be even more inappropriate.

MR FRED LI (in Cantonese): *President, organizations conducting exit polls surely will not announce the results at or before 10.30 pm (I mean those with a political purpose) for the results are intended for internal reference.*

I would like the Secretary to give a clear answer. Does the Government allow political parties or candidates of political groupings to commission certain organizations, which have fulfilled the requirements set out in parts (a), (b) and (c) of his main reply and provided all the information, to conduct comprehensive exit polls at all polling stations with the objective of finding out which candidates the electors have voted for and then use the information obtained to allocate and canvass vote for political purposes?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, in reply to Mr Fred LI's supplementary question, I can tell him that the EAC has once turned down the exit poll application submitted by the agent of a candidate. Members all know that under the existing electoral system, candidates are allowed to indicate on the ballot paper the political parties or bodies in support of them in the election. If these political parties or bodies make direct applications for conducting exit polls, I believe the EAC must consider their applications very carefully as to whether allowing these bodies to conduct exit polls will run the risk of undermining the secrecy of ballot. That exit poll application from the agent of a candidate was rejected precisely to safeguard the secrecy of ballot.

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

MR ALBERT HO (in Cantonese): *According to my understanding of the Secretary's earlier reply to Mr Fred LI's supplementary question, he means that political parties are not allowed to conduct exit polls. Following this logic, polling organizations should not be allowed to proactively or voluntarily offer these services to political parties. This should not be allowed. In other words, the information should not be disclosed to political parties for them to achieve their election purposes.*

If my understanding is correct — please let me know right after I have finished if I am wrong. If my understanding is correct, should the authorities, firstly, state in the Guidelines that the result cannot be published and it also cannot be disclosed to anyone before the close of poll and secondly, stipulate that a declaration of secrecy be made and require that the result cannot be disclosed to a third party, except members of the polling organization, and particularly, it cannot be disclosed to candidates or election engineering teams, and such disclosure will be liable to legal consequence and responsibility?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, first, we will not verify or investigate the political background of these organizations or persons applying to conduct exit polls. However, if a candidate or his or her electioneering team, or even the political party in support of the candidate, apply to the EAC direct for conducting exit polls, as I have explained to Members earlier, we have to safeguard the secrecy of ballot, and I believe the EAC will handle these applications properly and may refuse to grant approval.

Second, over the years, the most important principle that we endeavour to uphold in every election is that organizations or persons conducting exit polls cannot announce the results before the close of poll. The objective is to protect the voting preference of all electors, so that they can choose freely without being influenced.

Third, in addition to the protection of secrecy of ballot and independence of electors' voting preference, we also follow another principle, that is, we respect the freedom of research studies of these organizations or persons conducting exit polls. We will only impose regulation on the publication of their information. Regarding how they handle the information and conduct studies internally, it will be their own internal affairs.

MR ALBERT HO (in Cantonese): *Why could the Secretary not give me an answer to such a simple supplementary question? I said that according to the objectives or principles so clearly spelt out by the Secretary earlier, these exit*

polls should not be used to assist candidates. If this is correct, what I asked the Secretary earlier, which he has not answered, is that why the authorities do not simply stipulate against the disclosure, not just mere publication, of the result? The Secretary mentioned the publication of the result repeatedly, but my point is not about publication of the result to everyone but making a stipulation against disclosure before the close of poll and providing for the making of a declaration of secrecy. This is perfectly logical. Why can he not simply answer "yes" or "no"?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, I think Mr HO was going too far in his inference, for we are in control of the overall situation. First, organizations and persons conducting exit polls are required not to publish the result before 10.30 pm. Second, we respect their freedom to conduct studies and surveys. As to how they will handle the information internally, it is their internal affair, on which we do not impose regulation.

PRESIDENT (in Cantonese): Fifth question.

Influenza Outbreak

5. **MRS ANSON CHAN** (in Cantonese): *President, last month, a rampant outbreak of influenza (flu) was suspected to have caused the deaths of three children. In view of the situation, the Government announced on the 12th of last month that the Easter holiday for all primary schools and kindergartens in Hong Kong would be advanced to start from the following day and last for two weeks. In this connection, will the Government inform this Council:*

- (a) *for the past five years, of a breakdown of the monthly number of flu infection cases by age groups; the number of people who died of flu and associated complications each year; the number of people who received flu vaccine each year and, among them, the respective numbers of children and elderly people; the respective numbers of flu outbreaks in schools and residential homes for the elderly; and*

the respective numbers of flu cases confirmed by private doctors and doctors in the public medical system;

- (b) *given that the Secretary for Food and Health had told the media at noon on 12 March that school closure was unnecessary but then late that night he suddenly announced the advancement of the holidays for primary schools and kindergartens, of the factors considered by the authorities which led to the inconsistent decisions; the reasons for announcing the decision on school closure so late at night, which resulted in many parents, who were unaware of the authorities' decision, being unable to make appropriate arrangements; how the Government will prevent similar incidents which cause nuisance to the public from happening in the future; and*
- (c) *of the other measures, apart from appointing an expert group to investigate the three cases of child death, to be implemented to avoid children being killed by flu?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, first of all, I would like to clarify the point raised in the question about the death of three children. As already mentioned in the information released by the Centre for Health Protection (CHP) under the Department of Health (DH) earlier, influenza virus was identified in two of the children, while no influenza virus was found in the remaining child. I now reply to different parts of the question.

- (a) As a member of the Global Surveillance Network of the World Health Organization (WHO), Hong Kong has a comprehensive influenza surveillance system. We adopt a multi-pronged approach for influenza surveillance, which includes the setting up of sentinel surveillance systems in private and government clinics, monitoring hospital admissions, conducting laboratory surveillance and so on. From 2004 to 2007, the number of influenza-like illness recorded by sentinel private doctors ranged between 30.3 and 89.5 per 1 000 consultations each year while the corresponding number at sentinel general out-patient clinics ranged between 1.4 and 19.7 per 1 000 consultations each year. Please refer to Table 1 for details.

Table 1: Number of influenza-like illness per 1 000 consultations at sentinel private doctors and general out-patient clinics

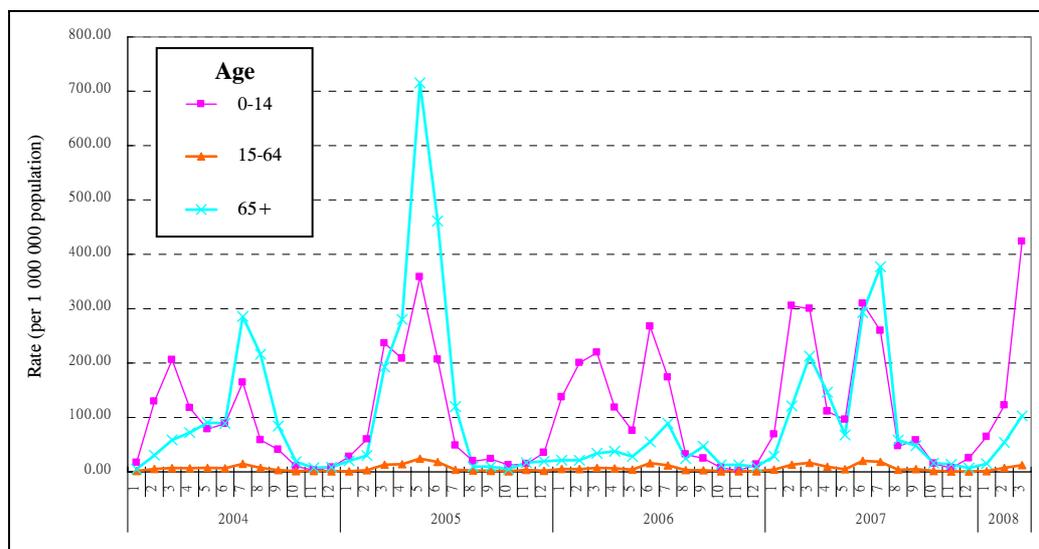
<i>Year</i>	<i>Number of influenza-like illness recorded by sentinel private doctors (Median)</i>	<i>Number of influenza-like illness recorded by sentinel general out-patient clinics (Median)</i>
2004	30.3 - 54.4 (39.8)	1.4 - 7.7 (4.5)
2005	31.3 - 89.5 (47.3)	2.8 - 19.7 (5.4)
2006	31.9 - 78.9 (48.1)	2.1 - 11.9 (4.7)
2007	35.6 - 71.6 (48.2)	2.8 - 8.9 (4.6)
2008 (as at 15 March)	28.6 - 76.1 (50.7)	3.5 - 12.3 (5.4)

From 2004 to 2007, the number of admissions to hospitals under the Hospital Authority (HA) due to a principal diagnosis of influenza was about 1 800 to 3 200 each year and the average admission rate was around 270 to 470 per million population. As to the age distribution, the figures varied from year to year, but in general the admission rates of elderly persons and children were higher. Hospital admissions and admission rates from 2004 to 2007 broken down by age groups are set out in Table 2 and Figure 1.

Table 2: Number of admissions and admission rates to hospitals under the HA due to a principal diagnosis of influenza

<i>Year</i>	<i>Age group (Years)</i>	<i>Hospital admission</i>	<i>Admission rate (per million population)</i>
2004	0-14	926	921
	15-64	308	62
	65 or above	791	966
		(total) 2 025	(average) 299
2005	0-14	1 212	1 251
	15-64	435	87
	65 or above	1 569	1 880
		(total) 3 216	(average) 472
2006	0-14	1 194	1 271
	15-64	324	64
	65 or above	335	393
		(total) 1 853	(average) 270
2007	0-14	1 469	1 602
	15-64	502	98
	65 or above	1 215	1 390
		(total) 3 186	(average) 460
2008 (as at 22 March)	0-14	559	Not applicable
	15-64	105	Not applicable
	65 or above	150	Not applicable
		(total) 814	Not applicable

Figure 1: Influenza-related admissions to HA hospitals, 2004 to 2008 (As at 22 March)



The Public Health Laboratory Centre (PHLC) of the DH is responsible for laboratory surveillance of influenza viruses. Out of the influenza virus samples tested, most of the viruses detected in 2003, 2004, 2005 and 2007 were influenza A (H3N2) virus while most of those detected in 2006 were influenza A (H1N1) virus. As at 29 March this year, the PHLC has conducted tests on a total of 1 974 influenza virus samples, of which the majority (971 samples) were influenza B virus. Please refer to Table 3 for details.

Table 3: Number of influenza virus samples tested each year from 2003 to 2007 and the types of influenza viruses detected

Year	Influenza A (H1N1)	Influenza A (H3N2)	Influenza A (not classified)	Influenza B	Influenza C	Total
2003	10	1 572	342	715	-	2 639
2004	25	4 794	251	378	3	5 451
2005	411	4 514	310	988	6	6 229
2006	2 865	203	263	923	3	4 257
2007	127	4 562	330	1 436	7	6 462
2008 (as at 29 March)	638	292	71	971	2	1 974

According to death registration statistics, the number of deaths principally caused by influenza each year from 2002 to 2006 ranged between 0 and 26 (zero in 2002, seven in 2003, 19 in 2004, 26 in 2005 and eight in 2006).

We do not have the total number of persons receiving influenza vaccination each year. However, the quantity of vaccines used for the annual Government Influenza Vaccination Programme (GIVP) increased from around 170 000 doses in 2003-2004 to around 280 000 doses in 2007-2008. In 2007-2008, about 190 000 elderly persons and 2 600 children aged between six and 23 months from families receiving Comprehensive Social Security Assistance (CSSA) were given influenza vaccination under the GIVP. According to the information provided by vaccine importers, around 670 000 to 1.1 million doses of influenza vaccines were purchased by private doctors and private hospitals each year. Please refer to Table 4 and Table 5 for details.

Table 4: Total number of doses of vaccines used for the GIVP and approximate number of doses of influenza vaccines purchased by private doctors and private hospitals

<i>Year</i>	<i>Total number of doses of vaccine used for the GIVP</i>	<i>Number of doses of influenza vaccine purchased by private doctors and private hospitals</i>
2003-2004	170 900	1 106 000
2004-2005	202 000	730 000
2005-2006	252 000	888 000
2006-2007	272 600	670 000
2007-2008	281 700	682 000

Table 5: Number of elderly persons and number of children aged between six and 23 months from families receiving CSSA receiving influenza vaccination under the annual GIVP

<i>Year</i>	<i>Number of elderly persons</i>	<i>Number of children aged between six and 23 months from families receiving CSSA</i>
2003-2004	52 000	---
2004-2005	128 700	---
2005-2006	151 300	3 900
2006-2007	181 200	2 700
2007-2008	192 000	2 600

From 2004 to 2007, the number of influenza outbreaks in schools ranged between 32 and 94 each year, while the corresponding number in residential care homes for the elderly (RCHes) ranged between nine and 162. Please refer to Table 6 for details.

Table 6: Number of influenza outbreaks in schools and RCHEs

<i>Year</i>	<i>Institution</i>	<i>Number of influenza outbreaks</i>
2004	Schools	94
	RCHEs	128
2005	Schools	63
	RCHEs	162
2006	Schools	53
	RCHEs	9
2007	Schools	32
	RCHEs	109
2008 (as at 27 March)	Schools	51
	RCHEs	7

Although the sentinel surveillance systems in private and public clinics are by no means representing all confirmed cases of influenza, they are able to duly reflect the overall influenza situation and trend in Hong Kong.

- (b) As I mentioned at the media session in the morning of 12 March (that is, the time before I attended the Question Time of the Legislative Council meeting), the Administration would closely monitor the influenza situation and would, in the light of the disease situation in the whole community, decide if there was a need to step up control measures. In the evening of 12 March, I announced the decision for all kindergartens, kindergartens cum child care centres, primary schools and special schools to take an early Easter break, having regard to the increased number of reported influenza cases in that afternoon and the expectation that the influenza peak would continue for some time, as well as the concerns and anxiety of parents and the school management as to whether children should be allowed to attend schools. This was coupled with the fact that in the evening of 12 March, influenza virus was known to have been identified in the deceased seven-year-old child, and that the CHP received increasing number of reported cases of influenza from schools in the afternoon of the same day. Having taken into account the above factors and after discussion among relevant Policy Bureaux and departments, we made the decision to advance the Easter break and announced the decision immediately with a view to minimizing public health risk and relieve the anxiety of the school management and parents.

The decision was made as a precautionary measure, which aimed to minimize the chance for children contracting influenza in schools and allow schools to be thoroughly cleansed to ensure environmental hygiene.

The CHP under the DH will closely monitor the influenza situation in Hong Kong and provide timely data analysis and health advice. Should there be a similar incident in the future, the Administration will still notify parents and schools as early as practicable to facilitate their preparations.

- (c) To prevent infectious diseases, the Administration will provide timely information and proper analysis to the public as soon as practicable to enhance their understanding of the disease situation. The CHP also keeps the public informed of the disease situation and trends of influenza by uploading updates to its website.

In curbing the spread of influenza so as to reduce the development of complications in infected children and the resultant child deaths, one of the CHP's key tasks is to educate the community on how to prevent and control the disease. Among other things, people who have influenza symptoms should take rest at home to prevent the spread of the disease to others. In March this year, the CHP and the Education Bureau organized four large-scale talks on "Prevention and Control of Influenza" for schools to enhance their knowledge of prevention and control of influenza and provide a platform for schools to exchange experience on preventing the spread of the disease in schools.

Moreover, to prepare for class resumption, apart from the guidelines on school resumption arrangements issued by the Education Bureau, the CHP has issued to all schools up-to-date guidelines on measurement of body temperature, cleansing and disinfection, and personal hygiene. The CHP also advised the schools to deploy dedicated staff or set up a crisis management team to co-ordinate and oversee matters relating environmental hygiene of schools, to brief staff and students on influenza, and advise parents to adopt influenza prevention measures in order to prevent the spread of influenza in schools.

MRS ANSON CHAN (in Cantonese): *President, I have two supplementary questions. First of all, it is learned that the expert group has already completed the investigation report. May I ask the Secretary when the report will be published? Moreover, the Secretary mentioned just now that, of the three cases of child death, influenza virus was identified only in two of the children. Can the Secretary inform this Council of more details? In particular, what preventive measures has the expert group recommended in this regard?*

PRESIDENT (in Cantonese): Mrs Anson CHAN, although you said that you had two supplementary questions, you were, in fact, asking about the details of the investigation by the expert group on the three cases of child death. I will thus treat them as one supplementary question, as only one question is allowed for each supplementary question.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, I believe the expert group's report should be released soon. They are seeking legal opinion now. As I have said, if these reports will have implications on public health or public safety, we would wish to see their publication as soon as possible; if not, then we have to respect the Coroner's Court. They are studying this aspect now. Sometimes, some details can only be released by the Coroner's Court. We are now seeking legal opinion.

What I can say is, the expert group has found influenza virus in two of the deceased children aged three and seven respectively whose suspected cause of death is influenza, while no influenza virus was found in the other two-year-old child who died suddenly in the Prince of Wales Hospital.

MRS ANSON CHAN (in Cantonese): *May I ask a follow-up question?*

PRESIDENT (in Cantonese): I have already treated your questions as one supplementary question.

MRS ANSON CHAN (in Cantonese): *Fine. I will wait in the line.*

PRESIDENT (in Cantonese): If he has not answered your question, you can ask a follow-up question.

MRS ANSON CHAN (in Cantonese): *He has.*

PRESIDENT (in Cantonese): Then you can wait again to ask another supplementary question.

MRS ANSON CHAN (in Cantonese): *OK.*

MR LI KWOK-YING (in Cantonese): *President, the Secretary mentioned in part (a) of the main reply that the PHLC is responsible for surveillance of influenza viruses and that the influenza viruses detected vary from year to year, but over 1 million doses of influenza vaccine are administered each year. May I ask the Secretary whether such vaccines target only at one type of virus, or they can generally produce certain preventive effect against all types of virus? If the latter is true, whether the Government has assessed the impact of these vaccines on the incidence rate of influenza?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, the influenza vaccine used each year is analysed and recommended by the WHO in preparation for the coming season, targeting the types of virus which may cause influenza. This is done by putting together the three types of vaccines against H1N1, H3N2 and Influenza B viruses. As a new trend may come up each year, the prediction may sometimes be accurate and sometimes not. Hence, all pharmaceutical traders of vaccines use the same type of vaccine every year, that is, the entire northern hemisphere uses the same type of vaccine. There is no other alternative, and only one type of vaccine can be procured.

MR LI KWOK-YING (in Cantonese): *President, I wish to seek clarification. He said just now that the WHO will assess the prevalent viruses in the coming year. May I ask whether Hong Kong has conducted its own assessment?*

PRESIDENT (in Cantonese): This is not part of the supplementary question that you asked just now. You can wait again to ask your question.

MR JASPER TSANG (in Cantonese): *President, I wish to follow up the Secretary's reply to part (b) of the main question. The Secretary said that the announcement he made late at night on 12 March was made "after discussion among relevant Policy Bureaux and departments", and I believe the "relevant Policy Bureaux" should include the Education Bureau. May I ask whether consideration has been given in the discussion to the difficulties and problems that the decision may cause to schools and parents? For example, some students might be unaware of the announcement and might go to school as usual on the following day. How will the authorities handle this situation? Moreover, the number of school days has hence been reduced and, cannot meet the stipulated number of school days in a school year. In relation to these problems, have the authorities issued guidelines to schools specifying how these problems should be dealt with?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, we made the announcement at around 10.15 pm to 10.20 pm, which is not very late at night. However, I have to make it clear that in the meeting with the Education Bureau on that day, we did discuss the possible impacts on schools if we reached such a decision and had to make an announcement. We found that if we decided to advance the Easter break but announced the decision on the following day after students had gone to schools, the chaos caused, we believed, might even be more serious, and parents might not know whether they should take their children to schools to finish all lessons of the day, or bring them home immediately. We thus decided to make the announcement that night. Moreover, we were aware that some parents or students might not know of this decision and might go to school as usual. So, it was decided that schools would be opened as usual on the following day so as to take care of these students. These are the arrangements that we made. That night, the Education Bureau also notified schools and the public of the decision through various channels. Members may well be aware that many people learnt about the decision through channels such as SMS that night. We have made utmost effort to disseminate the news. Certainly though, we know that a small number of parents or students who were unaware of the decision went to school on the following day.

DR JOSEPH LEE (in Cantonese): *President, the figures that the Secretary provided in Table 2 of his main reply are rather alarming. We notice that, in 2007, the number of hospital admissions of elderly aged over 65 was 1 215; but in 2006, only 335 hospital admissions due to influenza were recorded for elderly aged over 65. May I ask the Secretary how he would interpret these figures? Why did the number of hospital admissions suddenly increase so much? Is it because the authorities have failed to do something or done something wrong?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Madam President, as we can see, the influenza situation is different every year. In particular, Members can see in Figure 1 that most influenza cases in Hong Kong have two peaks, one in Spring and one in Summer. However, 2005 is very special in that the two peaks merged as one. It is difficult for us to explain this phenomenon, but a main point is that, our body resistance changes every year. If we contract influenza this year, we usually have better body resistance in the following year, but our body resistance will start to drop three or four years later. So, every society and every age group will have these problems.

As regards why the two figures differ so greatly, we cannot fully explain it either. In particular, sometimes when an influenza outbreak takes place in a residential care home, the majority cases of infection may be within the residential care home and many people may need to be hospitalized. We notice that the number of hospital admissions of individuals is not that high, but influenza outbreaks in residential care homes will affect the admission figures.

MR LEUNG YIU-CHUNG (in Cantonese): *President, the Secretary pointed out in part (b) of the main reply that he already learnt about the increasing number of influenza cases that afternoon and had considered the concerns and anxiety of parents and the school management towards the problem. May I ask the Secretary why he had to wait until that night — that is, after knowing that virus was found in a child — to make the decision? After the decision was made, given that the problem was discussed together with colleagues of the Education Bureau, according to the Secretary in his reply to Mr Jasper TSANG's supplementary question earlier, why was the announcement not made by the*

Education Bureau but by the Secretary? Does the law empower the Secretary to do so and has procedure been laid down for the Secretary to appropriately announce the decision on school closure? President, I have asked several questions but they are, in fact, only one supplementary question.

PRESIDENT (in Cantonese): I know, but you have indeed asked two supplementary questions which are unrelated to each other. Your case is different from that of Mrs Anson CHAN just now as her two questions could be summed up as one supplementary question. But you have now asked two questions in one supplementary question because your questions are about two subject matters. Which question do you wish the Secretary to reply first? He can choose to reply both, but you have to tell him

MR LEUNG YIU-CHUNG (in Cantonese): *I hope that the Secretary will choose to answer both of them.*

PRESIDENT (in Cantonese): The Secretary can choose to reply just one question. You mean you would let the Secretary choose, do you not? Fine. Secretary, your reply please.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I think I will first explain the question about the figures we received that afternoon. What we did at that time was to count the number of cases reported in the morning as at 2 pm everyday. On the first two days, influenza outbreaks were reported by about 25 schools each day; and after 2 pm on that day, more and more schools reported to us about an outbreak. We thus convened a meeting at about 6.30 pm — at that time, I just left from a meeting in the Legislative Council and I was on my way back for a meeting — and I learnt that apart from the 25 schools which reported an outbreak in the morning, dozens of schools had reported influenza outbreaks to us in the afternoon, and school headmasters, teachers and parents had expressed concerns about whether or not the situation would worsen continuously. Coupled with the reason concerning the trend that I explained just now, we considered it most appropriate to announce the decision that night.

MR LEUNG YIU-CHUNG (in Cantonese): *President, I am not sure if I can further ask a question, because the Secretary really has not answered my other question. Can I further ask a question?*

PRESIDENT (in Cantonese): Which part of your supplementary question you think the Secretary has not answered? You just need to repeat that part.

MR LEUNG YIU-CHUNG (in Cantonese): *He has not answered whether he would not make the decision that night if he did not know that the death of a child was caused by the virus? Furthermore, he did not tell us whether the decision was announced by him and not by the Education Bureau? Does he have the statutory power to do so?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): We had gathered different news and information before making that decision. We did not make the decision according to only one piece of news. Moreover, we made the decision on behalf of the Government and not on behalf of the Food and Health Bureau. The decision was made jointly by us and the Education Bureau. This is why when I made the announcement, colleagues of the Education Bureau were beside me when I explained to the public the school arrangements.

PRESIDENT (in Cantonese): We have spent more than 21 minutes on this question. We now come to the last oral question.

Transfer of Sentenced Persons Between Hong Kong and the Mainland

6. **MS MARGARET NG** (in Cantonese): *President, recently, quite a number of mainland people serving prison terms in Hong Kong have written to me, expressing their wish to serve the remainder of their prison terms on the Mainland, so as to facilitate regular visits by their relatives and friends. However, the Government has yet to reach an agreement with the mainland authorities on the arrangements for the transfer of sentenced persons. In this connection, will the Government:*

- (a) *give a detailed account of the progress of the discussions with the mainland authorities regarding the transfer arrangements;*
- (b) *explain in detail the reasons why an agreement with the mainland authorities has not been reached; and*
- (c) *explain how, before an agreement is reached with the mainland authorities, the Government addresses the wishes of the mainland people requesting to serve their prison terms on the Mainland, and whether there are any ways to satisfy their wish?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in the absence of Secretary for Security) (in Cantonese): Madam President,

- (a) According to Article 95 of the Basic Law, Hong Kong may, through consultations and in accordance with law, maintain juridical relations with the judicial organs of other parts of the country, and they may render assistance to each other. Over the years, the Government of the Hong Kong Special Administrative Region (HKSAR) and the mainland authorities have been exchanging views on specific arrangements and issues related to the transfer of sentenced persons, including the conditions and procedures for transfer, through formal and informal meetings, and exchange of correspondence. At present, both sides continue to exchange views on the matter with a view to reaching an agreement at an early date.
- (b) The HKSAR Government and the mainland experts have always been very serious and prudent in the discussions on the transfer of sentenced persons. During previous discussions, both sides exchanged views on their respective legal systems and understanding on the relevant issues. However, due to the differences in the legal and judicial systems of the two places, experts from both sides still need to carry out further examination and deliberation on a number of complicated issues.
- (c) At present, the Transfer of Sentenced Persons Ordinance (Cap. 513) only applies to the transfer of sentenced persons between the HKSAR and overseas regions, and between the HKSAR and the

Macao Special Administrative Region (MSAR). The Ordinance does not apply to transfers between the HKSAR and other parts of the Mainland (that is, other than the MSAR). To transfer sentenced persons between the HKSAR and the Mainland, appropriate arrangements have to be made between the HKSAR and the relevant mainland authorities in accordance with Article 95 of the Basic Law. In addition, enactment of local legislation would be required to bring the arrangements into effect. Before that, there is no legal basis for us to arrange mainlanders serving sentences in Hong Kong to be transferred to the Mainland to serve their remaining sentences there.

Notwithstanding the above, the Correctional Services Department (CSD) fully appreciates that keeping ties with and gaining support from relatives and friends can facilitate sentenced persons' rehabilitation. Therefore, the CSD has all along been encouraging sentenced persons to maintain correspondence with their relatives and friends, and will allow them to make telephone calls to their relatives in the Mainland where necessary. The CSD also arranges counselling for prisoners to help them live in harmony with their fellow prisoners. If any prisoner encounters language or other adaptation problems in prison, Prisoner Welfare Officers will provide suitable counselling and assistance to them.

MS MARGARET NG (in Cantonese): *President, in fact, the discussions on this issue began when Ms Elsie LEUNG held the office of the Secretary for Justice. However, the information provided to us in the main reply today is even less than that provided when Ms Elsie LEUNG was the Secretary.*

President, I wish to ask a supplementary. At present, some cases indicate that even without any agreement, it is still possible to arrange for the transfer of individual sentenced persons unilaterally, even though this is not an established arrangement made according to some principles. This was done in individual cases provided that the other side was willing to accept the sentenced person concerned who will serve his remaining sentence there.

Concerning this kind of arrangement, have the authorities in Hong Kong and the Mainland explored its applicability and has there been such a case before?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, we always comply with the legislation, that is, Cap. 513 of the laws of Hong Kong, when dealing with the arrangements on the transfer of sentenced persons. These arrangements include the agreements that we reached with some overseas governments and regions, as well as that reached with the MSAR. Apart from these agreed arrangements, if there is any individual case that has to be dealt with by us, we will also proceed in accordance with this piece of legislation. However, at present, this piece of legislation does not cover the Mainland. Therefore, under the present circumstances, we do not have any legal basis for transferring mainlanders serving prison terms in Hong Kong to the Mainland, so that they can continue to serve their remaining term of sentence there.

MS MARGARET NG (in Cantonese): *President, the Secretary has not answered my supplementary because he did not quite catch my question.*

My question is: We have not reached any agreement with some regions, so they are not covered by the legislation mentioned by the Secretary just now. However, so long as the relevant legislation in the country concerned permits the reception of prisoners serving sentences overseas, we can transfer the prisoner serving a sentence in Hong Kong to his place of origin on an individual basis.

Have the authorities looked into this, and has there been such a case before?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, in fact, I have already replied to Ms Margaret NG's question. While she said that I did not catch her question, regrettably, the fact is that she did not catch my reply clearly.

At present, bilateral agreements on the transfer of sentenced persons are made and individual applications are processed in accordance with the statutory powers conferred by the Transfer of Sentenced Persons Ordinance (Cap. 513), and this applies to both bilateral agreements and individual cases.

However, at present, this ordinance is not applicable to sentenced persons who are mainlanders, therefore, we cannot transfer mainlanders serving sentences in Hong Kong to the Mainland under this ordinance for them to serve their remaining sentences in the Mainland.

MR CHIM PUI-CHUNG (in Cantonese): *President, we understand that the Secretary is only a "stand-in" in answering this question.*

However, he stressed Article 95 of the Basic Law in his main reply. Although there is such a provision in the Basic Law, it has not been put into practice. May I ask the Secretary whether or not Article 95 of the Basic Law is rendered virtually nonexistent or is the Government not doing enough?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, Article 95 of the Basic Law permits the HKSAR to, through consultations and in accordance with law, maintain juridical relations with the judicial organs of other parts of the country, and render assistance to each other. This gives us the legal basis to forge agreements with mutual consent.

Apart from having to discuss with the judicial organs on the Mainland to forge a bilateral agreement, we still have to enact legislation locally before the task can be accomplished. Therefore, we are also acting in accordance with the law in having discussions with the Mainland now.

MR CHIM PUI-CHUNG (in Cantonese): *In that case, President, since 11 years have passed since the reunification, may I ask if it will take 110 years to accomplish this task?*

PRESIDENT (in Cantonese): The latter part of your question is not part of the supplementary put by you just now.

MR CHIM PUI-CHUNG (in Cantonese): *Indeed, it is not. Although it is said that Hong Kong will remain unchanged for 50 years, does the Government want to wait for 50 years before*

PRESIDENT (in Cantonese): Which part of your supplementary has not been answered? What you are saying now is not part of the supplementary you asked just now. Which part of the supplementary put by you just now has not been answered?

MR CHIM PUI-CHUNG (in Cantonese): *My question to the Secretary just now was: Since he stressed the existence of Article 95 of the Basic Law but said that it could not be done, is this provision not rendered virtually nonexistent?*

PRESIDENT (in Cantonese): So you are asking the Secretary if the provision is rendered virtually nonexistent but he has not answered it, is that so?

MR CHIM PUI-CHUNG (in Cantonese): *Yes, indeed.*

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

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): *Madam President, it certainly is not rendered virtually nonexistent because Article 95 of the Basic Law stipulates that, "The Hong Kong Special Administrative Region may, through consultations and in accordance with law, maintain juridical relations with the judicial organs of other parts of the country, and they may render assistance to each other." Precisely due to the existence of this provision and the word "may", we are now in the course of consultation. We hope that after consultations and the establishment of relations, we will finally reach a bilateral agreement one day, so that assistance can be rendered to each other in this regard.*

DR KWOK KA-KI (in Cantonese): *President, the Secretary said very clearly in his reply that great complexities were involved. However, according to Article 95 of the Basic Law, it is necessary for the Mainland and Hong Kong to render mutual assistance to each other.*

Now that 11 years have passed and still this cannot be accomplished. Is it because Hong Kong (that is, the HKSAR Government) have not done its utmost or the judicial organs on the Mainland have neither responded nor offered appropriate assistance as dictated by their duty, thus making it impossible to implement this measure? With which side does the blame actually lie?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, what I can tell Members is that as far as I know, be it the HKSAR Government or the judicial organs on the Mainland, both sides are working very actively in the hope of bringing this matter to fruition and both sides also agree with the principles concerned. The transfer of sentenced persons requires the consent of three parties, that is, the transferring party, the receiving party and the sentenced person concerned. We are now having discussions on the transfer of these people. The people to be received by Hong Kong should be permanent residents of Hong Kong, whereas those to be received by the Mainland should be residents of the Mainland. When we discuss with overseas jurisdictions or the MSAR, the principles of discussion are basically the same.

However, it often takes time to work out these bilateral agreements and we have now signed agreements with 10 overseas governments. For example, it took almost seven years and a half to reach an agreement with Portugal. This kind of work is very important. Moreover, since judicial matters are involved, we must handle it carefully.

Since the systems of the two places are different, spending more time on discussions and handling the relevant issues properly would facilitate the smoother implementation of the agreement in future.

MR RONNY TONG (in Cantonese): *President, if I remember it correctly, in 1999, Secretary Elsie LEUNG already embarked on this area of work and nine years have passed. Even the war of resistance only lasted eight years.*

Secretary, we have still remained at the stage of "exchanging views". Is this because politically sensitive offences are involved and no consensus or agreement can be reached as a result? If this is the case, can we reach an

agreement on offences that are not politically sensitive first, for example, offences with no political implications at all, such as robbery, theft and fraud? If we can work for an agreement on these offences first, will the pace of work be quickened?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, when making arrangements for the transfer of sentenced persons, there is indeed a fundamental principle that we must understand and put into practice, that is, the offence committed by a sentenced person must be criminal in nature in both Hong Kong and the place to which he will be transferred.

Any arrangement on the transfer of sentenced persons between Hong Kong and the Mainland will be made according to this principle. Therefore, at the present stage, we are having discussions from the legal and technical perspectives. What I can say to Mr Ronny TONG in reply to his question here today is from the perspective of principles.

MR RONNY TONG (in Cantonese): *President, although the Secretary did not say so, I think he has indirectly admitted that this is because some politically sensitive offences are involved.*

PRESIDENT (in Cantonese): Mr Ronny TONG, this is not a Panel meeting now. This is a Legislative Council meeting

MR RONNY TONG (in Cantonese): *President, I understand.*

PRESIDENT (in Cantonese): Therefore, you can only point out the part of the supplementary put by you just now that has not been answered.

MR RONNY TONG (in Cantonese): *President, please allow me to put my supplementary.*

President, I assume that the Secretary's reply has answered the first part of my question, but he has not answered the latter part of my question, that is, why does the Government not first reach an agreement on offences that are not politically sensitive, that is, offences such as theft and fraud that I mentioned just now? I believe they are also regarded as offences on the Mainland and such acts are not allowed to be carried out undeterred. This being so, why does it not first reach an agreement on such offences? President, the Secretary has not given a reply to this part of the question.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, in fact, both sides are working on this matter actively. Therefore, if a basic bilateral agreement can be worked out, we hope that an agreement can be reached and implemented as soon as possible.

However, I have to offer a word of caution to Mr Ronny TONG. I ask him not to surmise the connotation of my replies to questions and make assumptions. This is because at the present stage and level, the HKSAR and the Mainland are both working in a pragmatic and orderly manner and in line with legal principles. We both accept that if a sentenced person is to be transferred, the offence committed by him must be considered a criminal offence at both places before anything can be done.

MR RONNY TONG (in Cantonese): *President, according to the Basic Law, the Secretary has the constitutional duty to answer questions. He still has not replied*

PRESIDENT (in Cantonese): Please sit down first.

MR RONNY TONG (in Cantonese): *Throughout his reply, he did not answer my two questions.*

PRESIDENT (in Cantonese): Please sit down first. According to the Rules of Procedure, you can only point out the part of your supplementary which has not been answered and there is no need to include your personal opinion. My

handling approach is already very generous. Very often, Members naturally go on to voice their own opinions and I do not stop them.

However, Members should comply with the Rules of Procedure as far as possible. If you think that there is something wrong with the Rules of Procedure, we have the Committee on Rules of Procedure which is prepared to consider your suggestions at any time. I am only responsible for implementing the Rules of Procedure.

MR RONNY TONG (in Cantonese): *President, it does not matter if I should refrain from expressing my personal opinion as long as he answers my question. However, the case is that he has not answered my question.*

PRESIDENT (in Cantonese): I have also explained before that public officers have to be accountable to the public for the way they answer questions. If they speak evasively in reply to a certain question and if everyone can see that they are evasive, the mass media and public opinion will naturally criticize them. As the President, I have no power to tell them how they should answer questions because they represent the Government, and the President can only call upon them to reply. If Members are not satisfied with their reply, this is perfectly understandable. However, if a Member says that a public officer has not answered his question but the public officer maintains otherwise, the President is not in a position to rule on this. It is now Question Time which is very precious, so I should not say too much.

MS MARGARET NG (in Cantonese): *President, can the Secretary clarify the last part of part (b) of his main reply? He said that both sides were exchanging views, but due to the differences in the legal and judicial systems of the two places, experts from both sides still need to carry out further examination and deliberation on a number of complicated issues. The legal systems of those places with which we have reached bilateral agreements are, in fact, also different from ours. Regarding the legal and judicial systems mentioned here, what actually do they refer to and what are the complicated issues?*

Apart from the comments he made in reply to Mr Ronny TONG's supplementary just now he tried to make a point about the principle that the

criminal offences must also be considered as criminal offences in the other jurisdiction. However, this is not a complicated issue at all, so what other issues are involved? What are the complexities? When does he think this problem will be solved?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, generally, we generally do not comment openly and in detail on the internal discussions with various departments of the Central Authorities. However, I can reiterate to Members that, be it the judicial organs on the Mainland or the relevant departments in Hong Kong, all are working on this matter very actively and all are very clear about the principles.

Since the legal systems of the two places are different, it is indeed necessary for us to discuss in detail before progress can be made and the relevant agreement can be reached.

MS MARGARET NG (in Cantonese): *I did not request him to disclose the details of the negotiation. I am only asking him what the complicated issues actually are. Apart from those that he mentioned just now, what other complicated issues are there?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Madam President, this includes the several principles that I mentioned just now. If a bilateral agreement on the transfer of sentenced persons is to be reached between Hong Kong and the Mainland, there are five principles that both sides must observe: First, the offences committed by sentenced persons must be criminal offences both in Hong Kong and the Mainland; second, the transferring party, the receiving party and the sentenced person concerned must consent to the transfer arrangement; third, prisoners received by Hong Kong must be permanent residents of Hong Kong and prisoners transferred to the Mainland must be residents of the Mainland; fourth, the sentence imposed on the sentenced person involves deprivation of his liberty and fifth, the verdict is final and after the transfer of the prisoner, no appeal can be lodged at the original place of imprisonment.

These principles are the basis of our discussion, however, if we want to translate these principles into an agreement which is consented to by both sides, there are indeed a lot of details that require discussion. I can give Members an explanation only from this perspective of principles.

As regards the details of how ongoing discussion will be conducted, I can tell Members that both sides have worked very actively, hoping to bring this matter to fruition.

PRESIDENT (in Cantonese): We have spent more than 20 minutes on this question. Oral question time now ends.

WRITTEN ANSWERS TO QUESTIONS

Employment Statistics for 2007

7. **MR LEE CHEUK-YAN** (in Chinese): *President, regarding the employment statistics for 2007 compiled by the Census and Statistics Department (C&SD), will the Government provide the statistics on employed persons for that year (excluding unpaid family workers, foreign domestic helpers and employed persons who worked less than 35 hours during the seven days before enumeration due to vacation), broken down by the groupings in the form below?*

Gender	Hours of work during the seven days before enumeration (Hours)	Monthly employment earnings (\$)					Total
		Less than 3,000	3,000 to 4,999	5,000 to 7,499	7,500 to 9,999	10,000 or above	
Female	Less than 35						
	35 to 49						
	50 to 59						
	60 or above						
	Sub-total						
Male	Less than 35						
	35 to 49						
	50 to 59						
	60 or above						
	Sub-total						
Female and Male	Less than 35						
	35 to 49						
	50 to 59						
	60 or above						
	Total						

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, according to the findings of the General Household Survey conducted by the C&SD, the number of employed persons (in thousand), excluding unpaid family workers, foreign domestic helpers and those working less than 35 hours during the seven days before enumeration due to vacation, broken down by sex, hours of work during the seven days before enumeration and monthly employment earnings for 2007 are as follows:

Gender	Hours of work during the seven days before enumeration (Hours)	Monthly employment earnings (\$)					
		Less than 3,000	3,000 to 4,999	5,000 to 7,499	7,500 to 9,999	10,000 or above	Total
Female	Less than 35	63.0	39.1	14.1	5.8	15.9	137.9
	35 to 49	8.5	45.1	142.2	141.9	433.0	770.7
	50 to 59	1.1	11.7	53.9	43.8	116.8	227.4
	60 or above	1.4	9.6	65.2	34.6	53.1	164.0
	Sub-total	74.0	105.5	275.4	226.1	618.9	1 299.9
Male	Less than 35	27.0	24.2	24.1	14.7	16.6	106.5
	35 to 49	8.2	22.0	117.5	172.2	632.8	952.8
	50 to 59	1.6	5.2	42.7	68.1	232.1	349.5
	60 or above	2.2	6.9	78.4	82.4	210.8	380.8
	Sub-total	39.0	58.2	262.7	337.4	1 092.3	1 789.6
Female and Male	Less than 35	89.9	63.3	38.2	20.4	32.6	244.4
	35 to 49	16.7	67.1	259.7	314.2	1 065.8	1 723.4
	50 to 59	2.7	16.9	96.5	111.8	348.9	576.9
	60 or above	3.6	16.5	143.6	117.0	263.9	544.7
	Total	113.0	163.8	538.1	563.5	1 711.2	3 089.5

Note : Figures may not add up to totals due to rounding.

Statistics Relating to Public Meetings and Public Processions

8. **MR LAU CHIN-SHEK** (in Chinese): *President, will the Government provide this Council with the following statistics relating to public meetings and public processions referred to in the Public Order Ordinance (Cap. 245)?*

<i>Public meetings and public processions</i>	2005	2006	2007
<i>Total number of cases</i>			
<i>Number of cases for which notifications to the police were required under the law</i>			
(i) <i>and notifications were given</i>			
(ii) <i>but notifications were not given</i>			
<i>Number of cases for which notifications to the police were not required</i>			
(i) <i>but notifications were given</i>			
(ii) <i>and notifications were not given</i>			
<i>Number of cases for which notifications were given after the notice period stipulated in the Public Order Ordinance</i>			
<i>Number of persons who, because of their participation in public meetings or public processions, were</i>			
(i) <i>arrested</i>			
(ii) <i>prosecuted</i>			
(iii) <i>convicted</i>			

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in the absence of Secretary for Security) (in Chinese): President, in response to the Member's question, the Administration provides the following figures:

<i>Public meetings and public processions</i>	2005	2006	2007
<i>Total number of cases</i>	1 900	2 228	3 824
<i>Number of cases for which notifications to the police were required under the law</i>			
(i) <i>and notifications were given</i>	1 067	981	1 004
(ii) <i>but notifications were not given</i>	23	24	30
<i>Number of cases for which notifications to the police were not required</i>			
(i) <i>but notifications were given</i>	229	326	427
(ii) <i>and notifications were not given</i> ^{Note 1}	581	897	2 363
<i>Number of cases for which notifications were given after the notice period stipulated in the Public Order Ordinance</i> ^{Note 2}	111	103	129
<i>Number of persons who, because of their participation in public meetings or public processions, were</i>			
(i) <i>arrested</i>	1 158	23	30
(ii) <i>prosecuted</i>	7	7	24
(iii) <i>convicted</i>	0	7	0

^{Note 1} The figures include only cases that came to police officers' attention when they were on outdoor duty.

^{Note 2} The figures shown in the table include only cases for which the organizers were warned by the police, either verbally or by an advisory letter, for giving notification after the notice period stipulated in the Public Order Ordinance. The police do not keep statistics on cases for which the organizers were not warned (verbally or by an advisory letter) for giving notification after the notice period stipulated in the Public Order Ordinance.

Begging and Illegal Fund Raising on Street

9. **MR BERNARD CHAN** (in Chinese): *President, it has been reported that some mainlanders who are dressed as monks are often found soliciting money on various pretexts, such as raising funds for repairing temples on the Mainland, from expatriates and visitors on the streets. In this connection, will the Government inform this Council of the following over the past three years:*

- (a) *the number of relevant complaints received by the authorities concerned from members of the public and visitors;*
- (b) *the respective numbers of local residents, mainlanders and foreigners arrested for begging or raising funds illegally, the respective numbers of such persons prosecuted and the penalties imposed by the Court on those convicted; and among those arrested, the number of mainlanders who were dressed as monks; and*
- (c) *the number of mainlanders refused entry by the authorities who had previously engaged in begging or illegal fund raising activities in Hong Kong?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in the absence of Secretary for Security) (in Chinese): *President,*

- (a) The Tourism Commission has not received any complaint from members of the public or visitors regarding solicitation of money in the street by individuals dressed as monks in the past three years. The police do not maintain statistics on such complaints.
- (b) The respective numbers of local residents, mainlanders and foreigners arrested and prosecuted for begging in the past three years are as follows:

Year	Local residents		Mainlanders		Foreigners	
	Arrest	Prosecution	Arrest	Prosecution	Arrest	Prosecution
2005	9	7	175	14	0	0
2006	30	24	156	17	3	0
2007	24	24	55	14	0	0

According to the police's record, the penalties imposed by the Court on persons convicted of begging included imprisonment (period of imprisonment from seven days to three months), fine (from \$50 to \$1,000) and probation (up to 12 months).

The police do not maintain further breakdown regarding the number of mainlanders who were dressed as monks out of those arrested for begging.

As regards illegal fund-raising, according to the police's record, three persons were prosecuted for collecting money in a public place without lawful authority or excuse in the past three years. The three persons were convicted and were sentenced to a fine of \$1,000 respectively. All of them are Hong Kong residents and neither was dressed as a monk at the time.

- (c) The Immigration Department (ImmD) takes into account various factors on a case-by-case basis when examining arriving visitors, including their purpose of visit and whether they meet the general immigration requirements (for example, whether they hold a valid travel document, and have returnability to their places of domicile).

ImmD does not maintain statistics on the number of persons denied entry because they had previously engaged in begging or illegal fund-raising activities in Hong Kong.

For effective immigration control, ImmD regularly provides the relevant authorities of the Mainland with the particulars of those Mainlanders who have adverse record in Hong Kong (including whether the relevant persons had engaged in begging or illegal fund raising activities in Hong Kong), in order to enable the permit-issuing authorities in the Mainland to step up scrutiny of the relevant persons' subsequent applications to visit Hong Kong.

Construction of Shatin to Central Link Depot at Diamond Hill

10. **MISS CHAN YUEN-HAN** (in Chinese): *President, it is noted that both the Government and the MTR Corporation Limited (MTRCL) are inclined to*

construct the Shatin to Central Link (SCL) depot at the former Tai Hom Village site at Diamond Hill by adopting a "semi-depressed" design. In this connection, will the Government inform this Council:

- (a) whether the depot planned for construction will occupy the entire piece of land of 7.1 hectares at the former Tai Hom Village site; if so, of the reasons for that; if not, the area required for the depot and the development of the remaining land;*
- (b) given that the authorities have indicated that it will conduct an assessment on the impact of the depot construction plan on the graded historic buildings (including the Old Pillbox, the Former Royal Airforce Hangar and the Stone House) at the former Tai Hom Village site, whether the assessment will be premised on preserving such historic buildings in situ, and whether an introduction of the former Tai Hom Village will be included in the development plan of the site to enable the public to know about its history; and*
- (c) whether the authorities will consider developing properties above the proposed depot, and whether it will consult residents in the neighbourhood before drafting the relevant planning brief and conduct an air ventilation assessment at the site to ensure that the future development of the depot will not have adverse impact on the community and residents concerned?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, a depot along the alignment of the SCL is essential to the effective operation of the railway. We have identified the site of the former Tai Hom Village, which is suitable for use as the proposed depot. The topographical conditions at the site will enable a "semi-depressed" design for the depot, which will be only 1.5 m to 6 m above ground. This design will help mitigate the noise and visual impact of the depot. My reply to the questions is as follows:

- (a) The proposed depot will be used for stabling 18 SCL trains and accommodating maintenance related facilities, such as an inspection track, a light maintenance track, plant rooms and electricity in-feed substations. These facilities cannot be provided in the existing

depots and maintenance centre of the MTRCL. The MTRCL is proceeding with the further planning and design of the SCL. The required area of the depot will need to be confirmed during the detailed design stage. The design of the depot will have to bridge environmental impact assessment of the MTRCL.

- (b) We are aware of the historical structures graded by the Antiquities Advisory Board in the site, including the Old Pillbox (Grade II), the Stone House (Grade III) and the Former Royal Airforce Hangar (Grade III). A Heritage Impact Assessment will be conducted on them. We will discuss with the Development Bureau and the Antiquities and Monuments Office the requirements of the Heritage Impact Assessment, and whether and how these structures are to be preserved having regard to technical feasibility and compatibility with the design of the depot. Furthermore, relevant departments will consider if it is desirable to include an introduction of the historical development of ex-Tai Hom Village under the future developments.
- (c) We have been in constant touch with the local community on the use of the former Tai Hom Village site as the SCL depot and related issues. The Planning Department is now preparing a planning brief for the future development of the site for the Town Planning Board's consideration. Currently, it is zoned as a Comprehensive Development Area on the statutory Outline Zoning Plan. Once the Planning Department has prepared the planning brief for the site, the Wong Tai Sin District Council and the local community will be consulted. Air Ventilation Assessment will be carried out by the relevant department in due course to ensure that the proposed developments above the depot will not adversely affect the surrounding environment.

Green Features of Residential Projects

11. **DR FERNANDO CHEUNG** (in Chinese): *President, in reply to my question on 26 April 2006, the Government advised that 117 residential projects with green features had been completed. In this connection, will the Government inform this Council of the following information about the projects?*

<i>Project</i>	<i>Green features that are subject to premium payment</i>			<i>Name and approximate area of the green feature not subject to premium payment</i>
	<i>Name of green feature</i>	<i>Amount of premium paid</i>	<i>Standard rate used for calculating the amount of premium</i>	
<i>1</i>	<i>a)</i>			<i>a)</i>
	<i>b)</i>			<i>b)</i>
	<i>.....</i>			<i>.....</i>
<i>2</i>				
<i>117</i>				

SECRETARY FOR DEVELOPMENT (in Chinese): President, according to the Joint Practice Note (JPN) Nos. 1 and 2 issued respectively in February 2001 and February 2002 by the Buildings Department, the Lands Department (LandsD) and the Planning Department, incentives are provided to encourage the incorporation of green features in building developments by exemption of the green features from the calculation of gross floor area (GFA). Prior to the implementation of the policy to promote green buildings, various stakeholders, including professional institutes, the industry and the relevant Legislative Council Panel have been consulted.

As previously explained by the Administration, not all green features would attract land premium. Land premium is generally payable in respect of those green features that form part of the individual flats in the building and are for the exclusive possession and enjoyment of the owners and residents. These green features include balconies, utility platforms and non-structural prefabricated external walls. Whether premium is payable for the abovementioned green features which are exempted from the calculation of GFA will also depend on the provisions in the land leases concerned. Other green features which are communal in nature serving all owners and residents of the development and do not involve exclusive possession and enjoyment by owners of the individual flats (for example, wider common corridors and lift lobbies, communal sky gardens and mail delivery room with mail boxes) are not subject to the payment of land premium.

The requested information on areas of green features and premium paid for green features for the 117 development projects is set out at Annex. The standard rates of premium vary, depending on the type of green features, the location and the timing. Please see the relevant Practice Notes on the regular review of the standard rates of premium for green features uploaded onto the webpage of the LandsD for reference. Given the constraints on timing and manpower, we are unable to provide the detailed breakdown for individual development projects as requested in column 4 ("standard rates of premium") of the table in the question.

If premium-payable balconies, utility platforms and non-structural prefabricated external walls are included in column 3 ("green features that are not subject to premium") of the table in this reply, we will set out the explanation under column 5 ("Reasons") of the same table to explain the position. The key reasons are summarized as follows:

- (i) as the land leases concerned are unrestricted leases or without restrictions on the maximum GFA, or even after the green features are incorporated into the developments, the maximum GFAs in the land leases have not been exceeded; or
- (ii) as the relevant benefits from balconies, utility platforms or non-structural pre-fabricated external walls have been reflected in the land premium payable for the whole developments, and separate payments for the green features are therefore not required.

Annex

Information about green features in the development projects concerned

	Project Name and Address	Green features that are subject to premium payment		Green features that are not subject to premium payment		Premium for green features paid (\$) (Note 2)	Reason for premium for green features not paid
		Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)		
1	1 Ngan Mok Street Grand Seaview Heights			Balcony	107.72	Not Applicable	Virtually unrestricted lease with no GFA restriction.
2	933 King's Road Royal Terrace			Balcony	278.34	Not Applicable	Virtually unrestricted lease with no GFA restriction.

Project Name and Address	Green features that are subject to premium payment		Green features that are not subject to premium payment		Premium for green features paid (\$) (Note 2)	Reason for premium for green features not paid
	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)		
3 43-45 Tin Hau Temple Road King Yu Court			Balcony	135.00	Not Applicable	Virtually unrestricted lease with no GFA restriction.
4 128 Chun Yeung Street Glory Rise			Balcony, Utility Platform	211.89	Not Applicable	Virtually unrestricted lease with no GFA restriction.
5 15 Ship Street, Wan Chai Po Chi Court			Balcony, Wider Common Corridor/Lift Lobby	142.70	Not Applicable	No GFA restriction under lease.
6 11 Sing Woo Crescent Riverain Valley			Balcony, Wider Common Corridor/Lift Lobby	25.50	Not Applicable	No GFA restriction under lease.
7 3 Greig Road The Orchards	Balcony	957.64	Wider Common Corridor/Lift Lobby, Communal Sky Garden, Sunshades/ Reflectors, Non-structural Prefabricated External Wall	4 131.38	2,377,200	Non-structural prefabricated external wall is allowed under lease. The amount has been reflected in the land premium for the development — hence, separate payment of premium for green features is not required.
8 18 Wharf Road The Harbourside			Balcony	166.19	Not Applicable	No GFA restriction under lease.
9 250 Shau Kei Wan Road Scenic Horizon			Balcony, Utility Platform	347.00	Not Applicable	Virtually unrestricted lease with no GFA restriction.
10 16 Shipyard Lane and 39 Taikoo Shing Road Splendid Place			Balcony, Utility Platform	471.50	Not Applicable	Virtually unrestricted lease with no GFA restriction.
11 28 Peak Road			Balcony	5.00	Not Applicable	Not exceed maximum GFA and site coverage.
12 15 Yun Ping Road and 25-27 Lan Fong Road, Causeway Bay, Hong Kong			Balcony	8.00	Not Applicable	No GFA restriction under lease.
13 3 Wan Chai Road	Balcony, Utility Platform	595.00			23,946,600	
14 50A Tai Hang Road Jardine Summit	Balcony, Utility Platform	167.78			2,411,040	

Project Name and Address	Green features that are subject to premium payment		Green features that are not subject to premium payment		Premium for green features paid (\$) (Note 2)	Reason for premium for green features not paid
	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)		
15 632 King's Road, North Point, Hong Kong La Place De Victoria			Balcony, Wider Common Corridor/Lift Lobby, Non-structural Prefabricated External Wall, Utility Platform, Mail Delivery Rooms with Mailboxes	1 235.54	Not Applicable	The site is an auction site — green features are allowed under lease. The amount has been reflected in the land premium for the development — hence, separate payment of premium for green features is not required.
16 42 Blue Pool Road Happy Valley 88			Balcony, Utility Platform	147.90	Not Applicable	No GFA restriction under lease.
17 6, 8 and 10 Black's Link, Hong Kong (6 Black's Link, 8 Black's Link, 10 Black's Link — House A-F)	Balcony, Utility Platform	45.50			466,660	
18 1 Peak Road, Hong Kong	Balcony, Utility Platform	6.43			217,380	
19 38 Tai Hong Street, Hong Kong Grand Promenade			Balcony, Wider Common Corridor/Lift Lobby, Communal Sky Garden, Non-structural Prefabricated External Wall, Utility Platform, Mail Delivery Rooms with Mailboxes	12 144.07	Not Applicable	No GFA restriction under lease.
20 2 Bowen Road Regence Royale			Wider Common Corridor/Lift Lobby	124.96	Not Applicable	
21 63G Bonham Road Hilary Court			Balcony	6.66	Not Applicable	No GFA restriction under lease.
22 1 Plantation Road Hillview Court			Balcony	118.08	Not Applicable	No GFA restriction under lease.
23 29, 31, 33 and 35 Centre Street Elite Court			Balcony	93.04	Not Applicable	No GFA restriction under lease.

Project Name and Address	Green features that are subject to premium payment		Green features that are not subject to premium payment		Premium for green features paid (\$) (Note 2)	Reason for premium for green features not paid
	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)		
24 38 New Praya, Kennedy Town The Merton (Blocks 1 and 2)			Balcony, Wider Common Corridor/Lift Lobby, Non-structural Prefabricated External Wall, Utility Platform, Mail Delivery Rooms with Mailboxes	4 684.50	Not Applicable	No GFA restriction under lease.
25 11 Macdonnell Road			Balcony	113.40	Not Applicable	No GFA restriction under lease.
26 198 Wing Lok Street and 38 Connaught Road West Talon Tower			Balcony	128.00	Not Applicable	No GFA restriction under lease.
27 3 South Bay Close	Balcony	53.64	Wider Common Corridor/Lift Lobby	27.92	412,080	
28 71 Mount Kellett Road Kelleteria	Balcony	25.00			193,000	
29 57-71 Shouson Hill Road Bay Villas	Balcony	31.84			247,040	
30 117 Repulse Bay Road Grosvenor Place	Balcony, Utility Platform	129.60	Sunshades/ Reflectors	184.66	834,000	
31 12 North Street La Maison Du Nord			Wider Common Corridor/Lift Lobby, Utility Platform	126.43	Not Applicable	No GFA restriction under lease.
32 88 Des Voeux Road West Princeton Tower			Balcony, Utility Platform	546.00	Not Applicable	No GFA restriction under lease.
33 5 St. Stephen's Lane Reading Place			Balcony, Utility Platform	251.87	Not Applicable	No GFA restriction under lease.
34 6 Wah Fu Road	Balcony, Utility Platform	417.00	Wider Common Corridor/Lift Lobby	68.40	857,800	
35 28 Gough Hill Road			Balcony	19.20	Not Applicable	No GFA restriction under lease.
36 40 Island Road, Deep Water Bay Island Grove	Balcony, Utility Platform	32.22			206,184	
37 42A-E Island Road, Deep Water Bay	Balcony	18.00			138,960	

Project Name and Address		Green features that are subject to premium payment		Green features that are not subject to premium payment		Premium for green features paid (\$) (Note 2)	Reason for premium for green features not paid
		Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)		
38	No. 3 Ap Lei Chau Drive, Hong Kong Sham Wan Towers	Balcony	688.00			1,410,400	
39	11 Bonham Road Bon-point			Balcony, Wider Common Corridor/Lift Lobby, Non-structural Prefabricated External Wall, Utility Platform	803.14	Not Applicable	No GFA restriction under lease.
40	13 Bowen Road Bowen's Lookout	Balcony, Utility Platform	153.93	Wider Common Corridor/Lift Lobby	10.97	949,972	
41	No. 2 Park Road			Balcony, Wider Common Corridor/Lift Lobby, Non-structural Prefabricated External Wall, Utility Platform, Mail Delivery Rooms with Mailboxes	1 148.56	Not Applicable	No GFA restriction under lease.
42	26 Belcher's Street, Kennedy Town Ivy On Belcher's			Balcony, Wider Common Corridor/Lift Lobby, Communal Sky Garden, Non-structural Prefabricated External Wall, Utility Platform	720.14	Not Applicable	No GFA restriction under lease.
43	8 Davis Street The Merton (Block 3)			Balcony, Wider Common Corridor/Lift Lobby, Non-structural Prefabricated External Wall, Utility Platform, Mail Delivery Rooms with Mailboxes	2 278.94	Not Applicable	Not exceed maximum GFA.
44	30, 32, 34, 36, 36A and 38 Queen's Road West			Balcony, Utility Platform	132.25	Not Applicable	No GFA restriction under lease.

Project Name and Address	Green features that are subject to premium payment		Green features that are not subject to premium payment		Premium for green features paid (\$) (Note 2)	Reason for premium for green features not paid
	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)		
45 3 Kui In Fong Cherry Crest			Balcony, Sunshades/ Reflectors, Utility Platform, Mail Delivery Rooms with Mailboxes	384.95	Not Applicable	No GFA restriction under lease.
46 No. 8 Severn Road	Balcony, Utility Platform	141.85			97,680	
47 1 Barker Road			Wider Common Corridor/Lift Lobby	62.49	Not Applicable	
48 42A/42E Macdonnell Road Happy Mansion			Balcony, Utility Platform	31.50	Not Applicable	No GFA restriction under lease.
49 29 Severn Road			Balcony, Wider Common Corridor/Lift Lobby, Utility Platform	54.50	Not Applicable	No GFA restriction under lease.
50 Cyberport Road Bel-Air on the Peak	Balcony, Utility Platform	3 604.13	Wider Common Corridor/Lift Lobby, Communal Sky Garden, Sunshades/ Reflectors	2 825.49	54,807,856	
51 73 Mount Kellett Road			Balcony, Utility Platform	6.48	Not Applicable	No GFA restriction under lease.
52 3, 3A, 3B, 3C and 5 Gough Hill Path	Balcony, Utility Platform	32.12			551,500	
53 33 Island Road	Balcony, Utility Platform	58.00	Non-structural Prefabricated External Wall	339.00	417,000	Non-structural prefabricated external wall is allowed under lease. The amount has been reflected in the land premium for the development — hence, separate payment of premium for green features is not required.

Project Name and Address	Green features that are subject to premium payment		Green features that are not subject to premium payment		Premium for green features paid (\$) (Note 2)	Reason for premium for green features not paid
	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)		
54 28, 38 and 48 Bel-Air Avenue, Hong Kong	Balcony, Utility Platform	5 897.45	Non-structural Prefabricated External Wall	2 059.10	31,841,218	Non-structural prefabricated external wall is allowed under lease. The amount has been reflected in the land premium for the development — hence, separate payment of premium for green features is not required.
55 1 Beacon Hill Road, Kowloon One Beacon	Balcony, Utility Platform	2 641.90	Wider Common Corridor/Lift Lobby, Mail Delivery Rooms with Mailboxes	198.58	13,397,417	
56 151 Reclamation Street Jolley Garden			Balcony	128.00	Not Applicable	No GFA restriction under lease.
57 188 Canton Road The Victoria Towers	Balcony	1 527.49			4,327,200	
58 83 Broadcast Drive The Palace	Balcony	307.23	Wider Common Corridor/Lift Lobby	11.21	1,918,600	
59 83 Waterloo Road, Kowloon Grand Excelsior	Balcony	182.62	Wider Common Corridor/Lift Lobby	118.10	709,800	
60 1 Ho Man Tin Hill Road	Balcony	422.02	Wider Common Corridor/Lift Lobby	49.14	3,017,245	
61 483 Shun Ning Road The Sorentino			Balcony	336.00	Not Applicable	No GFA restriction under lease.
62 20 and 22, Fuk Lo Tsun Road, Kowloon Cambridge Heights			Balcony, Wider Common Corridor/Lift Lobby	94.28	Not Applicable	No GFA/site coverage/building height restrictions under lease.
63 15 Fuk Lo Tsun Road Tai Yin Lodge			Balcony, Utility Platform	41.10	Not Applicable	No GFA/site coverage/building height restrictions under lease.
64 10 South Wall Road			Balcony	68.00	Not Applicable	No GFA/site coverage/building height restrictions under lease.
65 11 Hoi Fan Road Hampton Place	Balcony, Utility Platform	1 869.98			4,364,400	

Project Name and Address	Green features that are subject to premium payment		Green features that are not subject to premium payment		Premium for green features paid (\$) (Note 2)	Reason for premium for green features not paid
	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)		
66 218 Tung Chau Street Oceanic View			Balcony, Utility Platform	248.50	Not Applicable	Virtually unrestricted lease with no GFA restriction.
67 58 Yen Chow Street Milan Place			Balcony	90.00	Not Applicable	Virtually unrestricted lease with no GFA restriction.
68 151 Kau Pui Lung Road City 151	Balcony	132.00			270,600	
69 18 Wylie Road Parc Palais	Balcony, Utility Platform	3 228.81	Wider Common Corridor/Lift Lobby	1 003.82	15,028,900	
70 377 Prince Edward Road West Padek Palace	Balcony, Utility Platform	214.98	Wider Common Corridor/Lift Lobby	28.14	489,600	
71 8 Waterloo Road 8 Waterloo	Balcony	140.00			287,000	
72 18 Farm Road	Balcony	392.72	Wider Common Corridor/Lift Lobby, Mail Delivery Rooms with Mailboxes	210.19	904,609	
73 863 Lai Chi Kok Road Banyan Garden	Balcony, Utility Platform	5 543.50	Wider Common Corridor/Lift Lobby, Non-structural Prefabricated External Wall	2 166.94	11,392,800	Non-structural prefabricated external wall is allowed under lease. The amount has been reflected in the land premium for the development — hence, separate payment of premium for green features is not required.
74 418 Ma Tau Wai Road Delight Court			Balcony	76.00	Not Applicable	No GFA restriction under lease.
75 65 Tai Nan Street My Castle			Balcony, Utility Platform	44.00	Not Applicable	No GFA restriction under lease.
76 8 Hoi Fai Road The Long Beach	Balcony	275.55	Wider Common Corridor/Lift Lobby	213.32	1,074,600	

Project Name and Address	Green features that are subject to premium payment		Green features that are not subject to premium payment		Premium for green features paid (\$) (Note 2)	Reason for premium for green features not paid
	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)		
77 2 Caldecott Road, Piper's Hill, Kowloon Caledcott Hill			Balcony, Wider Common Corridor/Lift Lobby, Communal Sky Garden, Utility Platform	1 168.06	Not Applicable	The site is an auction site — green features are allowed under lease. The amount has been reflected in the land premium for the development — hence, separate payment of premium for green features is not required.
78 535 Canton Road The Lodge			Balcony, Utility Platform	298.23	Not Applicable	Virtually unrestricted lease with no GFA restriction.
79 302-302A Prince Edward Road West The Lamma Palace	Balcony, Utility Platform	173.72	Wider Common Corridor/Lift Lobby, Mail Delivery Rooms with Mailboxes	41.60	2,229,600	
80 178 Pau Chung Street			Balcony, Utility Platform	154.00	Not Applicable	Virtually unrestricted lease with no GFA restriction.
81 8 Essex Crescent			Balcony	5.00	Not Applicable	No GFA/site coverage/building height restrictions under lease.
82 38 Sung Wong Toi Road Sky Tower			Balcony, Wider Common Corridor/Lift Lobby, Non-structural Prefabricated External Wall, Utility Platform	9 430.18	Not Applicable	Virtually unrestricted lease with no GFA restriction.
83 8 Fuk Lee Street Metro Harbour View	Balcony, Utility Platform	4 895.52			10,059,800	
84 2 Pui Shing Lane, Tseung Kwan O, Sai Kung, New Territories Jolly Place			Wider Common Corridor/Lift Lobby	431.06	Not Applicable	

Project Name and Address	Green features that are subject to premium payment		Green features that are not subject to premium payment		Premium for green features paid (\$) (Note 2)	Reason for premium for green features not paid
	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)		
85 Lok Ha Square and Lok Lin Path, Area 43, Sha Tin Morning Glory			Balcony, Mail Delivery Rooms with Mailboxes	34.96	Not Applicable	The site is an auction site — green features are allowed under lease. The amount has been reflected in the land premium for the development — hence, separate payment of premium for green features is not required.
86 8 Po Tai Street, Ma On Shan, Area 77 La Costa	Balcony, Utility Platform	1 252.52	Wider Common Corridor/Lift Lobby	1 865.23	2,823,170	
87 11 Hang Hau Wing Lung Road, Sai Kung, New Territories Eagle Ridge	Balcony	15.00			154,200	
88 11 Sha Tin Heights Road, Tai Wai, Sha Tin Royal Forest	Balcony, Utility Platform	118.79	Wider Common Corridor/Lift Lobby	18.28	372,023	
89 No. 2 Lok Kwai Path, Sha Tin, New Territories The Grandville			Balcony, Wider Common Corridor/Lift Lobby, Non-structural Prefabricated External Wall, Utility Platform	3 940.16	Not Applicable	The site is an auction site — green features are allowed under lease. The amount has been reflected in the land premium for the development — hence, separate payment of premium for green features is not required.
90 Celestial Mansion (Block H1), Graceful Mansion (Block H2), Joyful Mansion (H3), Peaceful Mansion (Block H5), Discovery Bay, Lantau Island	Balcony	301.23	Wider Common Corridor/Lift Lobby	15.86	11,479,706 (Apart from the 301.23 sq m, another 2 020 sq m are involved in other phases of this development. The sum of \$11,479,706 reflects the total payment for the 2 320 GFA of the whole development.)	

Project Name and Address	Green features that are subject to premium payment		Green features that are not subject to premium payment		Premium for green features paid (\$) (Note 2)	Reason for premium for green features not paid
	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)		
91 88 O King Road, Tseung Kwan O, Sai Kung, New Territories Ocean Shores	Balcony	761.22			874,000	
92 Pak Shek Wo, Sai Kung, New Territories Clear Water Bay Knoll House	Balcony, Utility Platform	69.86			205,963	
93 99 Tai Tong Road, Yuen Long Phase 2 La Pradera Sereno Verde			Balcony	924.01	0 (Note 3)	Standard rate under the prevailing LandsD Practice Note at that time for Yuen Long was set at \$0.
94 99 Tai Tong Road, Yuen Long Phase 3 La Pradera Sereno Verde			Balcony, Utility Platform	512.10	0 (Note 3)	Standard rate under the prevailing LandsD Practice Note at that time for Yuen Long was set at \$0.
95 99 Tai Tong Road, Yuen Long Phase 4 La Pradera Sereno Verde			Balcony, Utility Platform	496.56	0 (Note 3)	Standard rate under the prevailing LandsD Practice Note at that time for Yuen Long was set at \$0.
96 57-63 Luen Wo Road, Fanling The Cornwall			Balcony, Wider Common Corridor/Lift Lobby, Utility Platform	146.68	Not Applicable	No GFA restriction under lease.
97 1 and 2 On Yuk Road, Tsuen Wan, New Territories Summit Terrace			Wider Common Corridor/Lift Lobby	94.60	Not Applicable	
98 33 Tin Kwai Road, Yuen Long Gianni Cove			Balcony, Non-structural Prefabricated External Wall, Utility Platform	4 248.40	0 (Note 3)	Standard rate under the prevailing LandsD Practice Note at that time for Yuen Long was set at \$0.
99 Castle Peak Road, Kwu Tung, Sheung Shui	Balcony, Utility Platform	214.02	Wider Common Corridor/Lift Lobby	53.80	267,500	
100 18A Castle Peak Road, Tsing Lung Tau, Tsuen Wan, New Territories Anglers' Bay	Balcony, Utility Platform	816.97	Wider Common Corridor/Lift Lobby, Mail Delivery Rooms with Mailboxes	323.69	1,380,800	

Project Name and Address	Green features that are subject to premium payment		Green features that are not subject to premium payment		Premium for green features paid (\$) (Note 2)	Reason for premium for green features not paid
	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)		
101 2 Tsing Fat Street, Tuen Mun The Agean	Balcony	184.42	Wider Common Corridor/Lift Lobby, Sunshades/ Reflectors	321.36	51,887	
102 11-13 Wai Yi Street, Tai Po	Balcony, Utility Platform	17.50			72,480	
103 8 Hung Shun Road, Hung Shui Kiu, Yuen Long Ming Wai Court	Balcony	16.12			130,100	
104 33 Castle Peak Road, Sham Tseng, Tsuen Wan, New Territories Bellagio	Balcony, Utility Platform	5 938.11	Wider Common Corridor/Lift Lobby	613.44	11,671,786	
105 108 Route Twisk, Tsuen Wan, New Territories The Cairhill	Balcony, Utility Platform	3 117.14	Wider Common Corridor/Lift Lobby	910.97	8,360,474	
106 8 King Ling Road, Tseung Kwan O Metro Town	Balcony, Utility Platform	13 054.11	Wider Common Corridor/Lift Lobby	4 103.29	83,198,620	
107 No. 12 Tung Chung Waterfront Road Coastal Skyline	Balcony	366.97	Wider Common Corridor/Lift Lobby	684.69	6,877,188	
108 No. 1 Austin Road West The Harbourside	Balcony	1 692.15	Wider Common Corridor/Lift Lobby	1 617.67	9,664,800	
109 15 Pui Shing Road, Area 38b, Tseung Kwan O Residence Oasis	Balcony, Utility Platform	7 521.53	Wider Common Corridor/Lift Lobby	3 097.48	9,387,339	
110 12 Tung Chung Waterfront Road, Lantau Island, New Territories Coastal Skyline	Balcony	204.92			The premium for the green features has been reflected in Project No. 107 above	
111 8 Clear Water Bay Road, Kowloon	Balcony, Utility Platform	1 050.00	Wider Common Corridor/Lift Lobby	333.86	11,190,000	

Project Name and Address	Green features that are subject to premium payment		Green features that are not subject to premium payment		Premium for green features paid (\$) (Note 2)	Reason for premium for green features not paid
	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)	Green Features	Area of the green features that are exempted from the calculation of GFA (sq m) (Note 1)		
112 9 Tong Chun Street, Tseung Kwan O The Grandiose	Balcony, Utility Platform	5 149.61	Wider Common Corridor/Lift Lobby, Non-structural Prefabricated External Wall, Mail Delivery Rooms with Mailboxes	3 803.36	32,560,640	Non-structural prefabricated external wall is allowed under lease. The amount has been reflected in the land premium for the development — hence, separate payment of premium for green features is not required.
113 No. 1 Austin Road West The Arch	Balcony, Utility Platform	1 581.55	Wider Common Corridor/Lift Lobby, Communal Sky Garden	1 485.79	9,703,397	
114 No. 1 Kin Tung Road, Tung Chung, Carmel Cove	Balcony, Non-structural Prefabricated External Wall, Utility Platform	18 397.24	Mail Delivery Rooms with Mailboxes	143.58	45,128,250	
115 No. 1 Austin Road West Sorento	Balcony	798.65	Wider Common Corridor/Lift Lobby	1 881.99	4,536,405	
116 833 Lai Chi Kok Road, Kowloon Liberte	Balcony	588.00			1,205,400	
117 9 Sham Shing Road, Kowloon The Pacifica	Balcony, Utility Platform	1 662.00	Non-structural Prefabricated External Wall	2 368.28	3,413,600	Non-structural prefabricated external wall is allowed under lease. The amount has been reflected in the land premium for the development — hence, separate payment of premium for green features is not required.

- Notes: (1) The areas shown above are calculated based on the approved building plans of the relevant developments, which are for reference purpose only. For the actual areas, please refer to the approved building plans.
- (2) Premium paid for the green features granted are calculated on the basis of the standard rates specified in the LandsD Practice Notes. The above development projects shall not be compared with each other as the standard rates of premium vary, depending on the type of green features, the location and the timing prevailing at the time. The relevant Practice Notes could be downloaded at the LandsD's webpage.
- (3) Standard rate for Yuen Long District was set at \$0 as at date of approval according to the LandsD Practice Note prevailing at that time.

Owners of Stolen Van-type Light Goods Vehicles Being Extorted Ransom

12. **MR ANDREW CHENG** (in Chinese): *President, it has been reported that from time to time in recent years, there were cases in which law-breakers extorted ransom from owners of van-type light goods vehicles (LGVs) after stealing their vehicles, threatening them that their vehicles would be set fire to if they refused to pay the ransom. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of reports, prosecutions and convictions involving van-type LGVs being stolen and their owners being extorted ransom in the past three years;*
- (b) *whether the number of such extortion cases has been on the rise in recent years; and*
- (c) *of the measures in place to step up efforts to combat such crimes?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in the absence of Secretary for Security) (in Chinese): *President,*

(a) and (b)

In the past three years (from 2005 to 2007), the number of reports, prosecutions and convictions concerning theft of van-type LGVs is as follows:

	2005	2006	2007
Number of reports	254	300	422
Number of persons prosecuted	18	21	17
Number of persons convicted	17	18	16

Before 2007, the police did not keep figures on cases of theft of van-type LGVs involving extortion of ransom from the owners. Regarding the 422 reports of theft of van-type LGVs in 2007, owners were extorted ransom in nine cases. Prosecution actions were instituted for four of them with the persons involved in three cases being convicted. After the police have stepped up actions,

they have not so far received any report of such extortion cases in the first quarter of 2008.

- (c) The police combat and prevent such crimes mainly through effective law enforcement and public education. On law enforcement, the police have adopted a targeted strategy by quickly identifying cases that may involve extortion of ransom from cases of theft of vehicles, and taking appropriate follow-up actions (for example, reminding owners of lost vehicles to make immediate reports to the police if they are extorted ransom). On receipt of reports of extortion from owners of lost vehicles, the police will provide immediate assistance to the victims and quickly carry out in-depth investigation. In addition, the police will, in collaboration with the relevant industries, continue to work out effective measures to combat theft of vehicles (including van-type LGVs), for example, by discussing with the insurance industry and car park operators how to enhance measures to prevent theft of vehicles, and by working with organizations of the freight forwarding and logistic industry on how to prevent law-breakers from using containers to smuggle lost vehicles from Hong Kong.

On the publicity and education front, the police will continue to disseminate messages about prevention of theft of vehicles (including van-type LGVs) through the television programme "Police Report" — for example, that it is not advisable to display contact telephone numbers conspicuously on vehicles, and vehicle owners are urged to report to the police immediately for assistance if their vehicles are stolen and if they are extorted money. In addition, the police also collaborate with organizations of the relevant industries in jointly taking forward publicity programmes to enhance anti-theft awareness among vehicle owners (for example, by appealing to vehicle owners to install more comprehensive anti-theft devices and distributing publicity leaflets to new vehicle owners).

Religious Discrimination in Provision of Public Services

13. **MR LEUNG YIU-CHUNG** (in Chinese): *President, Article 141 of the Basic Law stipulates that the Government of the Hong Kong Special*

Administrative Region shall not restrict the freedom of religious belief. However, I have received complaints alleging that some existing government measures may give rise to discrimination against Hong Kong residents of other races because of their religion (for example, under the Financial Assistance Scheme for Post-secondary Students of the Student Financial Assistance Agency, students who repay grants by instalments have to pay interest, students who practise Islam are therefore unable to apply for such assistance). Those complaints also allege that as the food provided by the Hospital Authority to in-patients of public hospitals have not been religiously "sanctified", in-patients who are Muslims are unable to take such food; the Sikhs residing in Hong Kong very often become the target of police officers' stop-and-search actions because of their religious attire, and their children are also ill-treated at school. In addition, some religions also lack places for assembly or worship. In this connection, will the Government inform this Council:

- (a) whether it has formulated guidelines requiring staff of various government departments to enhance their knowledge of and sensitivity to the cultures of major religions (including Catholicism, Christianity, Buddhism, Taoism, Islam, Sikhism, and so on); if it has, of the details; if not, the reasons for that;*
- (b) whether the authorities had consulted different religious groups in the past three years to gauge their views on government measures, if so, of the details; if not, the reasons for that;*
- (c) of the respective actions taken in the past three years by various government departments in the light of different religious cultures in order to prevent members of the public from being discriminated against or not being able to enjoy public services and welfare due to their religious belief; and whether it will comprehensively review existing government measures in order to prevent such situations; if it will, of the details; if not, the reasons for that; and*
- (d) whether currently, the Government will, in the process of town planning, provide suitable complementary facilities (such as granting land and subsidies to various religious groups to build suitable venues for various types of religious activities) in response to the religious needs of members of the public; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, the Administration's reply to the respective parts of the question is set out below:

(a) and (c)

The right to freedom of religious belief is protected under Article 32 of the Basic Law and in Article 15 of the Hong Kong Bill of Rights. When formulating policies and providing public services, all bureaux/departments are required to treat all members of the public on an equal basis regardless of their religious belief. For example, the Education Bureau has issued a circular to remind all schools that, in formulating and revising their school policies, they should observe the principle of equal opportunities and avoid any form of discrimination. The Education Bureau has also advised that all eligible students, regardless of their religion, may apply for the Financial Assistance Scheme for Post-secondary Students to assist them in pursuing accredited, self-financing post-secondary education programmes;

- (b) In general, the Government would seek the views of relevant stakeholders, including organizations or individuals affected, on any proposed measures to enhance public understanding and the quality of these measures. The religious background of an organization or an individual *per se* is normally not a consideration when the Government conducts any such consultation exercise. This notwithstanding, religious groups, like any members of the public, can put forward their views on government measures/proposals to relevant bureaux/departments; and
- (d) When planning the land uses of an area, the Government would designate suitable sites as "Government, Institution or Community" (G/IC) sites for the provision of the Government, institution or community facilities. Subject to competing demands and the specific restrictions of the sites concerned, religious facilities may be developed in a G/IC site. A religious organization may also apply to the Town Planning Board to develop religious facilities in sites zoned for other purposes in accordance with requirements set out in the Town Planning Ordinance. For any grant of land by private treaty for use as places of worship, a concessionary premium will be charged if the applicant is a *bona fide* religious organization

and a charitable organization registered under section 88 of the Inland Revenue Ordinance.

Apart from the above, religious organizations may hold gatherings in premises in commercial buildings or commercial cum residential buildings as long as such activities do not breach the land lease. Religious organizations may also apply to use facilities at Community Halls/Community Centres under the Home Affairs Department or facilities under the Leisure and Cultural Services Department to hold gatherings as long as the relevant eligibility criteria and conditions of use governing the use of the relevant venues are met.

Global Warming

14. **MR MARTIN LEE** (in Chinese): *President, regarding the issue of global warming, will the Government inform this Council whether:*

- (a) *it will consider setting an upper limit on the total emission of carbon dioxide in Hong Kong; if so, of the details; if not, the reasons for that;*
- (b) *it had, in the past three years, studied the effects of persistent global warming on Hong Kong's environment, energy consumption, disease transmission, medical expenses, and so on; if it has, of the outcome of the study; and*
- (c) *it will take the lead in implementing "carbon offsetting" initiatives in government departments; if so, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): *President,*

- (a) As with other Non-Annex I parties to the United Nations Framework Convention on Climate Change (UNFCCC) such as Singapore and South Korea, China (including Hong Kong) is not required to commit to any greenhouse gas (GHG) emission limits under the Kyoto Protocol. Being a service-based economy and a relatively small city, Hong Kong's GHG emissions have been

maintained at a comparatively low level. We do not have any energy-intensive industries. Our public mass transport systems are also very efficient and highly utilized. Our principal source of GHG emissions is power generation, which accounts for over 60% of our total GHG emissions. In the circumstances, the power sector is an area which needs to be addressed if we are to further reduce the total GHG emissions in Hong Kong. At present, however, there is no mature and commercially viable technology in the world that could reduce, capture and store GHG discharged from the burning of fossil fuels. Carbon emissions from power generation can therefore only be reduced by changing the fuel mix, for example, substantial reduction in coal burning in favour of natural gas. However, changing the fuel mix for power generation involves important and complicated issues such as energy policy, energy security, stability in power supply and electricity tariff. More in-depth discussions among different sectors in the community are necessary before a decision can be made.

- (b) The Government has been very concerned about the impact brought about by global warming on Hong Kong. In March 2008, the Environmental Protection Department engaged a consultant to conduct a study on climate change in Hong Kong. The study is expected to complete in 18 months. It will review and update the inventories of GHG in Hong Kong; project local GHG emissions trends under different scenarios; characterize the impacts of climate change on Hong Kong; and recommend additional policies and measures to reduce GHG emissions and to facilitate adaptation to climate change, including an assessment of the cost-effectiveness of these proposed measures.
- (c) "Carbon offsetting" is a new concept involving some highly controversial issues such as the effectiveness, feasibility and scope of the carbon offsetting plans, as well as the effective use of public funds. At present, the Government has no intention to embark on any carbon offsetting programmes. It will however continue to lead by example in reducing emissions of GHG. For example, the Government will conduct carbon audit and implement an emission reduction campaign in the new Central Government Complex at Tamar to reduce the GHG emissions when the new Complex is in operation.

Code on Access to Information

15. **MS AUDREY EU** (in Chinese): *President, will the Government inform this Council:*

- (a) *of the number of cases in which information was sought from the Government under the Code on Access to Information (the Code) last year, broken down by the outcome (that is, the Government provided all the information as requested by the applicant, provided only part of the information sought or refused to provide any information) of these cases; for cases in which information was provided, the average time taken counting from the date on which the information was sought to the date on which the information was provided; and the reasons for the Government to provide only part of the information sought or refused to provide any information in other cases; and*
- (b) *whether it knows the number of complaints relating to the above Code handled by the Office of The Ombudsman in the past three years, the summary and outcome of each of these complaints, and the reasons why the complaints in the cases concerned were unfounded?*

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

- (a) In 2007, the Government received 2 537 requests for information under the Code. Amongst them, 2 235 requests (88%) were met, either in full (2 202 requests) or in part (33 requests), 47 requests (2%) were refused, 105 requests (4%) were subsequently withdrawn by the applicants and the bureaux/departments concerned did not hold the requested information in respect of 86 requests (3%). As at 31 December 2007, 64 requests were still being processed by bureaux/departments. The average time taken to provide the requested information was nine days.

Government bureaux and departments may refuse to disclose 16 categories of information as set out in Part 2 of the Code, a copy of

which is at Annex I. The reasons for providing part of the requested information in the 33 cases and refusing to provide the requested information in the 47 cases are set out in Annex II.

- (b) During 2005 to 2007, a total of 23 complaints in relation to the Code were lodged with The Ombudsman. Of these 23 cases:
- (i) one complaint was substantiated;
 - (ii) The Ombudsman rendered assistance/provided clarifications to the complainants concerned in respect of 12 cases;
 - (iii) having considered the circumstances of the cases (including whether there is sufficient *prima facie* evidence of maladministration), The Ombudsman decided not to conduct investigation into four cases;
 - (iv) one case was withdrawn by the complainant; and
 - (v) five cases were still under investigation as at 31 December 2007.

We have not received details of the cases from The Ombudsman. Under section 15 of The Ombudsman Ordinance (Cap. 397), The Ombudsman shall maintain secrecy in respect of all matters that arise from any investigation or complaint made to The Ombudsman.

Annex I

Code on Access to Information — Part 2

INFORMATION WHICH MAY BE REFUSED

- 2.1 A department may refuse to disclose information, or may refuse to confirm or deny the existence of information, in the categories and for the reasons set out below, which will normally be referred to if a request is refused.

- 2.2 References in this Part to "harm" and "prejudice" include both actual harm and prejudice and the risk or reasonable expectation of harm and prejudice. In such cases the department will consider whether the public interest in disclosure of the information outweighs any harm or prejudice that could result.

DEFENCE AND SECURITY

- 2.3 (a) Information whose disclosure would harm or prejudice Hong Kong's defence.
- (b) Information whose disclosure would harm or prejudice Hong Kong's security.

EXTERNAL AFFAIRS

- 2.4 (a) Information whose disclosure would harm or prejudice the conduct of external affairs, or relations with other governments or with international organisations.
- (b) Information received in confidence from and conveyed in confidence to other governments, courts in other jurisdictions, and international organisations.

NATIONALITY, IMMIGRATION AND CONSULAR MATTERS

- 2.5 (a) Information relating to immigration or nationality cases.
- (b) Information whose disclosure would harm or prejudice the administration of nationality, registration of persons, immigration or consular matters, or the performance of consular functions as an agent for other governments.

LAW ENFORCEMENT, LEGAL PROCEEDINGS AND PUBLIC SAFETY

- 2.6 (a) Information whose disclosure would harm or prejudice the administration of justice, including the conduct of any trial and the enforcement or administration of the law.

- (b) Information whose disclosure would harm or prejudice the conduct or impartial adjudication of legal proceedings or any proceedings conducted or likely to be conducted by a tribunal or inquiry, whether or not such inquiry is public or the disclosure of the information has been or may be considered in any such proceedings.
- (c) Information which relates to proceedings which have been completed, terminated or stayed, or which relates to investigations which resulted in or may have resulted in proceedings, whether any such proceedings are criminal or civil.
- (d) Information which would be privileged from production in legal proceedings on the ground of legal professional privilege.
- (e) Information whose disclosure would harm or prejudice the prevention, investigation and detection of crime and offences, the apprehension or prosecution of offenders, or the security of any detention facility or prison.
- (f) Information whose disclosure would harm or prejudice the preservation of the peace, public safety or order, or the preservation of property.
- (g) Information whose disclosure might endanger the life or physical safety of any person (whether or not such person is in Hong Kong), or identify the source of information or assistance given in confidence for security purposes, or for the enforcement or administration of the law.

DAMAGE TO THE ENVIRONMENT

- 2.7 Information whose disclosure would increase the likelihood of damage to the environment or to rare or endangered species and their habitats.

MANAGEMENT OF THE ECONOMY

- 2.8 Information whose disclosure would harm or prejudice the conduct of monetary policy, the maintenance of stability in financial markets, or the ability of the Government to manage the economy.

MANAGEMENT AND OPERATION OF THE PUBLIC SERVICE

- 2.9 (a) Information whose disclosure would harm or prejudice negotiations, commercial or contractual activities, or the awarding of discretionary grants and ex-gratia payments by a department.
- (b) Information whose disclosure would harm or prejudice the competitive or financial position or the property interests of the Government.
- (c) Information whose disclosure would harm or prejudice the proper and efficient conduct of the operations of a department.
- (d) Information which could only be made available by unreasonable diversion of a department's resources.

INTERNAL DISCUSSION AND ADVICE

- 2.10 (a) Papers prepared for, and records of meetings and deliberations of the Executive Council.
- (b) Information whose disclosure would inhibit the frankness and candour of discussion within the Government, and advice given to the Government. Such information may include –
- (i) records of discussion at any internal government meeting, or at any meeting of a government advisory body;
- (ii) opinions, advice, recommendations, consultations and deliberations by government officials or advisers to the Government.

PUBLIC EMPLOYMENT AND PUBLIC APPOINTMENTS

- 2.11 Information which would harm or prejudice the management of the public service.

IMPROPER GAIN OR ADVANTAGE

- 2.12 Information whose disclosure could lead to improper gain or advantage.

RESEARCH, STATISTICS AND ANALYSIS

- 2.13 (a) Information relating to incomplete analysis, research or statistics, where disclosure could be misleading or deprive the department or any other person of priority of publication or commercial value.
- (b) Information held only for preparing statistics or carrying out research, and which relates to individuals, companies or products which will not be identified in reports of that research, or in published statistics.

THIRD PARTY INFORMATION

- 2.14 (a) Information held for, or provided by, a third party under an explicit or implicit understanding that it would not be further disclosed. However such information may be disclosed with the third party's consent, or if the public interest in disclosure outweighs any harm or prejudice that would result.
- (b) Information provided in confidence by a third party if disclosure to the subject of the information would harm his or any other individual's physical or mental health, or should only be made to him by an appropriate third party.

PRIVACY OF THE INDIVIDUAL

- 2.15 Information about any person (including a deceased person) other than to the subject of the information, or other appropriate person, unless –
- (a) such disclosure is consistent with the purposes for which the information was collected, or
- (b) the subject of the information, or other appropriate person, has given consent to its disclosure, or
- (c) disclosure is authorised by law, or
- (d) the public interest in disclosure outweighs any harm or prejudice that would result.

BUSINESS AFFAIRS

2.16 Information including commercial, financial, scientific or technical confidences, trade secrets or intellectual property whose disclosure would harm the competitive or financial position of any person.

PREMATURE REQUESTS

2.17 Information which will soon be published, or whose disclosure would be premature in relation to a planned announcement or publication.

LEGAL RESTRICTIONS

2.18 Information whose disclosure would constitute –

- (a) a contravention of any law which applies in Hong Kong, or
- (b) a breach of any obligation arising under common law or under any international agreement which applies to Hong Kong.

Annex II

<i>Relevant paragraph in Part 2 of the Code</i>	<i>Reasons involved in providing part of the requested information or refusing to provide the requested information</i>	<i>Frequency^(Note)</i>
2.15	Privacy of the individual	19
2.14	Third party information	17
2.9	Management and operation of the public service	14
2.13	Research, statistics and analysis	11
2.10	Internal discussion and advice	10
2.6	Law enforcement, legal proceedings and public safety	9
2.18	Legal restrictions	5
2.16	Business affairs	4
2.17	Premature requests	2
2.3	Defence and security	1
2.4	External affairs	1
2.5	Nationality, immigration and consular matters	1

Note: More than one reason may be provided for refusing to disclose the requested information.

Regulation of Animal Breeding Farms

16. **MR FRED LI** (in Chinese): *President, I have learnt that some illegal animal breeding farms in Hong Kong supply animals to pet shops. Some workers in these breeding farms have told me that staff of the Agriculture, Fisheries and Conservation Department (AFCD) will inspect their breeding farms regularly and provide vaccination for the dogs in the farms. In this connection, will the Government inform this Council:*

- (a) *of the current estimated number of illegal animal breeding farms located on agricultural or Government land;*
- (b) *apart from the animal trader licence issued by AFCD, of any other licences that such breeding farms are required to obtain in order to become legally operated breeding farms, and whether illegal breeding farms located on agricultural land must apply to the Town Planning Board for change of land use zoning and obtain its approval before they can be granted such licences; and*
- (c) *given that the Government is now considering controlling the sources of animals in pet shops, whether the authorities will consider following the overseas practice of issuing a separate licence for animal breeding farms to differentiate the licence for such breeding farms from that for pet shops and to effectively regulate the operation of the trade, so as to ensure that the operating environment of such breeding farms complies with the prescribed standards and incidents of animals being abused and abandoned will not happen; if so, of the timetable for implementing the relevant measures; if not, the reasons for that?*

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

- (a) The AFCD does not have statistics on the number of unlicensed animal breeding facilities now operating in Hong Kong. The Department will take enforcement action against an animal breeding facility once such facility is found to be operating without a licence. Since 2006, a total of 17 prosecutions were instituted in relation to unlicensed trading of animals, of which four were related to

unlicensed animal breeding facilities. Two of such facilities are currently understood to be sitting on agricultural or Government land.

The claim that AFCD staff inspect unlicensed animal breeding facilities regularly and provide vaccination for the dogs therein is incorrect. In fact, the AFCD inoculation teams visit remote villages to provide vaccination and dog licensing services for the dogs reared by the villagers with the aim to facilitate villagers so that they can register and obtain licences for their dogs without having to travel away from their villages with their dogs. Such a service has nothing to do with animal breeding facilities.

(b) and (c)

At present, all animal traders, including animal breeding facilities and pet shops, must hold an animal trader licence issued by the AFCD and strictly observe the licensing conditions and the Code of Practice stipulated by the Department under the Public Health (Animals and Birds) (Animal Traders) Regulations.

In fact, pet shops and animal breeding facilities are already differentiated under the animal trader licence system. They are subject to different and appropriate controls imposed through their respective licensing conditions and Codes of Practice, which are formulated for the protection of public health and animal welfare.

The AFCD also plans to revise the licensing conditions in mid-2008, requiring animal traders to sell only dogs from approved sources (including dogs legally imported or sourced from other licensed animal traders). This will help tighten control on the sources of dogs and prevent the operation of unlicensed animal breeding facilities.

Animal breeding facilities wishing to apply for an animal trader licence from the AFCD must meet the requirements of the Outline Zoning Plan (OZP). An animal breeding facility is regarded as an "Animal Boarding Establishment" use under the OZP. Animal breeding facilities hoping to use land zoned "Agriculture" on the OZP for "Animal Boarding Establishment" use must apply for a

planning permission from the Town Planning Board under section 16 of the Town Planning Ordinance. Applicants must ensure that they have complied with the relevant requirements. The AFCD stands ready to assist applicants in liaising with the Planning Department and Lands Department for planning permission applications where necessary.

Education for Children Born to Mainland Women

17. **DR YEUNG SUM** (in Chinese): *President, in making population projections for the period between 2007 and 2036, the Census and Statistics Department (C&SD) assumes that during that period, there will be 30 000 mainland women giving birth in Hong Kong per annum, and among them, 10 000 women are the spouses of permanent residents of Hong Kong, while the rest are not. In this connection, will the Government inform this Council:*

- (a) *among the babies born in each of the past five years in Hong Kong to the aforesaid two categories of women, of the respective numbers and percentages of them who left Hong Kong within the first year of their birth;*
- (b) *among the children born in Hong Kong to the aforesaid two categories of women and who subsequently left Hong Kong, of the respective numbers of those who are expected to return to Hong Kong to attend kindergarten or primary school in each of the coming five years; and*
- (c) *how the authorities, in planning for the provision of kindergarten and primary school places, consider the factor that most of these new-born babies will return to Hong Kong before they become adults?*

SECRETARY FOR EDUCATION (in Chinese): President,

- (a) and (b)

Currently the C&SD does not have the information to directly distinguish whether and when babies born in Hong Kong to

mainland women have left Hong Kong. Nor does the Department have the information to directly distinguish who amongst the returnees were born in Hong Kong to mainland women in earlier years. In view of this, a survey entitled "Survey on babies born in Hong Kong to mainland women" was conducted by the C&SD from late January 2007 to March 2007 to collect data on several selected key items for the purpose of population projections.

According to the survey results, for babies born in Hong Kong to mainland women whose spouses are Hong Kong Permanent Residents (referred to as Type I babies hereafter), about 65% of the parents indicated that their children would stay in Hong Kong. The remaining 35% of parents said that they intended to bring their babies back to the Mainland, and nearly all planned to do so before their babies reached age one. According to the survey results, amongst such babies who would return to the Mainland, about 72% were expected to return to Hong Kong at or before age three and about 84% at or before age six.

Regarding babies born in Hong Kong to mainland women whose spouses are not Hong Kong Permanent Residents (referred to as Type II babies hereafter), only about 9% of the parents indicated that their children would stay in Hong Kong. For the other 91%, the parents indicated that they intended to bring their babies back to the Mainland, and nearly all planned to do so before their babies reached age one. According to the survey results, amongst such babies who would return to the Mainland, about 29% were expected to return to Hong Kong at or before age three and about 49% at or before age six.

The updated population projections released by the C&SD in July 2007 have made reference to the preliminary views of the parents as obtained in the aforementioned survey and have incorporated in broad terms the possible return of these babies to Hong Kong. That said, the information currently available is not sufficient for the C&SD to provide precise breakdowns for projections on these babies. With a view to reviewing the projections on such babies, the C&SD is attempting a study into the immigration records and related information to find out the actual cross-boundary movements of these babies and changes in their rate of return.

- (c) The population projections compiled by the C&SD form a common basis for government planning in various programme areas, such as housing, education and social services.

In planning education (including kindergarten and primary education) services, the Education Bureau makes reference to the population projections for school-age children compiled by the C&SD (including projections on Type I and Type II babies as set out above). This apart, we take into account the actual numbers of students studying at various grades as well as the latest demographic changes (such as fluctuations in newly-arrived children from the Mainland) in estimating the demand for school places and relevant resources in future years. Nevertheless, there exist considerable variable factors affecting current assumptions in the population projections regarding the number of newly-arrived children from the Mainland and whether Type I and Type II babies will settle in Hong Kong and receive education. We will, in the planning process, pay close attention to the updated projections on whether such babies would return to Hong Kong as compiled by the C&SD.

Procedure Adopted by Government Departments for Vetting Expenses

18. **MR WONG TING-KWONG** (in Chinese): *President, it has been reported that a Senior Clerical Officer of the Department of Health (DH) was convicted last month of embezzling over \$13 million of public money by falsifying accounts continuously for three years. The District Court Judge sitting on the case criticized DH's internal vetting system for being too lax, hence giving the defendant an opportunity to take advantage of it. In this connection, will the Government inform this Council:*

- (a) *whether the DH has laid down more stringent procedure for vetting expenses after this incident; if so, of the relevant details; if not, the reasons for that;*
- (b) *of the details of the current procedure of various departments for vetting expenses; and*
- (c) *whether it will carry out a comprehensive review of the procedure adopted by various departments for vetting expenses; if so, how it will carry out the review; if not, the reasons for that?*

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

- (a) Since discovery of the embezzlement act, the DH has taken immediate actions to improve the payment and accounting procedures.

The DH has reminded all staff in its Finance Office of the need to strictly comply with government regulations and instructions in processing payments. In particular, all officers involved in payment processing have been reminded to ensure that claims for payments are adequately supported, properly certified and correctly accounted. To this end, a comprehensive checklist on payment checking has been issued to provide practical assistance to staff in dealing with matters relating to authorization of payment vouchers. A circular has also been issued to provide a summary of major points to be observed by budget holders and subject officers in arranging payments.

As a further safeguard, the DH has introduced sample post-payment checking by budget holders on selected payments charged to their votes. Its Internal Audit Section will also revise its work plan to conduct more health checks on payment vouchers and procedures to ensure that the checks and balances are functioning as anticipated.

- (b) There are standing government-wide regulations and instructions setting out the responsibilities of public officers and the procedures for them to follow in processing payments to suppliers of goods and services. In particular, payments must be supported by invoices and orders certified by user sections that the goods purchased have been received and the services acquired have been carried out. The vouchers for payment are then separately authorized by two other officers; the first voucher authorization officer must check the accuracy of the payment voucher and the supporting invoice and order and certifications; and the second voucher authorization officer is required to satisfy himself that the payment voucher has been properly checked by the first voucher authorization officer and the payments are supported by the relevant documents. Moreover, the voucher authorization officers are set at designated ranks having regard to the amount of payment in each payment voucher. These

regulations and instructions provide internal controls and segregation of duties and responsibilities in the procedures.

- (c) The standing regulations and instructions mentioned in part (b) above are applicable to all government departments. Following the incident in the DH, the Treasury has reviewed the procedures in the DH and relevant standing regulations and instructions and considered that, if properly complied with, the procedures together with the regulations and instructions provide adequate internal controls and sufficient segregation of duties and responsibilities to ensure that all payments are properly and correctly made. To prevent recurrence of similar incidents, the Treasury has taken the following actions:
- (i) issued a circular in July 2007 to remind all departments to strictly comply with the relevant regulations and instructions in processing payments;
 - (ii) held briefing sessions with heads of finance of all departments on the aforesaid circular as well as common and useful practices on check-and-balance to put in place;
 - (iii) held an experience sharing session with internal audit teams in departments on audit work and procedures to detect malpractices;
 - (iv) included the expenditure account codes in daily expenditure reports starting from 30 August 2007 to facilitate departments to conduct checks with their budget holders on all payments made to ensure no malpractices; and
 - (v) stepped up the frequency of Treasury inspection teams visiting departments to inspect their payment records and supporting documents to ensure compliance with the relevant payment regulations and instructions.

Expenditure on Electricity and Use of Renewable Energy by Government Departments

19. **DR JOSEPH LEE** (in Chinese): *President, will the Government inform this Council of:*

- (a) *the electricity consumption and the expenditure on electricity of various government departments in the past three years; and*
- (b) *the current situation and effectiveness of the utilization of renewable energy by various government departments, and whether it will consider adopting other energy and new measures to save energy?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President,

- (a) The Government has been making adjustments with regard to the facilities and services it provides in accordance with the needs of the public and development of the society. Over the past three years, a number of public facilities have entered into services, including six libraries, one public swimming pool, five sports centres, and so on. Furthermore, the usage and opening hours of these public facilities have also increased steadily. All these have contributed to the increase in the overall electricity consumption of the Government. Nevertheless, to enable an objective comparison on electricity conservation, it is necessary to adopt the same operational parameters as the basis.

According to the information provided by the Electrical and Mechanical Services Department, the overall electricity consumption of the Government is on a downward trend using the operational parameters of 2002-2003 as the comparison basis.

<i>Year</i>	<i>Total electricity consumption</i>	<i>Total normalized electricity consumption (using the operational parameters of 2002-2003 as the comparison basis)</i>
2004-2005	2 380 million kWh	2 190 million kWh
2005-2006	2 420 million kWh	2 150 million kWh
2006-2007	2 510 million kWh	2 120 million kWh

Using the operational conditions of 2002-2003 as the comparison basis, with the concerted efforts of bureaux and departments, the total normalized electricity consumption of the Government in 2006-2007 has reduced by around 7% as compared with 2002-2003. This reduction is made possible through the implementation of housekeeping measures on energy conservation and the carrying out of energy saving projects by bureaux and departments. For instance, reducing and switching off unnecessary electrical appliances and lightings, promoting dressing down at workplace and

raising the air-conditioned room temperature to 25.5°C during summer months, installing energy efficient lighting devices, replacing air-cooled air-conditioning systems with water-cooled air-conditioning systems, and so on.

The total electricity expenditure of the Government from 2004-2005 to 2006-2007 is \$2,140 million, \$2,180 million and \$2,260 million respectively.

- (b) The Government is committed to carrying out research on and promoting renewable energy applications in Hong Kong. We also actively promote the various measures on energy efficiency and conservation. The Government will set a good example and take the lead in doing a satisfactory job in this respect. For example, the Government issued a works technical circular in end-2005 setting out the requirements for adopting energy efficiency and renewable energy technologies in new projects and installations of the Government. In this regard, the works departments have adopted various energy efficiency devices, and are actively looking for renewable energy systems that are fit for installation.

Over the past three years, the Government installed photovoltaic panels at Electrical and Mechanical Services Department Headquarters, Penny's Bay Fire Station cum Ambulance Depot, Penny's Bay Police Post, Princess Margaret Hospital, Pak Kong Water Treatment Works, Airport Police Station, Government Flying Service Headquarters, Kowloon Hospital Rehabilitation Block and Hong Kong Science Museum; solar water heating systems at Electrical and Mechanical Services Department Headquarters, King's College, Pak Sha Wan Correctional Institution and Government House; and bio-gas generating system at Shek Wu Hui Sewage Treatment Works. Due to the satisfactory results, the Government will consider installing in 2008 photovoltaic panels at Chek Lap Kok Fire Station, Tseung Kwan O Hospital, Hong Kong Museum of Coastal Defence and Hong Kong Museum of Art; and solar park lighting devices at Tuen Mun Town Hall, Hong Kong Park, Kowloon Park and Tsim Sha Tsui Promenade; to further promote renewable energy facilities. We will continue to actively promote energy conservation within the Government and consider the possibility of adopting other clean energy sources in Hong Kong.

Review of Hospital Manpower in View of Medical Incidents

20. **MR ABRAHAM SHEK** (in Chinese): *President, last month, two children sought medical treatment from the Accident and Emergency (A&E) Department of Tuen Mun Hospital, but their condition deteriorated drastically and they died subsequently. Also, another medical incident took place in the same hospital in November last year in which the labels of the blood samples of two patients were mixed up by medical staff, resulting in the patients concerned receiving inappropriate treatment. In this connection, will the Government inform this Council whether it knows:*

- (a) *how the doctor-to-patient ratio of New Territories West Hospital Cluster, to which Tuen Mun Hospital belongs, compares with those of other hospital clusters;*
- (b) *if the Hospital Authority (HA) has compared the figures of medical incidents in hospitals under various hospital clusters in recent years, so as to find out the reasons why the figures of such incidents in certain clusters are on the high side, and on the basis of such figures, require the hospitals concerned to make improvements or render necessary assistance to them; if so, of the details; if not, the reasons for that; and*
- (c) *if the arrangement for experienced doctors to serve as duty doctors at the A&E Department of public hospitals will be strengthened; if so, of the details; if not, the reasons for that?*

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

- (a) The ratio of doctors to in-patient discharges and deaths of various hospital clusters under the HA is set out in the table at Annex.
- (b) The HA has all along attached great importance to the quality of its services and patient safety. An established system and guidelines have been put in place for conducting clinical audits and dealing with medical incidents. The HA launched the Advanced Incident Reporting System (AIRS) in 2006, which is an electronic information system that enables hospital clusters to make immediate reports of medical incidents to the HA Head Office. To further

enhance patient safety, the HA has implemented in October 2007 a Sentinel Event Policy to standardize the practice and procedures for handling sentinel events in all hospital clusters, thereby strengthening the reporting, management and monitoring of sentinel events in public hospitals. Under the new reporting policy, hospital clusters are required to report via the AIRS any medical incidents classified as sentinel events within 24 hours upon awareness of their occurrence. They should at the same time handle the incident promptly in accordance with the established procedures so as to minimize the harm caused to the patient and the impact of the incident as far as possible, and provide support to the staff involved in the incident. The HA Head Office is responsible for monitoring and co-ordinating the handling of sentinel events and implementation of initiatives for promoting patient safety at an organizational level. The HA will also take the initiative to disseminate information related to the sentinel events in order to enhance operational transparency and mutual trust between patients and hospitals.

On the other hand, the HA will take thorough follow-up action on the sentinel events and investigate their causes and improve the relevant systems and work procedures where necessary, with a view to avoiding recurrence of similar incidents in future. Through the training provided by the HA and the bi-monthly "Risk Alert" newsletter published by the HA, the staff of different cluster could make reference to and draw on the experience in handling sentinel events.

- (c) As at 31 January 2008, the number of doctors serving in A&E Departments in public hospitals is 413. About 30% of them are at the rank of Consultant/Associate Consultant/Senior Medical Officer. Provisional data for 2007-2008 show that the overall wastage rate of HA's doctors at the rank of Senior Medical Officer and above was around 7.4%, while that of doctors at the rank of Senior Medical Officer and above in the A&E Departments was only about 1%. At the same time, the professional standard of A&E doctors has been improving in recent years, with the percentage of A&E doctors with fellowship in the Hong Kong Academy of Medicine increased from 33% in 2003 to 50% in January 2008. We therefore believe that experienced doctors to

provide service at the A&E Departments are adequately provided with. The HA will regularly review the relevant staffing arrangement, and flexibly deploy manpower to maintain the service standard of A&E Departments.

Annex

Ratio of Doctors to In-patient Discharges and Deaths in Various Hospital Clusters

	<i>Hong Kong East Cluster</i>	<i>Hong Kong West Cluster</i>	<i>Kowloon Central Cluster</i>	<i>Kowloon East Cluster</i>	<i>Kowloon West Cluster</i>	<i>New Territories East Cluster</i>	<i>New Territories West Cluster</i>	<i>HA Total</i>
Number of doctors (as at January 2008)	506	491	577	523	1 082	745	533	4 457
Number of in-patient discharges and deaths (from February 2007 to January 2008)	131 808	147 060	172 948	120 689	295 162	191 049	133 154	1 191 870
Ratio of doctors to 1 000 in-patient discharges and deaths	3.8	3.3	3.3	4.3	3.7	3.9	4.0	3.7

Note:

1. The above manpower is calculated on a full-time equivalent basis, including all staff on permanent, contract and temporary terms (but staff on honorary appointment and staff of university medical faculties are excluded).
2. Figures on the number of doctors exclude medical interns and dentists.
3. Figures on the number of doctors and in-patient discharges and deaths do not cover the specialty of mentally ill and mentally handicapped.
4. As the condition of each patient and complexity of each case varies, the workload of relevant staff cannot be assessed simply on the basis of the number of doctors and the attendance of patients of individual hospital clusters. In sum, doctors are responsible for rendering services for the whole continuum of service spanning from in-patient to ambulatory and out-patient care.

BILLS

Second Reading of Bills

Resumption of Second Reading Debate on Bills

PRESIDENT (in Cantonese): Bill. We now resume the Second Reading debate on the Pneumoconiosis (Compensation) (Amendment) Bill 2008.

Pneumoconiosis (Compensation) (Amendment) Bill 2008

Resumption of debate on Second Reading which was moved on 30 January 2008

PRESIDENT (in Cantonese): Mr KWONG Chi-kin, Chairman of the Bills Committee on the above Bill, will now address the Council on the Committee's Report.

MR KWONG CHI-KIN (in Cantonese): Madam President, in my capacity as Chairman of the Bills Committee on Pneumoconiosis (Compensation) (Amendment) Bill 2008 (the Bills Committee), I now report the main deliberations of the Bills Committee.

The Pneumoconiosis (Compensation) (Amendment) Bill 2008 (the Bill) seeks to amend the Pneumoconiosis (Compensation) Ordinance to provide that the compensation and benefits available to persons suffering from pneumoconiosis will apply to those persons (or their family members) suffering from malignant mesothelioma.

Members expressed concerns about the definition of "mesothelioma" and the use of the term "malignant mesothelioma" in the Bill. Members pointed out that mesothelioma is a form of cancer caused by exposure to asbestos, and thus all cases of mesothelioma are cancerous (that is, "malignant" in medical sense). It is the medical practice that the patients will be diagnosed as suffering from "mesothelioma", but not "malignant mesothelioma"; and medical diagnoses rarely make distinction as to whether a mesothelioma case is a "malignant" or "benign" case. The use of the term "malignant mesothelioma" in the Bill may cause confusion in implementation.

The Administration explained that as there is no medical evidence to support a causal relationship between benign and non-cancerous mesothelioma and the exposure to asbestos, the Bill does not cover benign and non-cancerous mesothelioma. To avoid any grey area or misunderstanding, the Administration proposed that the term "malignant mesothelioma" be used in the Bill.

On the policy front, some members had no strong views on the exclusion of benign and non-cancerous mesothelioma cases in the Bill. They were concerned that the term "malignant mesothelioma", if adopted, might give rise to difficulties of mesothelioma sufferers in seeking compensation under the Pneumoconiosis (Compensation) Ordinance or possible litigations when pursuing insurance claims. Members were of the view that reference to "malignant mesothelioma" in the Bill should be replaced by "mesothelioma".

To address members' concerns, the Administration has agreed to amend the definition of "mesothelioma" and delete the word "malignant" wherever the term "malignant mesothelioma" appears in the Bill.

The Bills Committee supports the amendments to be introduced by the Secretary for Labour and Welfare later.

Thank you, Madam President.

MR ANDREW LEUNG (in Cantonese): Madam President, I, on behalf of the Liberal Party, support the Pneumoconiosis (Compensation) (Amendment) Bill 2008 (the Bill).

As the Chairman of the Bills Committee has said just now, the main proposal of the Bill is to extend the existing scope of protection of the Pneumoconiosis (Compensation) Ordinance to cover malignant mesothelioma. In fact, we already discussed this at the meeting of the Panel on Manpower in November last year and we supported the Government's proposal. At that time, we were already concerned that medical practitioners habitually write "mesothelioma" instead of "malignant mesothelioma" in their diagnoses. In this connection, to protect this group of workers who unfortunately suffered from mesothelioma due to long-term occupational exposure to asbestos, we basically agreed to delete the word "malignant".

As the Occupational Health Consultants of the Labour Department explained at the meeting of the Panel on Manpower, "mesothelioma", in pathological term, often refers to malignant tumour formed in the mesothelium after exposure to asbestos, whereas benign mesothelioma is unrelated to asbestos and the symptoms also differ from those of malignant mesothelioma. The Pneumoconiosis Medical Board, when assessing whether the claimant suffers from mesothelioma, is able to differentiate between cases of malignant mesothelioma and benign mesothelioma.

Given that the Ordinance, if amended, will provide for the definition of "mesothelioma" as "a primary malignant neoplasm of the mesothelial tissue due to dust of asbestos or dust containing asbestos", I have no objection to the Administration's amendment to delete the word "malignant".

Regarding the amendment to the eligibility criteria for mesothelioma sufferers in applying for compensation, which requires the applicant to be a resident in Hong Kong for five years or more, or to prove that he suffered from the disease due to previous occupational exposure to asbestos in Hong Kong before he is eligible for compensation, I am of the view that it is a reasonable amendment and I will support it.

Madam President, I so submit.

MR WONG KWOK-HING (in Cantonese): President, the Bills Committee held only one meeting and solved the problem. Why can the problem be solved so smoothly this time around? I think we should thank the Government's representatives for adopting our proposal and not insisting on adding the word "malignant" in the definition, thus enabling the Bill to be endorsed quickly.

I hope the Secretary and the Labour and Welfare Bureau under his leadership, in handling defaulted payment of wages or MPF contributions, can also adopt the correct views of the labour sector as readily as they did in handling this Bill. So, I wish to commend the Secretary through the President for responding to public opinions in such a forthright manner this time, and I hope the Secretary will keep up his effort.

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

MR LEE CHEUK-YAN (in Cantonese): President, on behalf of the Hong Kong Confederation of Trade Unions, I support the amendments today. I hold that this is the right thing to do because these workers have contributed so much sweat and toil for the prosperity and development of Hong Kong and contracted the disease in the end. I think they should be compensated, especially as the use of asbestos is banned nowadays and they suffered from the disease because the use of asbestos was not banned in those backward times. I hold that they are absolutely entitled to compensation.

Meanwhile, I also hope the Secretary can keep up his effort to improve the well-being of the pneumoconiotics. They have come to the Panel on Manpower and expressed their wish that the compensation for suffering be improved and

treatment by Chinese medicine practitioners (CMP) be recognized. Although the present labour law already recognizes CMP, this is not yet the case for pneumoconiosis, and medical expenses for treatment by CMP are not covered. I think there is room for improvement in this regard, and I hope that a relevant bill can be tabled to the Legislative Council as soon as possible to amend the ordinance concerned.

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 Labour and Welfare to reply.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Madam President, first of all, I wish to record my gratitude to the Chairman of the Bills Committee Mr KWONG Chi-kin and the three Members who have spoken for giving recognition to our work. They fully understand the urgency of the Pneumoconiosis (Compensation) (Amendment) Bill 2008 (the Bill), and by adopting an active and accommodating attitude, they completed the scrutiny of the Bill in just one meeting of the Bills Committee, which enables the Second Reading debate of the Bill to be resumed today, so that sufferers of cancerous mesothelioma due to exposure to asbestos can receive the compensation and benefits early and enjoy the same treatment as that to the pneumoconiotics.

The main purpose of the Bill is to extend the scope of protection of the Pneumoconiosis (Compensation) Ordinance to cover malignant mesothelioma as a compensable disease. The Bill also proposes that malignant mesothelioma sufferers should be subject to the same eligibility criteria for compensation and benefits as those of the pneumoconiotics.

The Bills Committee agreed in principle with the purpose of the Bill, but some members had reservation about restricting the coverage of the Ordinance to "malignant mesothelioma". They pointed out that "mesothelioma" cases, in

medical sense, would be cancerous which must be "malignant", and thus the use of the term "malignant mesothelioma" in the Ordinance might cause confusion in implementation and might in turn jeopardize the rights of mesothelioma sufferers.

The Government has reached a consensus with the Bills Committee. On the premise of ensuring that the purpose of the Bill remains unchanged, we have drafted an amendment to delete the word "malignant" wherever the term "malignant mesothelioma" appears in the Bill. I will move an amendment at the Committee stage later.

Mesothelioma as referred to in the Bill is a rare cancerous form of tumour. It has a causal relationship with occupational exposure to asbestos. However, at present, it is not a compensable occupational disease under the Employees' Compensation Ordinance and the Pneumoconiosis (Compensation) Ordinance. The Bill proposes to include cancerous mesothelioma into the scope of protection of the Pneumoconiosis (Compensation) Ordinance mainly on the ground that mesothelioma and pneumoconiosis share some common characteristics. They are: (1) both diseases are caused by inhalation of asbestos dust; (2) both will cause permanent and non-curable damage and suffering to the sufferers; (3) both diseases will progressively deteriorate; and (4) both have a very long latent period which, in actual practice, makes it impossible to confirm the specific employment period during which the disease was contracted for claiming compensation from individual employer.

I have to point out that the Bill does not cover non-cancerous mesothelioma because there is no medical evidence to support a causal relationship between non-cancerous mesothelioma and exposure to asbestos.

Madam President, mesothelioma sufferers and their family members are facing a very serious disease and the sufferers may die in a short time. Legislative amendment can thus brook no delay. As the proposals made in the Bill have obtained unanimous support from the Pneumoconiosis Compensation Fund Board, the Labour Advisory Board, the Panel on Manpower of the Legislative Council and the Bills Committee, I urge Members to endorse the Bill, so that mesothelioma sufferers can be benefited early.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Pneumoconiosis (Compensation) (Amendment) Bill 2008 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): Pneumoconiosis (Compensation) (Amendment) Bill 2008.

Council went into Committee.

Committee Stage

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

Pneumoconiosis (Compensation) (Amendment) Bill 2008

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Pneumoconiosis (Compensation) (Amendment) Bill 2008.

CLERK (in Cantonese): Clauses 1, 5 to 23, 25 to 28, 30, 55, 56 and 57.

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, 3, 4, 24, 29 and 31 to 54.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Madam Chairman, I move the amendments to the clauses read out just now as printed in the paper circularized to Members.

At the resumption of the Second Reading debate earlier on, I mentioned that the purpose of the Bill is to extend the scope of protection of the Pneumoconiosis (Compensation) Ordinance to cover malignant mesothelioma and to provide the same compensation and benefits to malignant mesothelioma patients as those for pneumoconiotics. As there is no medical evidence to support a causal relationship between non-cancerous mesothelioma and exposure to asbestos, the Bill will not cover non-cancerous mesothelioma.

During the scrutiny of the Bill, the Bills Committee has indicated its support to the proposed amendments. Some members clarified that they had no intention to include non-cancerous mesothelioma into the coverage of the Bill, but some members were of the view that in medical sense, "mesothelioma" cases are cancerous which means that they must be "malignant", let alone the fact that medical diagnoses rarely make distinction as to whether a mesothelioma case is a "malignant" or a "benign" case. Members held that the use of the term "malignant mesothelioma" in the Bill might cause confusion in implementation and might hence jeopardize the rights of mesothelioma sufferers.

To address members' concerns, we will introduce amendments to delete the word "malignant" from the term "malignant mesothelioma" as referred to in clauses 2 to 4, 24, 29 and 31 to 54 of the Bill.

Moreover, clause 4(6) of the Bill seeks to amend section 2(1) of the Pneumoconiosis (Compensation) Ordinance by adding the definition of "mesothelioma", whereby mesothelioma is defined as "malignant mesothelioma which is a primary malignant neoplasm of the mesothelial tissue due to dust of asbestos or dust containing asbestos". In response to members' view, we will move an amendment to delete the words "malignant mesothelioma which is" in the proposed definition.

I wish to point out that "mesothelioma" is still defined in the Bill as "a primary malignant neoplasm of the mesothelial tissue due to dust of asbestos or dust containing asbestos", this amendment will not alter the purpose of the Bill, which is to provide compensation to persons suffering from cancerous mesothelioma due to exposure to asbestos.

The amendments above have obtained the support of the Bills Committee. I urge all Members to support and endorse the amendments.

Thank you, Madam Chairman.

Proposed amendments

Clause 2 (see Annex I)

Clause 3 (see Annex I)

Clause 4 (see Annex I)

Clause 24 (see Annex I)

Clause 29 (see Annex I)

Clause 31 (see Annex I)

Clause 32 (see Annex I)

Clause 33 (see Annex I)

Clause 34 (see Annex I)

Clause 35 (see Annex I)

Clause 36 (see Annex I)

Clause 37 (see Annex I)

Clause 38 (see Annex I)

Clause 39 (see Annex I)

Clause 40 (see Annex I)

Clause 41 (see Annex I)

Clause 42 (see Annex I)

Clause 43 (see Annex I)

Clause 44 (see Annex I)

Clause 45 (see Annex I)

Clause 46 (see Annex I)

Clause 47 (see Annex I)

Clause 48 (see Annex I)

Clause 49 (see Annex I)

Clause 50 (see Annex I)

Clause 51 (see Annex I)

Clause 52 (see Annex I)

Clause 53 (see Annex I)

Clause 54 (see Annex I)

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

DR KWOK KA-KI (in Cantonese): I speak in support of the amendments.

In fact, these amendments have gone through the procedure of consultation with organizations and professionals who have all along been expressing concern over mesothelioma and occupational diseases. I wish to thank the Bureau and the Secretary for readily accepting good advice and introducing amendments to this effect. To many people suffering from mesothelioma due to different work-related causes and their family members, the sooner the Bill and the amendments are passed, the better, because the time span from diagnosis to death is very short for mesothelioma patients, and even nowadays medical treatment cannot do much for them, but the impact on the patients and their families is great. Before this Bill is passed, they are not entitled to any reasonable and appropriate compensation. We have made visits or contacts with many such families and we do understand their difficult position. If this Amendment Bill can be passed in the Legislative Council today, I hope it can be implemented as soon as practicable, so that the patients, many of whom are waiting or on the verge of death, and their family members can receive reasonable and appropriate compensation early.

With these remark, I support the amendments.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): If not, Secretary for Labour and Welfare, do you wish to speak again?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): I thank Dr KWOK Ka-ki for speaking in support of us. I wish to reiterate that we are grateful for Members' support which enables us to expeditiously address this issue. This also well reflects that the Government and Members can fully

co-operate in protecting the employees' rights. In the future, we can continue to co-operate with each other on this well-laid foundation.

I wish to stress that if the Bill is passed today, we hope that it can be gazetted immediately and brought into operation next Friday (18 April), so as to immediately provide protection to the patients.

Thank you, Madam Chairman.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendments moved by the Secretary for Labour and Welfare 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 amendments passed.

CLERK (in Cantonese): Clauses 2, 3, 4, 24, 29 and 31 to 54 as amended.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the clauses as amended stand part of the Bill. 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): Long title.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Madam Chairman, I move the amendment to the long title as printed in the paper circularized to Members.

In view of the passage of the amendments to clauses 2 to 4, 24, 29 and 31 to 54 just now, a consequential amendment has to be made to delete the word "malignant" from the term "malignant mesothelioma" as referred to in the long title. I urge Members to support and pass the amendment.

Thank you, Madam Chairman.

Proposed amendment

Long title (see Annex I)

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the amendment to the long title moved by the Secretary for Labour and Welfare be passed.

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 amendment passed.

CHAIRMAN (in Cantonese): Council now resumes.

Council then resumed.

Third Reading of Bills

PRESIDENT (in Cantonese): Bill: Third Reading.

Pneumoconiosis (Compensation) (Amendment) Bill 2008

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, the

Pneumoconiosis (Compensation) (Amendment) Bill 2008

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

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Pneumoconiosis (Compensation) (Amendment) Bill 2008 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): Pneumoconiosis (Compensation) (Amendment) Bill 2008.

MOTIONS

PRESIDENT (in Cantonese): Motion. Proposed resolution under the Interpretation and General Clauses Ordinance to amend the Trade Descriptions (Definition of Diamond) Regulation.

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

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Madam President, I move that the resolution to amend the Trade Descriptions (Definition of Diamond) Regulation (the Regulation) as printed in the Agenda be passed.

The Regulation was gazetted on 29 February 2008 and laid on the table of the Legislative Council on 5 March 2008. After detailed examination, we consider that minor technical amendments can be made to the textual expressions regarding the physical properties of diamond as listed in the Schedule to the Regulation so as to achieve consistency with similar expressions in other legislations.

The proposed amendments reflect the agreed view of the Government and the Legislative Council Secretariat. I hope Members would support this motion. Thank you, Madam President.

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

"RESOLVED that the Trade Descriptions (Definition of Diamond) Regulation, published in the Gazette as Legal Notice No. 43 of 2008 and laid on the table of the Legislative Council on 5 March 2008, be amended, in the Schedule –

- (a) in the English text, by repealing "Moh's" and substituting "Mohs";
- (b) in the Chinese text, by repealing "特定".

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' BILLS**First Reading of Members' Bills**

PRESIDENT (in Cantonese): Members' Bill: First Reading.

ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION BILL

CLERK (in Cantonese): Alice Ho Miu Ling Nethersole Charity Foundation Bill.

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

Second Reading of Members' Bills

PRESIDENT (in Cantonese): Members' Bill: Second Reading.

ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION BILL

MRS SELINA CHOW (in Cantonese): I move the Second Reading of the Alice Ho Miu Ling Nethersole Charity Foundation Bill (the Bill). The Bill has been certified by the Law Draftsman of the Department of Justice as being in line with the requirement of Rule 50 of the Rules of Procedure and the general form of Hong Kong legislation. It has also been confirmed by the authorities concerned that it is not related to public expenditure, political structure and the operation or policies of the Government.

The Bill was published in the Gazette dated 1 and 6 February 2008, and advertised as prior notice in a local Chinese language newspaper and an English language newspaper on 13 and 14 February. The Bill mainly seeks to change the corporate name to fully reflect its up-to-date functions and facilitate the development of diversified services in future, and to avoid creating confusion to the public by bearing the same name as that of Alice Ho Miu Ling Nethersole Hospital (AHMLNH) in Tai Po under the management of the Hospital Authority.

The AHMLNH has a long history and has been serving the Hong Kong public for over 120 years. Previously being the Alice Memorial Hospital founded by the former London Missionary Society (LMS) in 1887, the AHMLNH serves the aged and the vulnerable groups with the teachings of Jesus Christ which stress compassionate love. It is the first hospital in Hong Kong providing western medical service to the local Chinese population and pioneer local medical training.

In 1893, the LMS set up another Nethersole Hospital which was the first hospital to provide training for local nurses. The LMS then established the Ho Miu Ling Hospital in 1906.

In 1954, the three hospitals mentioned above were amalgamated into the AHMLNH. In the same year, it was incorporated under the Alice Ho Miu Ling Nethersole Hospital Incorporation Ordinance with The Executive Committee of The Alice Ho Miu Ling Nethersole Hospital as its body corporate.

In 1973, the AHMLNH assisted in the commissioning of the United Christian Hospital (UCH) in Kwun Tong; and in 1993, it was relocated from the mid-level on Hong Kong Island to Chai Wan and assisted in the commissioning of Pamela Youde Nethersole Eastern Hospital. With the commencement of service on its new hospital site in Tai Po in 1997, the AHMLNH sought to promote the concepts of "therapeutic healthscape" and holistic care, and established the United Christian Nethersole Community Health Service (UCNCHS) jointly with the United Christian Medical Service. The UCNCHS then pioneered the first Home Help Service team with hospital involvement in Hong Kong and launched the Home-based Rehabilitation Service.

Following the Christian spirit of holistic care and compassionate love, the AHMLNH started its Chaplaincy Service since the 1970s to look after the spiritual need of the patients and their family members, and launched in June 1997 the Clinical Pastoral Education course to train professional chaplains and volunteers for quality chaplaincy work in the AHMLNH.

This training has become a course of international standard and was accredited in 1999 by the Association for Clinical Pastoral Education in the United States as a role model in the Asia Pacific Region. The Chaplaincy Service was restructured in 2002 as the Nethersole Chaplaincy Ministries which are dedicated to developing more diversified and external service.

In view of the ageing population in Hong Kong, the Executive Committee of AHMLNH actively develops the much-needed elderly services. Under this development blueprint, it commenced in 1998, with subsidy from the Social Welfare Department, the operation of the Alice Ho Miu Ling Nethersole Nursing Home in Kowloon Bay, and opened in 2003 the Alice Ho Miu Ling Nethersole Elderly Care Home in Sau Mau Ping, providing a warm and comfortable home for over 300 elderly to spend their old age at ease. In addition, the Executive Committee further strengthened its elderly services in 2007 by opening its third care home, namely, the United Christian Nethersole Care Home, in the UCH, Kwun Tong.

To put into practice the concept of "Hospital without wall", the Executive Committee initiated in 2000 a brand-new outreach rehabilitation service, providing home-based rehabilitation services for chronically-ill patients living in the distant areas around Tai Po and North District who need to receive training in their homes, and developed more diversified rehabilitation services in collaboration with other non-profit-making organizations to meet the needs of the community.

The Nethersole School of Nursing merged with the Department of Nursing of The Chinese University of Hong Kong in 2002 to form the Nethersole School of Nursing of The Chinese University of Hong Kong, so as to further develop nursing education and training of quality nursing professionals in Hong Kong. Moreover, the Nethersole Institute of Continuing Holistic Health Education was established in the same year to provide training courses for serving medical personnel, so as to further give play to the beliefs of compassionate love and holistic care and pass them on from generation to generation.

With these remarks, President, I urge Members to support the Bill.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Alice Ho Miu Ling Nethersole Charity Foundation Bill be read the Second time.

PRESIDENT (in Cantonese): In accordance with the Rules of Procedure, the debate is now adjourned and the Bill referred to the House Committee.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Two proposed resolutions under the Interpretation and General Clauses Ordinance.

First motion: Extending the period for amending the Interpretation and General Clauses Ordinance (Amendment of Schedule 6) Order 2008.

I now call upon Ms Miriam LAU to speak and move her motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MS MIRIAM LAU (in Cantonese): Madam President, at the House Committee meeting on 28 March 2008, Members agreed to form a Subcommittee to study the Interpretation and General Clauses Ordinance (Amendment of Schedule 6) Order 2008. To give the Subcommittee sufficient time for its deliberation, Members agreed that I, in my capacity as Chairman of the House Committee, move a motion to extend the scrutiny period of that subsidiary legislation to 30 April 2008.

Madam President, the content of the motion is set out on the Agenda. I urge Members to support the motion.

Ms Miriam LAU moved the following motion:

"RESOLVED that in relation to the Interpretation and General Clauses Ordinance (Amendment of Schedule 6) Order 2008, published in the Gazette as Legal Notice No. 49 of 2008 and laid on the table of the Legislative Council on 12 March 2008, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 30 April 2008."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms Miriam LAU be passed.

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

PRESIDENT (in Cantonese): Second motion: Repealing the Antiquities and Monuments (Withdrawal of Declaration of Proposed Monument) (No. 128 Pok Fu Lam Road) Notice.

I now call upon Ms Audrey EU to speak and move her motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MS AUDREY EU (in Cantonese): I move that the motion under my name be passed.

On 1 February 2008, the Government made the Antiquities and Monuments (Withdrawal of Declaration of Proposed Monument) (No. 128 Pok Fu Lam Road) Notice (Withdrawal Notice) to withdraw the notice on the declaration of the Building at No. 128 Pok Fu Lam Road as a proposed monument made by the Government in April 2007.

A Subcommittee was formed by the Legislative Council to study the Withdrawal Notice, and I have the honour to become the Chairman of the Subcommittee. The Subcommittee has held two meetings and received the views of three organizations and one individual. Members are dissatisfied with the way the Administration handled the declaration of the Building as a proposed monument and the subsequent withdrawal of the declaration mainly in three aspects.

First, there is inconsistency in the conclusions made by the Authority on the historical and architectural value of the Building. When the Authority intended to declare the Building as a proposed monument in April 2007, it was stated in the relevant Legislative Council Brief that Mr Thomas TAM, the owner of the Building, was "a representative figure of the Chinese elite class in Hong Kong in the mid-20th century. His influence as a social leader was rooted in different spectra of the community". But 10 months later when the Authority decided that the Building should not be declared as a monument, the influence of Mr Thomas TAM was described as short-lived in the relevant Legislative Council Brief. He was said to be socially less active and influential given his short period of public service, and his contribution to and prominence in the society were regarded as not so significant to have left him in the memory of the people of Hong Kong.

Such inconsistency is also found in the Authority's conclusions on the architectural value of the Building. At the time of declaring the Building as a proposed monument, the Building was described as "an epitome of the Classical Revival residence of Italian Renaissance style with interesting Art Deco variations. It is elaborate and distinct in design, decoration and craftsmanship." But at the time of withdrawing the declaration, the assessment then became: "the dome and the pavilion are of ordinary workmanship and their architectural merits are not high. The interior décor, which has been revealed to the Antiquities and Monuments Office (AMO) for the first time, is not of extraordinary style." The Government pointed out that before the declaration of the Building as a proposed monument, the AMO had not been able to gain access to the Building nor establish a direct dialogue with its owner, that the AMO's initial assessment of the architectural value of the Building was based on its external appearance (including its surrounding environment) as viewed from a distance, and that the assessment of its general heritage value was based on the information available to AMO at that time. Notwithstanding this, the Subcommittee considers that there

is no reason for the conclusions on Mr Thomas TAM's influence to become different after an on-site inspection of the Building.

Here, I wish to point out that the Hong Kong Institute of Architects had attended a meeting of the Subcommittee to express their views. They expressed deep regrets at the assessment made by the Government and in particular, the assessment made by the AMO, and considered the assessments shallow and superficial. They held that the assessment of artistic or architectural values should not be limited to the appearance of a building or visual inspection. Rather, they should be assessed in greater depths and by wider considerations.

Besides, the Subcommittee considers that another instance of mishandling by the Government is that no independent expert was appointed to conduct an assessment of the cultural value of the Building and only the AMO was made responsible for conducting the assessments. The representatives of the Hong Kong Institute of Architects considered that the assessments lack transparency and allow little room for input by external experts.

Moreover, the deputations and individual who presented views to the Subcommittee have doubts on the independence and impartiality of the AMO in conducting the assessments. In their view, considerations other than the heritage value of the Building may have been factored in the assessment process. One of the extraneous factors is the development value of the Building, and the Administration has an apparent interest or conflict of interest in deciding whether the Building should be declared as a monument. The deputations have pointed out that if the Building is not declared as a monument, the owner of the Building may redevelop it, and the land premium payable to the Administration for lease modification could be substantial. But if it is declared as a monument, the Government would have to make compensation to the owner.

Although the Government has repeatedly stressed that the assessments were conducted by the AMO in a professional and independent manner, and the Administration's discussions with the owner of the Building on possible economic incentives to preserve the Building are held independently and have no connection whatsoever with the heritage assessment conducted by the AMO, Members maintain the view that the Government lacks a heritage conservation policy and there is not an independent party to assess the heritage value of the Building, and when the owner indicated the wish to consider preserving the Building in the redevelopment scheme, the Government was delighted and

considered this a piece of good news. Under such circumstances, Members consider that they cannot rule out the possibility that the Authority was simply making an expedient decision not to declare the Building.

Another arrangement with which Members of the Subcommittee are dissatisfied is that the Withdrawal Notice took immediate effect upon its publication in the Gazette. In other words, the Building lost the status of a proposed monument with immediate effect from 1 February 2008. Members consider that the Administration should provide sufficient time for the Legislative Council to complete the due process in making any legislative proposal. Since the Notice is subject to the negative vetting procedure of the Legislative Council, it should not take effect until after the expiry of the vetting period. Otherwise, it would in effect deprive the Legislative Council of its power to propose amendments to notices.

The Subcommittee fully appreciates that the notice on the declaration of the Building as a proposed monument has expired and even if this resolution proposed by me today to repeal the Withdrawal Notice is passed in the Legislative Council, it could not restore the status as a proposed monument for the Building. In spite of this, the Subcommittee still considers it necessary to repeal the Withdrawal Notice in order to reflect Members' dissatisfaction with the way in which the Administration has handled this matter. This has also reflected a major problem in Hong Kong and that is, there are loopholes in the conservation policy; this has also reflected the existing loopholes in law. For these reasons, I propose this motion in my capacity as the Chairman of the Subcommittee.

President, now I wish to express my personal views as well as those of the Civic Party on this motion.

President, I have read the two assessment reports on Jessville by the AMO, one of which was compiled in 2004. I wish to point out that in fact, in 2004, the owner of the Building already indicated the wish to demolish the Building and at that time, the AMO immediately conducted an assessment and so, the first assessment was made in 2004. The other one was compiled in 2008 when we learned of the Government's wish to withdraw the declaration. If we compare the two reports, we will have a very strong feeling that the conclusions on the Building's historical value are inconsistent and somewhat like "seasonal price".

In 2004, the AMO graded Jessville very highly as if it is a piece of jewel but four years later, it became a worthless pile of hay. The AMO's description of Mr Thomas TAM is just the same, for it spoke highly of him at one time but spoke lowly of him at another time. In the first assessment report, the AMO described Mr Thomas TAM as "a representative figure of the Chinese elite class in Hong Kong in the mid-20th century" whose influence is far-reaching, but in the second report he was said to be socially less active and influential given his short period of public service, and regarded as not so significant to be left in the memory of the people of Hong Kong.

In this connection, President, I have collected some information which can sum up the life of Mr Thomas TAM. Mr TAM was appointed Justice of Peace in 1933; he was the Chairman of Po Leung Kuk and the Rotary Club from 1936 to 1937, an Unofficio Member of the Legislative Council between 1939 and 1941, and a member of the committee on post war relief in Hong Kong and the association of Chinese representatives from all sectors of society between 1941 and 1945. He was appointed as a Magistrate in 1947, a Member of the Court of the University of Hong Kong in 1954 and an executive committee member of the Hong Kong Technical Institute in 1955.

Life is short, and Mr TAM had served in public service for 22 years altogether. I think he had spent one third to a quarter of his life on public service, and could this be considered as short lived? Besides, Mr TAM had served in various charity organizations and on various school councils and boards, and he had been enthusiastic in promoting charity. Could this not be a reflection of an active social life?

Although Mr TAM has passed away, we can still find social service organizations being named after him. The Hong Kong Society for the Protection of Children and the Society for the Promotion of Hospice Care were established under the auspices of the Jessie and Thomas Tam Fund. The Jessie and Thomas Tam Centre of the Society for the Promotion of Hospice Care, and the day crèches and nursery school service of the Hong Kong Society for the Protection of Children are also named after Mr and Mrs Thomas TAM. So, should we not consider Mr TAM's influence on Hong Kong far-reaching?

The AMO has suddenly changed its view not only on the historical value of the Building, as there are also discrepancies in the two reports in respect of the

architectural value, rarity, authenticity and social value. Such discrepancy is most obvious in respect of the social value:

In the 2004 report Jessville was said to be a cultural landmark which reminds people of the role played by the TAM family as a member of the Chinese elite class in the territory, physically standing on a site (in Pok Fu Lam) which marks a difference between the upper class who lived on top of the hill and the common grassroots down in the Sheung Wan area. Jessville is thus an important illustration of the history of social development and urbanization of Hong Kong in the mid-20th century. President, these are cited from the papers of the AMO.

The AMO has given explanation on the inconsistency in its conclusions on Jessville. The Bureau said that the AMO had not noticed any extraordinary features inside the Building after gaining access to it and had, therefore, revised its conclusion on the Building. But inference by simple logic will lead to queries about why the AMO could know about what happened in the past just by going into the Building and looking around it and subsequently change its conclusion on the history of the TAM family, and why it could foretell the future and even prophesy whether or not the Building would become a collective memory to the people. What factors should be included in heritage assessment?

The Civic Party has all along advocated that international criteria be adopted in conducting heritage assessment. For instance, in the early days there is the 1964 Venice Charter and later there is the Burra Charter and more recently, the China Principles in 2000, and all these are examples to follow. The Burra Charter cited factors including the aesthetic, historical, scientific and social values. In October last year, the Development Bureau published a policy paper on heritage conservation policy and the guiding principles on heritage conservation have remained in the hands of the Executive Council. This shows that the Government has not taken on board these views and is still playing the same old tune.

I wish to point out in particular that the experts invited by the Subcommittee, especially those from the Hong Kong Institute of Architects, have stated that there is actually a lot of development in the international community but Hong Kong is lagging very far behind. For example, when assessing a building, consideration can be given to the relationship with the settings or layout of the sitting room, bedrooms and kitchen, in order to understand the living and social conditions at the time, rather than looking at such shallow or superficial

elements as how good and beautiful the workmanship is. I have talked about these important principles for many times, and more than once have these arguments and problems been brought up for discussion in the Legislative Council. But I do not know why it seems that the Government still has not heard them.

However, the sequels of neglecting public opinions will soon appear, because in the latest assessment report on Jessville, the conclusion drawn in respect of each factor seems to be just a simple comparison between Jessville and other statutory monuments. For instance, in respect of public image, Jessville compares less favourably with Kom Tong Hall, Lui Seng Chun and King Yin Lei, or Mr Thomas TAM's public service is no match for the great contributions made by Mr CAI who built the Morrison Building in Tuen Mun. Firstly, it is basically difficult to draw a direct comparison on the values of different statutory monuments. This is wide of the mark or totally irrelevant. Because more often than not, the value of a building varies from the year in which it was built and no comparison can be drawn on their value. Besides, whether a building can reach the "class" of monument should be assessed independently and professionally with reference to various factors. To draw a conclusion on each of the factors, professional input from various sectors of the community is required. For example, when assessing the historical value, the input of historians is required; when assessing the architectural value, the input of architects is required; when it comes to social value, it requires input by the public and certainly the input of sociologists. Moreover, the geographical location of the monument also counts. For example, with regard to this Jessville under our discussion today, the greenery, landscape and garden surrounding the mansion constitute a major reason why the Building was declared a proposed monument in the first place and so, a direct comparison is not always applicable to all monuments.

With regard to the inconsistencies in the two reports on heritage assessment, the Government has not yet put forward any convincing reason and this has indeed aroused speculations from the public, the owner and many professional bodies. The public may have concern about whether conservation is truly the sole consideration of the Government in considering conservation issues, or it has actually slanted towards economic development. Besides, when the owner first indicated a wish to demolish the Building in 2004, the AMO hastily planned to declare the Building as a proposed monument but as the owner said later that he was not going to demolish it, the entire process was put to a

halt. In 2006 when the owner was going to restore the demolition plan, the AMO finally declared the Building as a proposed monument again hastily. Later when the Government had the opportunity to discuss this with the owner, it kept on discussing with the owner various economic incentives, and when the Government finally learned that the owner would not demolish the Building but would proceed to development by preserving the Building as a clubhouse and developing a number of buildings around it, the Government was delighted and immediately withdrew the proposed monument declaration to enable the owner to file an application to the Town Planning Board (TPB) for redevelopment of the site. This shows that the entire process has given people the impression that the relevant legislation or mechanism is abused by the Government as a means to ensure that economic gains can be maximized from the commercial angle. This also explains why many people would consider that a detailed review of the entire mechanism is necessary in order to truly achieve heritage conservation and show determination to achieve this end.

Indeed, the many different speculations in society now can be traced to the lack of a transparent heritage conservation mechanism. As I said earlier on, although the Development Bureau announced the new policy on heritage conservation in October last year, there has been no novelty at all. The Government has still refused to introduce legislative amendments and it still hopes to achieve heritage conservation by administrative means and that is, consideration will be given on a case by case basis. When the owner of King Yin Lei indicated a wish to carry out demolition, the Government hastily declared it as a proposed monument and then held discussions with the owner to look into the case and identify a solution. The same practice was adopted in handling the case of Kom Tong Hall. It is invariably the case that only when the circumstances are most pressing that the Government would think about how the problem could be solved by administrative means, and under the existing system, a heritage built which is not declared as a monument will only be accorded a Grade I, II, or III status without sufficient statutory protection.

We, therefore, hope to remind the Government once again that a community-led mechanism which allows transparency and involvement from experts is in principle or institutionally very important, for it can build up an open image for the Government while extensive public participation can foster the sense of identity in the community and more importantly, take forward local cultural development, which is very important to Hong Kong. An open mechanism is, of course, equally important in the process of actual

implementation. Take the case of Jessville as an example. The owner planned to demolish the Building at one time but conserve it at another time, and in the absence of clear authority, the Government is, therefore, led by the nose by the owner. Now that the Government has withdrawn the injunction restraining demolition as it has withdrawn the proposed monument declaration, it is reported that the owner is again considering reassessing the case. It is because from what the Subcommittee had learned at its meeting, the TPB originally planned to conduct a hearing on the owner's application on 28 March but on 28 March the owner proposed a deferral of the hearing which, according to what we have learned, would be deferred to May. From the information provided to us by the press and the media, the owner will reconsider the case. Since the Building is no longer protected as a proposed monument, the owner will, therefore, reconsider it.

While the Secretary may tell us later that she had obtained the undertaking of the owner, we understand that such an undertaking is not in any way a guarantee under the existing mechanism and legislation and once the Building ceases to be a proposed monument, the owner can indeed demolish the Building. This explains why we consider it necessary to propose this motion today, and I hope that Members will urge the Government to duly conduct a review in this connection.

Insofar as this case is concerned, the Civic Party proposed that the Government should reactivate the heritage assessment procedures and invite independent experts from outside the Government to conduct an assessment and particularly, the views of non-government experts can be sought on the architectural value. Moreover, the Civic Party also hopes that the Government will conduct a detailed assessment of the documentary records and inspection reports on Jessville and give a detailed account of how the assessment reports were compiled, including the process of communication between executive officials and archaeological experts. Although the Government has provided supplementary information to the Legislative Council at the request of the Subcommittee, it has not provided all the information sought by the Subcommittee. For instance, the Government only provided the documentary records on the assessment of historical and architectural values in 2004 but not the detailed assessment including the rarity, integrity, authenticity and social value of the Building. Making public these documentary records will help the public understand whether other considerations were factored in the assessment process and this can restore public confidence on heritage assessment.

We understand that today's motion, even if it is passed, still cannot restore the proposed monument status of Jessville. Yet, we still hope that Members can support this motion, in order to put across a clear message to the Government and call on it to expeditiously review the relevant mechanism, in order to guarantee the conservation of heritage and monuments with historical value in Hong Kong. Thank you, President.

Ms Audrey EU moved the following motion:

"RESOLVED that the Antiquities and Monuments (Withdrawal of Declaration of Proposed Monument) (No. 128 Pok Fu Lam Road) Notice, published in the Gazette as Legal Notice No. 21 of 2008 and laid on the table of the Legislative Council on 20 February 2008, be repealed."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms Audrey EU be passed.

SECRETARY FOR DEVELOPMENT (in Cantonese): Madam President, a Subcommittee has been formed by the Legislative Council to study the Antiquities and Monuments (Withdrawal of Declaration of Proposed Monument) (No. 128 Pok Fu Lam Road) Notice. Chaired by the Honourable Audrey EU, the Subcommittee has held two meetings to scrutinize materials related to the case. Members of the Subcommittee also listened patiently to the explanations of the Government about the case and raised somewhat different views and comments on it. This shows clearly that Members attach much importance to the Government's efforts in heritage conservation. This is crucial to the future efforts of the Development Bureau in promoting heritage conservation. In respect of the case of No. 128 Pok Fu Lam Road, I cannot agree with the Honourable Audrey EU's motion to repeal our Withdrawal Notice on the declaration of the proposed monument. That said, I warmly welcome this opportunity to present the justifications for the Government's decision in this Council again, so as to dispel any worries that the public may have. To understand the case, we must start with the background and therefore let me give Members a brief introduction.

On 20 April 2007, in the light of the owners' application for demolition of that historic building, the Secretary for Home Affairs (SHA) accepted the proposal of the Antiquities and Monuments Office (AMO) and declared, in his capacity as the Antiquities Authority under the Antiquities and Monuments Ordinance, the building and the land together with all structures erected on such land at No. 128 Pok Fu Lam Road (that is, the Building of Jessville) as a proposed monument. The declaration aims at giving the Building temporary statutory protection from the immediate threat of demolition and also allowing the Antiquities Authority time to consider in a comprehensive manner whether the Building should be declared as a monument. The declaration of a proposed monument is valid for a period of 12 months. Unless withdrawn earlier by the Antiquities Authority, the declaration will expire automatically after 19 April 2008.

Before the declaration of the Building as a proposed monument, the AMO had not been able to gain access to the Building nor establish a direct dialogue with its owners. The AMO's initial assessment (or the first assessment in short) of the heritage value of the Building was based on the information available to the AMO at that time as well as the external appearance of the Building as viewed from a distance. Following the declaration of the Building as a proposed monument, the AMO had secured the consent of the owners and gained access to the Building to carry out on-site inspections. With the new information gathered, the AMO was able to carry out a more detailed and in-depth assessment of the heritage value of the Building than that conducted prior to the proposed monument declaration. It was the AMO's view after its comprehensive assessment (or the second assessment in short) of the Building that while the Building possessed some heritage value, it was not up to the required high threshold that justifies its declaration as a monument. As the Secretary for Development and also the Antiquities Authority under the Antiquities and Monuments Ordinance, I decided to withdraw the declaration of the Building as a proposed monument after listening to the professional opinions of the AMO and consultation with the Antiquities Advisory Board (AAB). To understand the difference between the two mechanisms on proposed monument and monument, we must examine the law and the legislative intent of the proposed monument mechanism.

In this aspect, in moving the Second Reading of the Antiquities and Monuments Bill 1971 on 3 November 1971, the then SHA, Mr D. C. C. LUDDINGTON, pointed out that naturally this legislation would have to be very selective in its application so as to ensure that necessary developments would not

be held up due to the preservation of antiquities of minor importance. Moreover, as emphasized by Mr Denis BRAY, the former SHA, when moving the resumption of Second Reading of the Antiquities and Monuments (Amendment) Bill 1982 on 16 June 1982, the new mechanism of declaring proposed monuments introduced through this amendment bill was a sort of freezing process and any declaration of a proposed monument on private land could only last for a year and could not be extended. To activate the mechanism, consultation with the AAB is required while the owner may apply for withdrawal of the proposed monument declaration. Such arrangement provides ample opportunity on all fronts for consultation and consideration in the process. The spirit of declaring proposed monuments under the Antiquities and Monuments Ordinance is to give the Antiquities Authority statutory power to call an immediate halt to any action that may damage a historic building when there is such an urgent need. Apart from providing instant protection, it allows the Antiquities Authority time to ask the AMO to conduct a detailed and comprehensive assessment of the heritage value of the building concerned and to consult the AAB, so as to give holistic consideration to the future arrangements for the historic building.

Judging from the above, the legislative intent of the proposed monument mechanism is not to require all the proposed monuments to become monuments in future automatically or necessarily. A proposed monument and a monument are fundamentally different in nature and the legislative spirit involved. The mechanism of declaring proposed monuments will become totally meaningless and it will be contrary to the original legislative intent if a historical building, once declared as a proposed monument, will in any circumstances automatically be declared as a monument later and the Antiquities Authority, the AMO and the AAB will not be allowed or do not need to further consider, examine and assess the heritage value of the historic building concerned.

During Members' deliberation on the Withdrawal Notice at a meeting of the Subcommittee of the Legislative Council, some Members queried the authority and independence of the AMO in conducting the heritage value assessments. The Honourable Audrey EU also made some remarks on this point, suggesting that there was inconsistency between the two assessment reports prepared by the AMO, and questioning why the AMO did not commission an external independent expert to carry out another assessment during the process. In fact, we have responded to each of these issues in our submissions to the Subcommittee. I wish to explain again here.

The AMO, the executive arm of the Antiquities Authority, has the expertise to carry out professional and independent assessments on the heritage value of historic buildings. The AMO is headed by its Executive Secretary (a Chief Curator) and comprises professional staff (including 36 curator grade officers). Most of them have acquired relevant post-graduate professional qualifications and training on heritage conservation from local or overseas universities. They are experts in the related fields of heritage conservation. Therefore, I must speak up for my colleagues in the AMO. If members of the Institute of Architects were claimed by the Honourable Audrey EU as experts, is it fair to say that the opinions offered by my colleagues with good qualifications and experience were not professional advice? Similarly, there are also related experts in the AAB, and one of them is also with us here. Many local architects are trained up by Prof Patrick LAU, and is he not an expert? When assessing the heritage value of Jessville in this case, the AMO considered that it has sufficient professional knowledge and expertise to conduct a comprehensive assessment of the heritage value of the Building, and there was no need to commission any external consultant or expert to undertake the task.

I noticed from the newspaper today that the Honourable Audrey EU had, in the examination of the estimates, raised questions on why many departments had engaged consultants. This also reminded us that if we could carry out our tasks with professionalism, we should not engage consultants casually.

This case is different from that of King Yin Lei. In the case of King Yin Lei, a mainland expert was appointed by the AMO not to carry out an assessment, but to mainly conduct a study on the restoration works of King Yin Lei. I would like to stress that AMO has all along been carrying out its functions with professionalism, impartiality and objectivity. In discharging its duties, the AMO will determine whether it should carry out the assessment by in-house experts and whether it would be necessary to engage outside experts to assist in performing the task, depending on the merits and complexity of each case.

As regards the view of the Honourable Audrey EU that there are inconsistencies between the two assessments prepared by the AMO on the heritage value of the Building, which was described as a "seasonal price", I would like to make the following three clarifications. First, the two reports are not exactly the same in terms of background and purpose. In the first

assessment report prepared prior to the declaration of the Building as a proposed monument, the purpose was to consider if the heritage value of the Building was high enough to justify our use or exercise of the power of the Antiquities Authority under the law to declare the Building as a proposed monument in order to save it from the then immediate threat of demolition and to allow time for a more comprehensive and in-depth assessment of its heritage value. The second report, however, focused on examining if the heritage value of the Building had reached the extremely high threshold of declaration as a monument with indisputable historical significance. Members may recall the controversy over another heritage item last year. Our stance is very clear, and we maintained throughout the process including the judicial proceedings that in order to be declared as a monument which is protected legally, a building had to meet the requirements of "extremely high threshold" and "indisputable historical significance". Furthermore, as I pointed out in my discussion on the legislative intent just now, declaration of a historic building as a proposed monument did not necessarily mean that this would be followed by its declaration as a monument, and therefore the two should be treated separately. We have more than 80 monuments now. After the enactment of the ordinance for more than 35 years, we have only over 80 monuments, more than 60 of which are buildings. It can be seen that when exercising this law, the requirements of "extremely high threshold" and "indisputable historical significance" have been applied with consistency.

Second, the depth of the information available to the AMO for the two reports differs. In conducting the first report, the AMO had to rely on the limited information in hand and view the Building from a distance as it had not been able to obtain the co-operation of the owner. It was only after the Building had been declared as a proposed monument that the AMO colleagues were able to gain access to the Building with the consent of its owner to carry out detailed inspections.

Third, there is no contradiction between the analyses and conclusions of the first and the second reports. The assessments of the heritage value of the Building in various aspects in both reports (such as its authenticity, rarity and integrity) are more or less the same. In respect of historical value, although the AMO did not repeat in the second report the historical facts stated in the first report about Mr Thomas TAM, the previous owner of the Building, the AMO had already taken into account such historical facts in analyzing Mr TAM's historical influence in the Hong Kong society, and we had not denied such facts.

When the Honourable Audrey EU quoted the second report about the description using the term "short-lived", the description was not referring to the length of public service of Mr TAM, but was referring to the continuity of historical value in society and the importance in the memory of the public after the death of Mr TAM. After all, we are dealing with a subject of heritage. As regards the architectural value of the Building, the AMO's views in the second report had included the new information which was only available from on-site inspections. As to the social value of the Building, the AMO had compared in the second report the social value of the Building with that of other historic buildings already declared as monuments. Such comparison was precisely aimed to demonstrate whether the requirements of extremely high threshold and indisputable historical significance had been reached. Owing to the urgency of the declaration of the Building as a proposed monument, such a comparison could not be made in the first report. In all, the AMO has not withdrawn its earlier comments on the historical value of the Building. Instead, it had conducted a comprehensive and in-depth assessment and considered that the Building was not up to the required high threshold that justified its declaration as a monument.

Now I would turn to the role of the AAB. Throughout the process of handling this case, we have consulted the AAB. The SHA had consulted the AAB as required by section 2A of the Antiquities and Monuments Ordinance before making the proposed monument declaration in April 2007 in his capacity as the Antiquities Authority. Moreover, even though it is not required under the Antiquities and Monuments Ordinance, we had taken the initiative to consult the AAB before I withdrew the proposed monument declaration in February this year as I believe that it is a reasonable and appropriate approach that offers greater transparency.

The AAB has given valuable views on this case. The AMO arranged a site visit to the Building for AAB members on 16 November 2007. On completion of a comprehensive assessment, the AMO submitted a paper to the AAB for discussion before its meeting on 25 January 2008. At that meeting, the AAB accorded the Building a Grade III status under its internal administrative grading system, the lowest grade under its grading system. At the meeting, AAB members unanimously supported the decision of the Antiquities Authority to withdraw the declaration of the Building as a proposed monument. The AAB has performed its duties impartially and followed established procedures in making the above decision after in-depth discussion of the heritage value of the Building.

Any Member who proposes or supports the repeal of the Withdrawal Notice fully recognizes the lack of legal effect of such action. The Honourable Audrey EU also agreed with this point. I have heard that the motion is to express dissatisfaction with the way the Government has handled the case. Here I would like to point out that, in my capacity as the Antiquities Authority, I choose to withdraw the Declaration Notice in February 2008 with a narrower political safety margin rather than sit back, do nothing and let the Declaration Notice expire automatically in a silent manner at the end of the 12-month validity period on 19 April 2008. This is to demonstrate what a responsible, open and highly transparent government should do. We have sought legal advice on this case. It supported our approach and indicated that the owner would face uncertainty as long as the Declaration Notice was in force as this would make them feel that their property might be declared as a monument. It would be unreasonable and unfair to the owner and the public if the Antiquities Authority did not take action actively to withdraw the declaration of a proposed monument after deciding not to declare that historic building as a monument. Once the Antiquities Authority had made the decision not to declare the Building as a monument, a Withdrawal Notice should be issued as soon as possible. This is in principle in line with many Members' persistent request for the timely announcement and implementation of policy decisions by the Government with reasonable and lawful steps. As such, I hope Members will appreciate and support the way the Government has handled this case.

At the meetings of the Subcommittee, some Members queried the need for the Withdrawal Notice taking immediate effect upon its publication in the Gazette. Ms EU has also mentioned this point. In fact, it is not common for the Antiquities Authority to issue a Withdrawal Notice to withdraw his previous declaration of a proposed monument. Actually, such incident had only happened once before, and we have made reference to that last case of withdrawal when handling the present case. We have made reference to the last instance in 1987 concerning a Jewish Synagogue on Robinson Road. The Antiquities Authority did issue a Withdrawal Notice following a previous Declaration Notice for the proposed monument and both Notices took immediate effect upon publication in the Gazette. Hence, the immediate commencement of the Withdrawal Notice had followed the precedent case, and was also in line with the legal advice obtained by us. Nevertheless, we are aware that some Members hold some opinions on the Withdrawal Notice for the Building taking immediate effect upon its publication in the Gazette. As there is no such immediate threat or urgency in issuing the Withdrawal Notice as in the case of

Declaration Notice, which is to protect the Building from demolition, I agree in principle that more detailed consideration should be given to the commencement date of a legal notice if we need to issue Withdrawal Notices on proposed monuments in future to allow more opportunity for participation by the Legislative Council.

As for the options of preserving the Jessville, we understand that the owner has submitted a rezoning application to the Town Planning Board. However, I must emphasize here that I had not reached any agreement with the owner of the Building of Jessville in this case, and I also had not made any promise that if the Building would not be declared as a monument, that would be premised on their consent to preserve the Building. I had not done such thing, and if I had done so it would have been an unprofessional act. Whether a building possesses historic significance or not should not depend on the negotiation between the Government and the owner. The matter should be assessed in an objective, highly transparent and professional manner. However, in this case the owner had voluntarily put forward four redevelopment options. Three of them can give consideration to both preservation and development, that is, the Building will be preserved as a clubhouse for residents with limited public access. Only one out of the four options involves the demolition of the Building for redevelopment. After the withdrawal of the proposed monument declaration, the Building is no longer protected under the Antiquities and Monuments Ordinance. The Grade III status accorded to the Building by the AAB is only administrative in nature. Therefore, we actually cannot entirely rule out the possibility of the eventual demolition of the Building. Since the heritage value of the Building *per se* is not high enough to be classified as a monument, we should not declare it as a monument "reluctantly" and make an unprofessional decision. Nevertheless, we will continue to liaise with the owner, hoping to implement an option which can give consideration to both preservation and development eventually.

Lastly, I would like to respond to the reference made by the Honourable Audrey EU to the doubt of some organizations. Perhaps this doubt might lead to the doubt in the minds of the Honourable Audrey EU as well as other Members. The doubt is whether the purpose of my decision to withdraw the proposed monument declaration is to collect land premium through the development of the site. I must say in absolutely clear terms here that this is not our factor of consideration. It is clear to see that after the Chief Executive's policy address in October last year, we may slightly reduce our development

density to foster a quality living environment. After this, we have undertaken a lot of work to revise some Outline Zoning Plans to reduce the density. We are reviewing the projects at Nam Cheong and Yuen Long Stations along the railway line, and we have taken out the Police Quarter site on Hollywood Road from the List of Sites for Sale by Application. The revenue foregone in these cases are larger than the revenue from the Jessville case by many times. It is exactly because the Chief Executive had mentioned that if we could foster a better living environment for the community, it would be worthwhile even if we have to forgo some revenue. Hence, if I had included land revenue as a factor when considering whether to declare a monument or not, I would have been politically very incorrect.

Madam President and Members, the Antiquities Authority, the AMO and the AAB have handled the case of No. 128 Pok Fu Lam Road, Hong Kong under normal and established procedures in a professional, serious and impartial manner. The decision on the withdrawal of the declaration of the Building as a proposed monument was made after detailed examination and careful consideration. This is a reasonable, rational and lawful decision. We do not consider that it has highlighted any inappropriateness in any party's handling of the case, nor do we feel that there are any loopholes in the system. I therefore hope that Members will object to the motion proposed by the Honourable Audrey EU to repeal the Withdrawal Notice on the declaration of the Building as a proposed monument. Thank you, Madam President.

MR LEE WING-TAT (in Cantonese): Madam President, this notice made by the Government is to withdraw the declaration of the buildings at 128 Pok Fu Lam Road as a proposed monument. The notice was made by the Government on 1 February 2008 with immediate effect. However, in the process of declaring the buildings at 128 Pok Fu Lam Road (the Building) as a proposed monument and subsequently making a notice to withdraw the declaration, the Government has given the public the impression that the degree of transparency is low, public participation is lacking and its conservation efforts are not active enough, so much so that no action is taken until the last minute. It is also criticized for adopting unprofessional and outdated assessment criteria. The so-called "preservation-cum-development" is very often the use of preservation as an excuse to carry out development, which will only undermine our preservation efforts at the end of the day.

The Building at 128 Pok Fu Lam Road is the residence of a retired Judge and the father-in-law of former Executive Council Member, Sir T. L. YANG, named after the wife of the former owner, Mr William Ngar Tse Thomas TAM (Mr Thomas TAM). It was built in 1931 with a history of 77 years and is currently owned by Mr William TAM, son of Mr Thomas TAM.

In September 2004, the owner of the Building submitted an application for demolition of the Building. According to the heritage assessment report submitted to the Antiquities Advisory Board (AAB) by the Antiquities and Monuments Office (AMO), this European-style Building is of Italian Renaissance architectural style with Art Deco variations. It is elaborate and distinct in design, decoration and craftsmanship. The ventilation design is a typical colonial adaptation of the European architecture. From this photograph, we can see that it is really very beautiful. If there are more of these buildings in Hong Kong, I think the environment will be more relaxing. The Building is one of the rare surviving examples of European-style mansions in the Southern District, and is well preserved. The surrounding has primarily remained untouched by development, and is embraced by tranquil and pleasant greenery. It presents a gracious cultural landscape which is extremely rare in the highly urbanized Hong Kong. It is physically close to a number of heritage buildings including the Old Dairy Farm Cowshed Compound and the University Hall of the University of Hong Kong (the HKU), which form a showcase of the history of the area.

Regarding its historical and social value, the report has pointed out that the former owner, Mr Thomas TAM, had served in the judicial sector for years and was appointed a Magistrate of the Central Magistracy in 1947. He was a representative figure of the Chinese elite class in Hong Kong in the mid-20th century. He had held many social positions, including Unofficial Member of the Legislative Council, Chairman of Po Leung Kuk Board and Member of the Court of the HKU. He had also organized the Jessie and Thomas Tam Centre and the Society for the Promotion of Hospice Care. His influence as a social leader was rooted in different spectra of the community. The Building at 128 Pok Fu Lam Road is a cultural landmark which reminds people of the role played by the TAM family as a member of the Chinese elite class in the territory. It also physically stands on a site which marks the dramatic difference in living conditions and styles between the upper class on top of the hill and the common grassroots down in the Sheung Wan area. The Building is thus an important illustration of the history of social development and urbanization of Hong Kong in the early to mid-20th century.

Therefore, in November 2004, AAB agreed to declare the Building a proposed monument so that the Government could approach the owner to devise a preservation plan for the Building. However, as the owner had not submitted the application for demolition, the Government did not declare the Building a proposed monument at that time, and the discussion of the preservation plan could not commence. The preservation work had thus been indefinitely shelved.

Only after the owner had formally applied for demolition of the Building in November 2006 and the AAB had met on 6 March 2007 and decided to maintain the decision made in 2004 did the Antiquities Authority declare the Building a proposed monument on 20 April 2007 with immediate effect in order to protect the Building from the immediate threat of demolition. It was only until then that the Government officially commenced the discussion with the owner regarding the preservation of the Building. Staff of the AMO subsequently arranged for members of the AAB to enter the Building for an on-site inspection. A further assessment report on the heritage value of the Building was also prepared for consideration by the AAB.

The report published in 2008 (2008 Report), that is, the new report has basically toned down the assessment on the heritage value of the Building made in the report released in 2004 (2004 Report) on all fronts. The 2008 Report even pointed out that the influence of Mr Thomas TAM in society was short-lived, that he was socially less active and influential given his short period of public service, and that his contribution to and prominence in society were not so significant as to have left him in the memory of the people of Hong Kong. Regarding social value, the report pointed out that the Building does not arouse the public sentiment of being part of their cultural landscape and social memory, and that the Building, being built on a raised and obscure platform above Pok Fu Lam Road, is not known to the public at large. Although the 2008 Report has not completely overturned the assessment on the Building made in the 2004 Report, the dome and the pavilion in the buildings were said to be of ordinary workmanship and their architectural merits not high. It also pointed out that the interior decoration is not of extraordinary style. Therefore, it is not up to the required threshold that justifies its declaration as a monument.

In January 2008, the AAB overruled the declaration of the Building as a monument and accorded it a Grade III status instead. It also agreed to withdraw the declaration of the Building as a proposed monument.

Comparing the assessment report released in 2008 and that in 2004, is the heritage value of the Building being overestimated by the AMO then or intentionally downplayed by the AMO at present? Is it that the AMO produced different assessment results according to the prevailing circumstances?

At the meeting of the Subcommittee of the Legislative Council, the representative of the Hong Kong Institute of Architects pointed out that the heritage assessment criteria adopted by the AMO, which is the criteria adopted by Canada in the 1970s of last century is already out-dated. At present, the international arena is adopting a set of more generalized criteria which takes into account not only the superficial values such as the craftsmanship and materials of the buildings but also their educational values which will be passed onto the future generation and the social values reflected in the architectural designs. Veteran archaeologist Mr William MEACHAM pointed out that there was a lack of openness in the assessment process of the AMO, and it is reluctant to heed the views of professional bodies and independent experts.

Apart from the problem with the assessment criteria and professionalism, this case also reflects other shortcomings in the heritage conservation work. First, transparency is lacking in the assessment process, and no public participation is involved. The heritage assessment reports prepared by the AMO in 2004 and 2008 were not made available for public inspection via the Internet. Neither historians in society nor the general public were able to access the relevant reports. The meetings held by the AAB to discuss this case in 2004 and 2008 were all closed meetings. No public hearing was held to invite views from local civic groups, such as Friends of Heritage, or historians. The public was totally unable to participate in the process.

Secondly, a comprehensive and clear conservation procedure is lacking. The Government is very passive and will not identify ways to preserve the relevant buildings until the owner has submitted an application for demolition. This was the case in 2004 and also in 2007. In this case, although the owner has indicated that he is willing to preserve the Building, what has been done is that the lot is designated for "Residential Development with Historical Building Preserved" through the planning approval mechanism. In fact, the Building is not a statutory monument. The land title of the Building belongs to the owner, who can apply for its rezoning or demolition at any time. May I ask the Secretary whether the Government will take out the 2004 Report again and claim

that the Building is valuable should the owner suddenly change his attitude and indicate to the Government again an intention to demolish this Building? Are the authorities going to change their mind for a third time and declare the Building a proposed monument again? I think this is an issue worth discussing.

In its reply to my question, the Government has indicated that it has not reached any agreement with the owner concerning the permission for development for the purpose of preserving the historical building. The Secretary has also mentioned this just now. In other words, the preservation of the Building is not on a permanent basis and is subject to change at any time.

Thirdly, according to our observation, development has still been accorded greater importance than conservation. The outcome of the Government's discussion with the owner on preserving the Building is very different from that in the case of King Yin Lei, in that the owner did not want the Building to be declared a statutory monument and so, the Government did not insist on granting it a statutory status for preservation. The Government explicitly advised that it supported the owner's development plan on the ground of heritage preservation and allowed for the construction of three residential buildings of 13-storey, 23-storey and 27-storey respectively on top of a three-storey car park and a level of podium at the adjacent lot of the Building in order to provide 102 residential units and car parking spaces. The Building will be a private clubhouse — please bear in mind that it is a private clubhouse — open to the public only one day every month with a limit of 50 visitors and only 50% of the Building will be open. May I ask the Secretary whether it is a public or a private place, considering that this heritage built is preserved by admitting only 50 visitors from members of the public, that is, 600 people per year? Is it a proper approach of preservation?

The development rights of the lot on which the Building is located is subject to the constraints under the Pok Fu Lam Moratorium. To avoid overburdening the traffic, no massive or high-density development can be carried out. The Government supports the owner's development of the lot at the maximum plot ratio of three. In fact, together with the surface area of the Building itself, the plot ratio has exceeded three. Has this gone beyond the constraints under the Pok Fu Lam Moratorium? The Building will only be open for limited entry by the public one day every month and only 50 visitors are allowed in the private clubhouse at any one time, and it is difficult for the

Government to carry out monitoring. Is it a proper preservation plan? Is the owner's full utilization of the lot for development contrary to the principle of preserving the originally tranquil and pleasant greenery surrounding the Building and the nearby heritage buildings with historical value, including the Old Dairy Farm Cowshed Compound and the University Hall of the HKU where so many graduates like us have resided in and had our meals?

Under the principle of respecting the owner's private property right, is there really no other alternative, such as land exchange and conversion of plot ratio, which can be taken into consideration by the Government? Or is the Government hoping to gain benefits through development at no cost? If the Government thinks that the Building does not deserve permanent preservation, why does it support such a development in spite of the constraints under the Pok Fu Lam Moratorium and opposition from the Southern District Council?

Last of all, I would like to express my dissatisfaction with the Government making this notice to withdraw the previous proposed monument declaration with immediate effect. As the notice has been made with immediate effect, even if a resolution to repeal the notice is passed by the Legislative Council today, the Building will not be able to resume its status as a proposed monument. The Government claims that it has made the notice on the ground of removing the uncertainty caused to the owner in the development plan, but the owner has already lodged the planning application for preserving the Building, while the withdrawal notice only came into effect on 1 February. The planning application also faces uncertainty such as opposition from the District Council or the Town Planning Board. Therefore, there is no question of "removing the uncertainty", as to speak. The Government has chosen to give the notice immediate effect instead of adopting the usual negative vetting procedure in which the notice will take effect after 28 days. This is actually meant to deprive the Legislative Council of the legal authority to repeal the withdrawal notice and circumvent the monitoring by the Legislative Council.

The Democracy Party supports the motion proposed by Ms Audrey EU to repeal the Withdrawal of Declaration of Proposed Monument Notice and urges the Government to expeditiously devise a comprehensive conservation policy, and enhance the transparency, professionalism and public participation in heritage assessment. Thank you, Madam President.

MS MIRIAM LAU (in Cantonese): Madam President, Ms Audrey EU's motion seeks to repeal the Antiquities and Monuments (Withdrawal of Declaration of Proposed Monument) (No. 128 Pok Fu Lam Road) Notice. Insofar as this motion is concerned, the Liberal Party has two major considerations as follows:

- (1) Throughout the process from the declaration of Jessville as a proposed monument to the publication of the Notice on the withdrawal of the proposed monument declaration after conducting the comprehensive assessment based on which a decision was taken not to declare Jessville as a monument, did the Government follow the statutory procedures? Was there anything wrong?
- (2) From the legal viewpoint, is there any substantive meaning in repealing this Notice?

With regard to the first consideration, the Government granted statutory protection to buildings which appear on the surface to have significant historical and architectural value by declaring them as proposed monuments in accordance with statutory procedures, and this gives no cause for criticism. The Government declared Jessville as a proposed monument on 20 April 2007 under the Antiquities and Monument Ordinance, and we do not see anything wrong with this, whether in terms of timing or procedure. Subsequently, the Government decided not to declare Jessville as a monument and withdrew the proposed monument declaration according to the comprehensive assessment conducted by the Antiquities and Monument Office (AMO) in the mansion. This is the right thing to do and the timing is also appropriate, because if the property concerned is not a monument, it only stands to reason that the proposed monument declaration should be withdrawn as soon as possible, otherwise it would be unfair to the property owner. Moreover, section 34 of the Interpretation and General Clauses Ordinance does not preclude a piece of subsidiary legislation from taking effect on the day of its publication in the Gazette. So, the Government did not do anything wrong from the legal perspective. We noticed that throughout the process from the declaration of the mansion as a proposed monument to the withdrawal of the declaration, the Government had always conducted prior consultation with the Antiquities Advisory Board and obtained its support.

We understand that some Members have doubts about whether the AMO has conducted the assessment on the principle of independence and impartiality. Under the structure of the Government, the AMO is a specialist department.

The Government has highlighted the professionalism, impartiality and objectivity of the AMO in performing its functions relating to the research, identification, examination and preservation of historical buildings and archaeological sites in Hong Kong. Our criticisms of the experts and queries about their professionalism, impartiality and objectivity are very serious accusations. We should not draw any conclusion solely from our queries about just one side of the issue. Some people have queries about the AMO, but up to this moment, we actually have no evidence to show that this assessment by the AMO is wrong. Nor do we seem to hear anyone strongly demanding the declaration of Jessville as a monument. What is more, no one has produced evidence to prove that Jessville is qualified for declaration as a monument. So, we think that the queries about the AMO, which may not have a strong basis, should not be used as the reason for not withdrawing the proposed monument declaration.

Of course, anyone who considers the Government's decision to withdraw the proposed monument declaration wrong has the right to further follow up the matter in accordance with the established procedures, such as seeking judicial review. This motion of repealing the Notice today is not of any help to this course of follow-up action.

Some Members think that the Government should appoint external experts to conduct the assessment. The Government advised that external experts would be engaged under certain special circumstances but, generally speaking, the internal experts of the AMO already had sufficient expertise and skills in this area. Obviously, the AMO would have no role to play and its existence might become unnecessary if all the assessments are conducted by external experts. Nevertheless, we have never discussed the question of whether to maintain or abolish the AMO and we do not have sufficient information for conducting such discussion. I only wish to point out that the Government has indeed appointed too many external expert consultants to assist the Government in performing its functions in respect of many government policies and operations. We have made a lot of criticisms in this respect before. The Government would often say that there are not enough talents and so, it is necessary to engage external experts in order to do a good job. The AMO is notably one of the few specialist departments in the Government. Therefore, we should not say lightly that they should not be given this task and that external experts should be engaged instead.

As for the second consideration, that is, whether there is any substantive meaning in repealing this Notice from a legal viewpoint, the answer is no. The

advice given to us by the Legal Adviser is very clear. Even if the resolution of repealing the Withdrawal Notice is passed today, such repeal will not restore the Declaration Notice which is no longer in force or does not exist because the Withdrawal Notice already took effect on the day of its gazettal on 1 February. So, the Declaration Notice has actually vanished. Even if the resolution of repealing the Withdrawal Notice is passed today, it can neither restore the Declaration Notice nor reinstate the former status of No. 128 Pok Fu Lam Road as a proposed monument. Therefore, today's resolution is meaningless in law.

Based on the above considerations, the Liberal Party cannot support Ms Audrey EU's resolution. I noticed that some Members of the Subcommittee hope to reflect through this motion their dissatisfaction with the way in which the Government has handled this issue. We consider that colleagues who are dissatisfied with the Government should raise the issue for discussion in the relevant panel or propose a formal Members' motion for debate in this Council.

Madam President, I so submit.

MISS CHOY SO-YUK (in Cantonese): President, in her response earlier the Secretary gave an account of the efforts made by the Government in respect of heritage conservation over the past year. President, with regard to what the Secretary has done over this period of time, I have on many occasions given full recognition to her endeavours. We have seen that the Secretary has made many achievements in a short space of time. For instance, the efforts that she made in the case of King Yin Lei and to revitalize seven monuments, taking out the sites of Nga Tsin Wai Village and Police Quarter on Hollywood Road, and also the preservation of Tai Yuen Street and Cross Street. I consider the Government's sincerity in making every effort to preserve heritage and monuments unquestionable, and I have no objection to the Secretary's explanation earlier about whether the temporary notice on Jessville at No. 128 Pok Fu Lam Road was withdrawn lawfully and in line with the general procedures. However, it does not mean that I would feel less disappointed with the decision to accord Jessville a Grade III status.

President, I have two major disappointments insofar as this case is concerned, one being subjective and the other objective. Subjective means that it is out of my own personal feeling. I have no misgivings about the

competence of the Antiquities and Monuments Office (AMO) or whether their judgment is right or wrong. But insofar as this Building of Jessville is concerned, I am personally more inclined to agreeing with the first assessment made by the Government and that is, the Government had initially described the Building as an epitome of the Classical Revival residence of Italian Renaissance style with interesting Art Deco variations as well as being elaborate and distinct in design, decoration and craftsmanship. This is what I think about the Building personally.

Moreover, with regard to Mr Thomas TAM, certainly there are a lot of different views on him but I think disregarding whether his significance in relation to the Building is valued as in the Government's original assessment or is more like that as described in the recent assessment, it is most important that such a mansion is now a rarity. I think where there is no other alternative it should be preserved by all means. This is my very subjective view.

From the different views expressed in the community on this Building, we can see that improvement is warranted in many areas in respect of legislation and the work to conserve monuments and heritage at large. Obviously, insofar as this case is concerned, it may already be too late for improvement to be made. For example, the threshold may be too high, that is, the threshold for a building to be declared as a monument is high. Another example is that the scope of consideration is too narrow, as some colleagues pointed out earlier that consideration was far from comprehensive. With regard to the work of the AMO, such as whether full public consultation has been conducted, whether meetings should be held openly, and so on, I think review and improvement are warranted. As a result of these inadequacies, this Building, which I very much wish to preserve, is accorded a Grade III status only. I personally feel utterly disappointed that the Building was accorded a Grade III status in the absence of consultation with the community or more initiatives to conduct public consultation in a transparent manner.

My second appointment is that while the Secretary had earlier on mentioned the procedures — I admit that the procedures are correct and I have not said that this case was not handled in line with the procedures — I maintain that more can be done, such as commissioning an independent third party to conduct an assessment as mentioned earlier. The Secretary also mentioned King Yin Lei, explaining that the Government appointed an expert only to advise

on the feasibility of restoration works, but I remember that when the Secretary briefed the relevant Panel in the Legislative Council, she strongly stressed that the expert also held the view that King Yin Lei had conservation value and hence warranted restoration. But in this case, assessment by experts (or an independent third party) is considered unnecessary. While we admit that there are many experts and academics in the AMO, there are views in various sectors of the community that insofar as assessment of these buildings is concerned, no person can truly be a "know-all" as some experts may be more familiar with monuments in this period of time while some other experts are more familiar with other monuments. It is impossible that all experts are very professional in each and every aspect. Therefore, when necessary, especially when buildings or monuments of greater concern to the public are involved, I think it is necessary to obtain a second opinion — sorry, President, I mean an independent opinion. If such an opinion is not sought, I would consider it inadequate.

Furthermore, with regard to the way this case was handled, I think the Government is like playing a game of "Show Hand" with the owners. We can see that in the beginning, that is, in 2004, it seemed that the owner was going to demolish the Building, and in order to pre-empt its demolition, the Government filed an application with the Antiquities Advisory Board (AAB) to declare the Building as a proposed monument and the proposal was endorsed by the AAB at the time. But the Government subsequently found that the owners had not taken any step to demolish the Building or made any application for its demolition and so, it did not take any action in respect of this proposed monument. That is to say, the Government had shelved the case and taken no action since 2004. It was only until 2006 when the owner was really geared up to demolish the Building that the Government again filed an application. It means that only when the owner actually filed an application in 2007 to demolish the Building in March did the Government declare the Building as a proposed monument in April 2007. The Government's reaction was passive in the entire incident: When the owner was going to demolish the Building, the authorities sought to deter it, and once the owner withdrew the demolition plan, the Government stopped all actions; but when the owner was really going to demolish it, the authorities then filed an application for declaring the Building as a proposed monument. The Government is like playing a game of "Show Hand", rather than handling the case seriously. Had the Government been serious, it should have started to conduct an assessment of the Building seriously when the Building was declared as a proposed monument in 2004 in response to the owner's plan to demolish the Building, rather than dragging its feet all the way.

So, I think objectively speaking, the way that the case was handled is very unsatisfactory indeed. On the point concerning the withdrawal of the proposed monument declaration taking immediate effect on 1 February, the Secretary explained earlier that there was a precedent, but in that precedent case, the Government was to declare the relevant building as a monument, and insofar as this proposed monument is concerned, the withdrawal of the declaration certainly must take immediate effect because after the declaration was withdrawn, the authorities could immediately declare it as a monument in order not to create a legal vacuum for owners to carry out demolition. I think if the authorities publish the notice on 1 February and the notice will take effect, say, only after it is endorsed by this Council today, actually there would not be a big difference and so, it is not a must for the notice to take immediate effect on 1 February upon its publication.

However, as the Secretary pointed out earlier, if a similar case recurs in future, the Government will take into account Members' view that such notices should not take immediate effect upon its publication. This, I would accept.

Turning back to this motion of Ms Audrey EU, colleagues have pointed out that it does not have any substantive meaning. With regard to the work of the Government, we are not happy with it and we consider that some of the practices do leave a lot to be desired, but the Government has generally worked in accordance with the established procedures. Coupled with the Secretary's undertaking of not adopting the same practice in future as that in this case where the notice took immediate effect on 1 February upon its publication on 1 February, the Democratic Alliance for the Betterment and Progress of Hong Kong will vote against this motion proposed by Ms Audrey EU.

President, I so submit.

DR RAYMOND HO (in Cantonese): I have seen that the Government has made great improvement to its heritage conservation policy in recent years, especially since the Secretary took up office. I can see that the Secretary, who is concurrently the Antiquities Authority, has enforced the whole policy very seriously.

Let us look at the case of Jessville. The time taken did not seem to be very long. Judging from the entire process, the Government had followed all

the statutory procedures as required. Some colleagues have mentioned this point earlier on, and I think that the handling method should be correct. In order to defer the demolition of the mansion as it was considered at the time that its immediate demolition or otherwise would warrant consideration, the Government declared the Building as a proposed monument, thus enabling the Antiquities and Monuments Office to study the value of the Building in detail and the Antiquities Advisory Board (AAB) to conduct an assessment. The assessment concluded that the Building would be accorded a Grade III status. Members seem to think that the AAB is not independent enough, or its assessment is unfair, or it does not show a standard of expertise as expected.

Apart from taking a most subjective attitude on heritage conservation, Members have construed the case as some sort of the so-called conspiracy theory. I think the Government has already conducted the assessment very pragmatically in accordance with the requisite procedures and statutory regulations. But now, the Government is queried as to whether an agreement was concluded probably because of the regrant premium consideration, or as a result of direct communication with the owner, and so on. I think this is sheer conspiracy theory which is groundless. If we do not trust the Government on all issues, I think this would not be fair to it at all. Sometimes I also oppose the Government. For example, I strongly opposed the enactment of legislation on the pay cut by the Government, and I also voted against the Budget, but I do not always take an opposition stance on each and every issue. I think this is not at all fair to the Government.

Regarding experts in the Government, I must say that the Government does have experts in many fields, and it is not true that there is no expert in the Government. Let me first cite an example with which I am familiar. On the geotechnical front, for instance, the Geotechnical Engineering Office has more experts than many places. Many experts are basically recruited from overseas, in order to train up better experts. For another example, in the Water Supplies Department there are also more experts than many places. When overseas experts come to Hong Kong to give opinions, we would find that they compare less favourably than our experts in the Government.

Prof Patrick LAU, an independent Member of this Council, is an expert whom I respect and a mentor of experts. In the AAB, he, like other members, supported the Government's decision to accord the mansion a Grade III status.

I believe that sometimes Prof Patrick LAU does not see eye to eye with the Government, and very often, he may not necessarily support the Government. Given his expert status and level of expertise, I believe we can hardly query Prof Patrick LAU, an expert who has trained many experts over the past decades. Some people said that he might not be the most independent or fairest member of the AAB, or other experts should be consulted instead. Assessing a building to ascertain whether it is an antiquity and monument or which grade of status should be accorded to it is like assessing traffic as everyone can be an expert. Insofar as traffic is concerned, taxi drivers have more reasons to be considered as experts. But is that really so? It is not that simple. Everybody claims to be an expert. I think the definition of expert is too general and impractical. We cannot say that everything is too shallow or too superficial, but I think insofar as the Government, especially the experts in the Government are concerned, it is not at all fair to say that they are not up to the standard required of experts.

To say that the Government is just making an expedient decision in so doing, I think it is not a very fair comment to make. This may induce the Government to work in a good direction in the future, but it may also cause it to work in a bad direction. I dare not take such a view. I am also an independent Member, and my views are independent. I am not an expert, but I can see that Members' definition of expert seems to be rather superficial and shallow.

I am just expressing my personal opinions here. I oppose Ms Audrey EU's motion.

Thank you, President.

MR ABRAHAM SHEK: Madam President, I just want to say that what Raymond said is true. He might not be an expert in conservation, but he is an expert in everything, because he speaks on every subject.

Madam President, I am not an expert in preservation or conservation, but I must confess that I have destroyed many buildings of heritage importance. That is a confession. But similarly, I have also been a custodian and a protector of heritage buildings. In the days when I was the Chief Executive of the LDC, my first job was to conserve the Western Market. It still stands, or else, without the work which we have done, that building would have disappeared. So, I think it is very important that conservation job must continue and must always

take a very important stage to ensure that our future generation knows that whatever building history tradition values we now enjoy, they can also enjoy.

Madam President, without doubt, our heritage and monuments should be conserved as I said earlier. This is what we have been devoted to promoting in recent years, particularly after the Queen's Pier incident. And I am very happy that Carrie has taken on a task which she has really put a lot of time into in order to ensure that conservation is being done and will be carried on. This is what we have been trying to tell the Government — it must have a conservation policy. Without a conservation policy, no conservation work can be done.

To conserve heritage other than monument buildings, the co-operation and support of owners is of vital importance. The King Yin Lei issue is a case in point: its interior decor and internal structure were dismantled because such support was missing at first. By the time the Administration realized what had been happening, the damage was already done. In contrast, the case of Jessville is different in that the Administration had approached the owner and granted the site the status of Proposed Monument at an incipient stage. I believe this was a strategic move of the Government to protect a possible monument from any impairment, rather than a conclusive and final decision. This helped the Administration gain time for a holistic assessment and review of the site. In fact, the Administration has had frequent discussions with the owner of Jessville since then. The owner has agreed to preserve the buildings of Jessville, with the Administration's support if necessary. This demonstrates that another sort of co-operation among stakeholders can be established in conservation work.

Unfortunately, what makes the situation complicated is that there is no binding agreement between the owner of Jessville and the Government, which implies that the possibility that the main buildings of Jessville may be demolished some time in the future cannot be ruled out. But there is something called trust, and there is something called preservation which they would like to do on their own.

This situation actually places the Administration in an ambivalent position: Should we preserve every historical building by calling on the Government to intervene? How can we resolve the conflicts between preservation and development, particularly concerning historical sites of less significance? The Administration should think carefully about these issues.

Madam President, members of the Subcommittee have made the valid point that it arouses suspicion for the Administration to first declare a stance but

then withdraw it. However, I believe it would be unfair to accuse the Administration of having some ulterior motives behind the turnaround. In fact, the Administration has provided information to explain its decision, including details given by the owner of the site, as well as the arguments made by the AMO. The AAB has also shown its unanimous support of the withdrawal decision. I believe the latest decision made by the Administration, supported by the AAB, is much more convincing than the one made last year, which was rather rushed and rash.

Although it would be unfair to challenge the well intentionedness of the Administration's motive, there has been growing unease about the lack of transparency in the operation of the AMO and the AAB. If these suspicions continue to grow, the credibility of the AMO and the AAB will definitely be impaired, and ultimately, we risk jeopardizing the work on heritage and monument conservation. They are a team of experts, and they are Hong Kong experts on Hong Kong buildings. This is the last thing we would want to see it happen.

To maintain the legitimacy and credibility of the AMO and the AAB, the Administration must regularly review the assessment mechanism, and mark a clear delineation of the roles and duties of each of the two bodies, as well as set up clear procedural guidelines to ensure consistency in the Administration's decision making. I also sincerely hope that the Administration will continue to co-operate with the public in implementing conservation work in future. After all, only by our combined efforts will we be able to effectively get this job done.

Madam President, with these words, I so submit.

MR ALAN LEONG (in Cantonese): Originally, I have prepared a script for this debate. However, I think if I just read out my script, the Secretary may be very disappointed. In fact, the Secretary is one of the few officials who have followed the new arrangement of this Council. When she spoke for the first time, she gave a full and detailed account of all her justifications, arguments, logic and thinking. President, in fact I encourage the other officials to follow the Secretary's example because it will make the debates of this Council more meaningful. At least, Members can respond to the speech delivered by the Secretary as a politically accountable official, and hopefully things will be made clearer in the process.

President, during the Secretary's speech, which lasted for more than 21 minutes, I could clearly sense that she was trying to give vent to her grievances and distress in her well-phrased and articulated speech. As a senior official, she has dealt with this issue in total compliance with existing legislation and procedure, all the more so in dealing with the three protagonists, namely the Antiquities and Monuments Office (AMO), the Antiquities Advisory Board (AAB) and the Antiquities Authority. She has done more than she is required to. However, all she got in return are criticisms and allegations of conspiracy theories, such as whether she has made a deal under the table with the real estate developers, whether she has adopted an administrative means to achieve a political end and so on. I certainly understand why the Secretary feels aggrieved and displeased. However, President, can the Secretary consider whether she should step back and look at it from a broader perspective? She should think about why, after she has acted in total compliance with the established practice and even done more than she is required to — as the Secretary has just said, she could have waited until 19th April when the declaration of the proposed monument, which would have been made for a year, expires — she has to take this relatively high political risk and adopt what she has referred to just now as an approach with a "narrower safety margin" to actively revoke the grading? We can really sense her grievances and bitterness.

As a politically accountable official, the Secretary has in fact been given recognition by this Council — not just by the Civic Party and me — but also by other Members during discussions at meetings of various Panels and this Council, for her efforts made since she has taken up her office. Can the Secretary set herself free from the bureaucratic way of thinking which she has adopted for decades as an Administration Officer, by stop considering her job as a mission without a vision? I would always put it very simply as this: "To our administrators, everything is a mission without a vision". I really hope that the Secretary can try to take it not as a mission but a way to establish a long-term vision and a sustainable policy for the conservation of antiquities and monuments for Hong Kong, and define her role and adjust her orientation. In this way, I believe her efforts will be more highly recognized and she can definitely achieve more for Hong Kong people than what she can achieve by just taking her job as a mission.

President, just now I have asked whether the Secretary can step back and think about it. What is there to think about? She should think about why she

has attracted these criticisms after having made so much effort with a clear conscience and in compliance with all rules and regulations, and why the relevant Subcommittee has opposed this notice? President, is it that this mechanism represented by the AMO, the AAB and the Antiquities Authority is already out-dated and unconvincing? Is it that the lack of channels for public participation has led to public discontent? If the Secretary, after stepping back and giving it some thoughts, agrees that this thinking is reasonable and substantiated, should she think of how some changes can be made to the policy in order to meet the needs of the times? President, I am sure everyone has heard of this saying: "justice must be seen to be done". It is not sufficient to perform the tasks. She has to make people feel without doubt that she is really performing them. Although the outcome may not be pleasing to all the people, everyone will still be totally convinced. This is what we should be striving for in this harmonious society of Hong Kong.

I do not wish to digress from the subject and let me come back to the conservation of antiquities and monuments. President, in the speech delivered by the Secretary, a considerable part (the initial 10 minutes) was devoted to the explanation of the role of the grading of proposed monuments. I will try to step back and think from a broader perspective. In fact, is the existence of such procedure for declaring proposed monuments an indication that the Government is in a passive position? I hope the Secretary can consider it from this perspective. That is, it takes no action if the enemy does not make any move, and take actions only when the enemy makes a move. Is this the case? The Government declared King Yin Lei a proposed monument when it found that it was about to be demolished; when there was rumour about possible demolition of the Building of Jessville, the Government conducted an assessment of it. President, I think this practice reflects that our mechanism fails to measure up to the situation.

If we have a regime like the English Heritage in the United Kingdom or their privately-funded National Trust our Panel on Development has recently visited Prague and were received by Members of the Parliament of the Czech Republic. They have explained to us that although buildings of the 9th century can still be found in Prague, they are also faced with the same problem as we are facing in Hong Kong today, that is, whether they should go for development or heritage preservation. How should they decide on their position and maintain a good grasp of it? How can the public be convinced?

Of course, the most significant difference between the Czech Republic and us is that their government is returned by "one person, one vote". In fact, they have in place a mechanism. According to the explanation provided to us by Members of the Parliament with the help of a Mandarin interpreter — I hope the exact meaning has not been lost — they have introduced legislation to provide for the way in which the public can participate in making decisions on which and how monuments should be preserved and how much investment should be made on conservation. President, this is a very practical issue. It is not enough to just advocate conservation because a social cost is involved. We have to decide what to preserve, how to preserve and how much investment should be made. Of course, the Secretary may say, "Mr LEONG, the situation is not like this." She may tell me that in fact they have done their utmost to perform their duties, and they have made all necessary assessments and strike a balance under their system. She may even say that their assessment is definitely more professional, more coherent and less driven by self-interests than those conducted externally. However, the question is that this is not the crux of the matter. President, the crux of the matter is whether members of the public feel that they have a part to play in it. As a Member of the Parliament of the Czech Republic has explained to us, people will not welcome every single decision made by them, and even two Members at the same discussion table may argue with each other. But he said that this is not important because at least there is a system, a system that is objective, precise, transparent and known to everyone. In that case, whenever they have to make an assessment or a decision, they will do so under this mechanism. Afterwards, some people may be happy with the result while the others may not, but it does not matter. If people do not get what they want, they can try again the next time because a system is in place.

In fact, with the energy, perspective and vision that the Secretary has displayed over the past year or so since she took up her office, she should definitely be able to get rid of the bureaucratic mindset of civil servants and Administrative Officers, of ruling Hong Kong based on precedents instead of actual circumstances. If this mindset is adopted in the conservation of historical heritage, the Secretary should in fact consider something similar to the English Heritage or the National Trust of the United Kingdom that I have briefly mentioned just now, or follow the example of Prague to legislate to provide for a system under which the public can participate in deciding how preservation work should be done; or learn from the comprehensive preservation policy adopted in New York, whereby the government will use some land in the proximity to exchange for the monument with the owner.

President, the incident of King Yin Lei is actually a good opportunity for establishing a system. On another occasion in this Council a few days ago, that is, at the special meeting of the Finance Committee, the Secretary said that I had always criticized her for "tackling the problem only when it pops up" and adopting a "quick-fix" approach, and she said that it was in fact not the case. She claimed that she has already formed a comprehensive view on heritage preservation. Therefore, what she is doing now would not hinder or get in the way of something similar to the National Trust in the United Kingdom which would possibly exist in Hong Kong in the future. I find this remark too indirect, and a bit remote as well. I hope the Secretary can really make a commitment and draw up a set of objective, precise and convincing policy on heritage conservation which allows public participation in the near future, and of course, the sooner the better. This is all we ask for. Thank you, President.

DR YEUNG SUM (in Cantonese): Madam President, I have not joined the Subcommittee chaired by Ms Audrey EU, but I have all along been concerned about this issue.

In fact, when I was studying at the University of Hong Kong (the HKU) back in the 1970s, there was a professor living in the hostel near the campus. When we visited him, we had the chance to see this mansion shown in the photographs in my hand now. I really like this mansion. The first report pointed out that it is of Renaissance architectural style. After visiting Europe, I found that it was really the case. I must ask Honourable Members in this Chamber whether it is a great loss to history and heritage if these buildings cease to exist in Hong Kong? Therefore, when the first report was released and the value of this Building was acknowledged, I was very glad because it has acknowledged the architectural and historical value of this Building. It also described Mr William Ngar Tse Thomas TAM as a member of the elite class in society in the mid-20th century with long years of social service and a memorable figure. I was really overjoyed at that time. The Government made declarations in 2004 and 2007. Although Miss CHOY So-yuk made a lot of criticism, she still expressed support for the Government in the end. However, I hope the Secretary can pay attention to one point mentioned by her. She questioned whether the Government has been playing a game of "show hand" with the owner or the real estate developers. When the Building was going to be demolished in 2004, the Government declared it a proposed monument; when

it was about to be demolished in 2007, the Government declared it a monument; if it is not to be demolished, the Government will not declare it a monument.

In fact, what the public dislikes most is this handling approach of the Government. Procedurally, the Government is perfectly right. I have listened very carefully to the comments made by Ms Miriam LAU. Procedurally and from a legal perspective, or according to what the Secretary has said, I accept that the approach adopted by the Secretary in handling this matter is correct.

I have known the Secretary for quite some time. We had worked together in the Legislative Council before she took up her office as the Secretary. I do not believe that she has planned any conspiracy, still less making any deal with real estate developers. I entirely do not believe it at all. Judging from the way the Secretary handled the cases of King Yin Lei and the Hollywood Road Police Quarters, I actually agree with the approach she has adopted. Of course, regarding the construction of additional bamboo scaffolding at the Central and Western Police Station Compound, it is better if the Secretary does not implement it. Therefore, I think the Secretary has all along been handling these cases very well. However, as Members such as Mr LEE Wing-tat and Miss CHOY So-yuk have mentioned earlier, the Government has declared it a proposed monument twice, but all of a sudden advised that it was not a historical monument and accorded it a Grade III status on the ground that after visiting the Building, it was found that there was nothing extraordinary about the interior decoration.

The key purpose of my speech is to ask the Secretary to try her best to preserve the Building by all means. However, when the Antiquities Advisory Board (AAB) and the Antiquities and Monuments Office (AMO) have advised that the Building is a Grade III monument, what can the Government do? There is no ground to override the opinions reached from within the Government. In that case, a third-party expert may have to be engaged to reassess the Building, and to reassess not only the Building itself but also the prevailing social environment and social history in order to ascertain the heritage value of this type of buildings. I very much hope that the Government can preserve this type of buildings, but I am just a nobody. If government bodies consider that the Building is not a monument, will a third-party expert be allowed to conduct a reassessment after listening to the views from various parties, that is, both supporting and opposing views? Hong Kong is a capitalist society where private properties are considered very important. We certainly cannot deprive

the others of the right to their buildings on the ground of monument preservation. However, can the Government adopt the approach in handling King Yin Lei or even Kom Tong Hall? The first time I took part in heritage conservation was my involvement in the case of Kom Tong Hall. Even up till now, I have to commend the Government for expending a large sum of money to acquire the mansion as the venue for the Dr Sun Yat-sen Museum. This is indeed commendable.

Therefore, I do recognize the continuous efforts made by the Government. However, in this case, the Government has been indecisive and wavering in its policies, thus leaving a really bad impression on the public. The main purpose of my speech is to ask whether we can, starting from the preservation of this Building, engage third-party experts to make another judgment.

In order to protect the right to private property, the Government has in fact adopted various methods in handling the case of King Yin Lei, whether it be land exchange, conversion of plot ratio or even making financial commitments and like the case of Kom Tong Hall, there must be a way. Besides, I do not believe that the Secretary has made any secret deal with anyone. I do not believe this. However, I hope that there are really ways to preserve the Building, so as to open another new page for our historical heritage following the preservation of the Hollywood Road Police Quarters and King Yin Lei by the Government. Thank you, Madam President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Development to speak again.

SECRETARY FOR DEVELOPMENT (in Cantonese): Madam President, first of all, I would like to thank Members for their views in the debate. In particular, I am most delighted to note that some Members recognized that colleagues of the Antiquities and Monuments Office (AMO) had carried out professional and independent assessment work. With the support of the AMO

for carrying out its work in a professional and independent manner, I am able to fulfil my role as the Antiquities Authority and implement the Government's heritage conservation policy thoroughly.

First of all, regarding the comment of the Honourable Alan LEONG that I was aggrieved and upset during my speech, I would like to clarify that it was totally not the feeling at my heart. Perhaps, my speech might be a bit long and hence the Honourable Alan LEONG would have such a perception. In fact, no matter being a civil servant in the Administrative Service before, or a politically accountable officer since July last year, I have never considered that the interchange, communication and debate with Members at the Legislative Council would be an unpleasant job. Actually, as the Honourable Alan LEONG had said, things are made clearer after debates. I will continue to adopt a humble working attitude to work together with Members in the coming four years.

In response to Members' comments, I would like to make some clarifications, especially in response to the comments raised by the Honourable LEE Wing-tat. Unfortunately, he is not in the Chamber at this moment. The Honourable LEE Wing-tat questioned why the Government supported the "preservation-cum-development" options put forward by the owner of the Building. He seemed to doubt whether we were too generous to the owner and whether the public's right to enjoyment proposed by the owner was too low, such that the Government had sacrificed conservation for development. I do not agree with these views. The site of the Building indeed has redevelopment potential. The lot lies within "Residential (Group C)" zone in the approved Pok Fu Lam Outline Zoning Plan, and a maximum plot ratio of 3 would be permitted. With a plot ratio of only about 0.2, the permissible development density of the building has not yet been fully utilized from any development point of view. Nonetheless, there may be plenty of reasons why the Building has been left vacant since 1970s and has not undergone any redevelopment till now, and I am not in a position to make a guess. One of the factors can be the fact that the development of the site is restricted by the Pok Fu Lam Moratorium, as mentioned by the Honourable LEE Wing-tat just now. However, the owner is still free to explore with relevant government departments at any time redevelopment of the site through land lease modification, with a view to capitalizing on the maximum redevelopment potential of the site. In the course of conservation, we must at the same time respect the private property right of the owners.

However, one of the points raised by the Honourable LEE Wing-tat was wrong. He said that we had supported the development density proposed in the rezoning application put forward by the owner of the Building to the Town Planning Board (TPB), which suggested increasing the development density to the maximum plot ratio of about 3. The development proposals are put forward at the owner's initiative, which is not an agreement of the Development Bureau with them. In fact, we have not and we may not support such development density of plot ratio of 3. Unlike the case of King Yin Lei, as I explained in my earlier speech, we had not reached any agreement with the owner on the option of preservation and development. I withdrew the declaration of proposed monument based on the AMO's professional report, and there is no connection with the intention of the owner. What happened next was the submission of several development proposals by the owner to the TPB. Similar to all other planning applications, the TPB will decide on the rezoning application from the owner of Jessville based on all relevant planning considerations, including comments of relevant bureaux and departments, views from district (as the Southern District Council had given its views on the case as understood by the Honourable Lee Wing-tat) as well as the merits of the case. The TPB is an independent statutory body. From my position as the Policy Bureau for heritage conservation, I would like to make a few points. First, among the various options proposed, we support an option which can achieve "preservation-cum-development" and we hope that both areas can be given equal emphasis. Second, we do not support the option of demolition of Jessville. Of the four options, one option is to demolish the building and we do not support this option. We support limited opening of the building to the public. We do not support to enlarge this lot extensively such as the option involving encroachment of the lot at No. 128 Pok Fu Lam Road upon the adjacent Green Belt. Among these four options, it is obvious that there is one option which does not involve any enlargement of the lot and can still meet the balance of preservation and development. As I just mentioned, we should give consideration to the fact that the development density of this lot is only a plot ratio of 0.2.

Going forward, we will certainly express our views to the TPB from our heritage conservation perspective. But the TPB would not purely focus on heritage conservation aspect. It is because implementation of heritage conservation cannot overrule all other aspects, such as traffic considerations. The question of the Pok Fu Lam Moratorium is precisely on whether extra traffic

loading can be borne by the district, and the TPB will finally make an independent decision having regard to the equal emphasis on and balanced consideration of heritage conservation policy support as well as traffic factors. This decision cannot be influenced by myself in the capacity of the Secretary for Development.

The building was only accorded a Grade III status. Our guiding principle is to preserve as far as possible. However, I must convey to Members that since it is not a monument, it will not be under statutory protection and we cannot enforce any preservation for it. However, under a new opportunity, the opportunity offered by the new heritage conservation policy, I am allowed to have a certain flexibility to discuss with the owner on economic incentives. Such economic incentive includes facilitation to promote its conservation and development. The may not necessarily be transfer of plot ratio or exchange by cash. I believe that Members who have experience on development understand that facilitation can be more important than cash or extra plot ratio. Recently, there are many examples demonstrating that if we can protect some old buildings, we do not necessarily declare them as monuments. Under the heritage conservation policy, with the support from various stakeholders including the Legislative Council, a preservation cum development option with emphasis on preservation was achieved for the Old Wan Chai Market (which was accorded Grade III status) even though contract has already been signed for the developer to demolish the building and redevelop the site. Over 60% of Wan Chai Market will be preserved, even though it is only a Grade III building. A step further is those pre-war Cantonese verandah-type shophouses mentioned in the Chief Executive's policy address, many of them have not yet been graded. You may have recently heard that the Urban Renewal Authority will adopt preservation schemes to preserve them. Therefore, it is not necessary to invite experts to upgrade the status of the buildings or declare them as monuments for us to preserve them as suggested by Dr the Honourable YEUNG Sum. It is because we have a boarder view on heritage conservation nowadays.

Making a further step, as the Honourable LEE Wing-tat has raised just now, if the owner aims to demolish the Building again, say if the owner submits an application for demolition to the Buildings Department tomorrow, will I reinitiate the power of proposed monument under the Antiquities and Monuments Ordinance? My answer is no. The reason for a "no" answer is that we have now completed a comprehensive assessment, and considered that the Building

has not reached the high threshold and indisputable historical significance required for monuments. If a law can be played around by an official like this to stop someone from carrying out some lawful acts, I think it would not be accepted by the Council and the community at large. This would also be contrary to the three major principles mentioned in the land policy recently — certainty, stability and uniformity.

As regards the many other comments raised by Members during this debate, I have in fact noticed that the speech by the Honourable Alan LEONG was no longer relating to this particular case, and he had mentioned many other comments on how to improve and strengthen our heritage conservation policy. I totally agree with this direction and I welcome more opportunities to exchange views with Members in this aspect in future. In particular, regarding the change in the system, the Honourable Alan LEONG had mentioned the term which we have often used internally — our current strategy is that "no action if our enemy does not make any move". We have in fact systematized the spirit of "no action if our enemy does not make any move", and have instructed the Buildings Department to inform us once it receives any application for demolition, so that we can see what actions we can take. This may not be a very ideal way, but in the light of the many tasks under heritage conservation we are working on, we hope that Members could give us some more time, and we will try our best to consider how to improve this system. As regards the proposal of Honourable Alan LEONG to set up an independent trust fund for heritage conservation, our stance is in fact very clear and direct. As agreed by the Chief Executive in Council, we have in principle accepted that the direction of heritage conservation in Hong Kong is towards the form of a trust fund. In terms of timing, as set out in our submission to the Legislative Council, it would not take place until several years from now as there are really many tasks in front of us, and this proposal would not be possible unless there is a strong and visionary government. Hence time would be required for us to complete the current tasks in the coming years first. However, when we implement these current tasks, we would not go the wrong way and would not introduce problems for the setting up of this trust fund in future. This is the point that I have clarified to the Honourable Alan LEONG at the Special Finance Committee meeting the other day.

Madam President, Members of the Council, I hope that I have fully addressed your concerns over this case (No. 128 Pok Fu Lam Road) after all the

debates we have. Particularly, I would like to point out that to repeal a Legal Notice that enjoys the status as a subsidiary legislation is a serious and important matter, and I firmly believe that Members here would give careful deliberation before making a decision.

Thank you Madam President.

PRESIDENT (in Cantonese): I now call upon Ms Audrey EU to reply.

MS AUDREY EU (in Cantonese): President, the justifications provided by the Secretary and some Honourable colleagues who oppose the motion, though being repeatedly raised, only came down to a few points. I would like to respond to them one by one.

First, the Secretary said that the purpose of declaring a building a proposed monument is different from that of making the final decision of declaring it a monument on a permanent basis, and therefore the comments are bound to be inconsistent. President, this is not an acceptable or convincing explanation. The purpose of declaring a building as either a proposed monument or a monument should be the same, both depending on the assessment of whether various aspects of the building, such as the architectural design, historical value, the surrounding environment and its rarity, meet the criteria of a monument.

Therefore, their purposes cannot be regarded as different. It can only be said that there is some difference between them. The first difference is of course the difference in timing, as in one of the cases, the declaration has to be made quickly and in the other case, the declaration will be permanent once it is made. However, as far as Jessville is concerned, that is, in the case of 128 Pok Fu Lam Road, in fact, this time difference is not convincing either. It is because when the history of this incident was discussed, it was clear to all Honourable Members that when the owner was prepared to submit the application for demolition of the Building in 2004, what the authorities did, we can sum up from the Secretary's speech just now, was to "take no action if the enemy does not make any move", and as soon as they heard that the owner would make a move, documents were hurriedly prepared. But when the documents were ready, they were left in abeyance. When the owner indicated that he would not demolish the Building, the authorities did not take any follow-up

actions. Until 2006 or 2007 when the owner advised that he would demolish the Building, the authorities raked up the past and declared it a proposed monument. Therefore, President, as far as the Building at 128 Pok Fu Lam Road is concerned, there was absolutely sufficient time. Hence, this is not an acceptable reason.

President, another difference is that when the Building was declared a proposed monument, the authorities could not gain access to the Building for inspection. Subsequently, the authorities could access the Building for an on-site inspection, and concluded that the declaration of the Building as a proposed monument should be revoked. However, President, this is exactly why so many people find this reason unacceptable. It is because even in the relevant documents, it was only pointed out that the dome and the pavilion are of ordinary workmanship. Experts who read the documents will laugh up their sleeves because this single point is downright insufficient for disqualifying the Building as a monument. I have mentioned this just now, President, and I am not going to repeat that there are so many principles such as the Burra Charter, the China Principles, and so on, in this world. No one will ever think that when the workmanship of a building is considered to be ordinary after inspection, the relevant building will not be classified as a monument. This is nonsensical.

Therefore, President, many Members who oppose this motion questioned in their speeches how we can query the Government with a conspiracy theory when the Government has followed all the statutory procedures. In fact, I am not trying to query it with a conspiracy theory. Instead, I find that there is inconsistency in the conclusions made by the Government itself, and when the Government proposed to withdraw the proposed monument declaration, the explanation provided is that after inspection, the Building is found to be of ordinary workmanship. All this makes people think that the Government should not have adopted such a shallow and superficial principle. Therefore, when I mentioned in my speech that the Hong Kong Institute of Architects (HKIA) attended the meeting to give their views, I was not saying that the representative of the HKIA is an expert in assessing the Building at 128 Pok Fu Lam Road. This is not what I mean. What I was trying to say is that he raised a question in his professional capacity and that is, given that so many principles were available, why did the Government not adopt these principles when conducting the assessment. This is why Honourable Members would query whether the authorities have really dealt with this case purely from a professional perspective. We are not raising queries which are unfair to individual experts,

but when the objective facts are there for everyone to see, people will naturally raise these queries.

President, I also wish to respond to the issue of whether expert assessment should be conducted. The Secretary mentioned in her speech that there are reports in the press today that Ms Audrey EU had questioned why the Government had spent \$200 million-plus on engaging experts. She asked whether it means that when there are experts within the Government, such spending should be unnecessary. I hope the Secretary can re-read today's issue of the *South China Morning Post* later on and see what I had said and what problem I had raised. What I have pointed out is that the Government has spent more than \$200 million on more than 200 expert reports, but we only have access to less than one third of them. How can we carry out monitoring? How can we know whether the spending is value for money? The Government is using public money, but the reports prepared are not accessible by the public. Besides, from the reply provided by the authorities to my written question, we can find that different departments have produced similar and overlapping expert reports.

Of course, when some objective facts are available to us while some others are not — because the authorities have not made public the outcome of the studies — we will have queries. We are not trying to use a conspiracy theory in every case to allege that the Government has made mistakes, but it is important to ensure a high degree of transparency. The same principle applies to the case under our discussion today. When Honourable Members found that the reports contain inconsistent assessment results, they would be shocked and they would query why such a conclusion was made and whether independent experts should be engaged to prepare a report. Not that we have queried the Government right from the beginning or oppose whatever put forward by the Government, but there are really objective factors for us to raise these queries.

Besides, President, as I have mentioned just now, not only political parties or pressure groups but also the HKIA consider that one of the reasons why they could hardly make a relatively objective and fair assessment is that a lot of things have been done behind closed doors. This will of course attract criticisms. Therefore, not that we are casting doubt on the integrity of individual officers of the AMO, but there is an inherent inadequacy in the regime itself, that is, the Secretary is the Secretary for Development and also the Antiquities Authority at the same time, and the officials responsible for giving views to the Secretary are

also government officials and part of the government structure. When it comes to some controversial cases, it is indeed necessary for the Government to engage external experts to undertake the assessment. For instance, the Department of Justice has all along been responsible for giving legal opinions to the Government, but when it comes to some sensitive or controversial cases, it will brief out the cases, so to speak. No one has ever raised any query or commented that the Government should not brief out the cases or engage external experts, but there should be a high degree of transparency to make known to everyone that objective yardsticks are adopted. As Mr Alan LEONG has mentioned in his speech, not all the people will be convinced by all decisions, but if an objective mechanism is in place, everyone will accept that the decision is made under a fair, open and transparent mechanism.

President, lastly, I would like to point out that, regarding this issue raised by the Government, some people who oppose this motion today consider that our opposition carries no significant meaning. Just now, the Secretary also mentioned in her speech that to repeal a subsidiary legislation is a serious matter. President, it is exactly because it is a serious matter that we take it seriously. The issue we have raised is not targeting at any person; nor are we saying that the Secretary has not tried her best, or individual officers of the AMO lack integrity. Rather, we wish that every member of the community can see that there is an open, fair and just regime. When there is a clear statutory mechanism for everyone to comply with, the authorities will not be able to adopt the current practice.

From the speech delivered by the Secretary just now, the authorities also find that there are plenty of inadequacies in the existing regime, and they need some time to sort things out. As Members of the Legislative Council, one of our major duties is to give a clear message to the Government whenever appropriate, and that is, when we find the existing regime unsatisfactory or that there are loopholes which have to be plugged. We are not criticizing individual officials or questioning their integrity, but when we discuss the issue of governance, we have to deal with it from the regime, not according to individual preferences. Although the Secretary has indicated that she is ready to discuss this issue with us in the coming four years, President, I am not sure how many Members in this Chamber will still be here in the four years to come.

Therefore, I would like to point out that this issue has nothing to do with any individual person. No matter how much effort the Secretary has made, the

many contradictions arising from the existing regime, the conflict of interests and the areas which have called the regime into question cannot be changed. Therefore, I hope that Honourable Members can support this motion I have raised today so that the regime can be reformed, so that the Secretary does not have to resort the strategy of "no action if our enemy does not make any move". It is also fairer to the owner who can know whether his building can be developed, and if not, how much compensation he will obtain, and if he is to carry out development, how much regrant premium he has to pay. It is relatively fair to all parties, including the owners.

I am delighted to note that at least the Secretary has got the message, that is, the last of the three points that I mentioned just now concerning the dissatisfaction of the Subcommittee, namely, the point about the notice taking immediate effect. President, it seems that the Secretary has got this point, as she said that we would be given some more time in future. She said that this is actually in line with the request of Members of the Legislative Council for actions to be taken in a timely manner without delay. President, of course we are not asking the Government to cause delay. We have to take timely and immediate actions, but at the same time allow Members of the Legislative Council to perform their duties, which include allowing us sufficient and appropriate time to work according to statutory provisions.

Therefore, President, I hope that similar incidents will not occur again. In fact, there is no urgency in this incident, and the declaration does not have to come into effect immediately. Therefore, there should not be a case which would inhibit Members of the Legislative Council from performing our duties.

President, I hope that the motion today can be passed by Honourable colleagues on the basis of the most important spirit underlying the motion, that is, we hope that a comprehensive regime for monument conservation can be established in Hong Kong. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Ms Audrey EU be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Ms Audrey EU rose to claim a division.

PRESIDENT (in Cantonese): Ms Audrey EU has claimed a division. The division bell will ring for three minutes, after which the division will begin.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Ms Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr KWOK Ka-ki, Dr Fernando CHEUNG and Miss TAM Heung-man voted for the motion.

Dr Raymond HO, Dr LUI Ming-wah, Mr Bernard CHAN, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Abraham SHEK, Mr Vincent FANG, Dr Joseph LEE, Mr Daniel LAM, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong and Prof Patrick LAU voted against the motion.

Ms LI Fung-ying, Mr WONG Kwok-hing and Mr KWONG Chi-kin abstained.

Geographical Constituencies:

Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG and Mrs Anson CHAN voted for the motion.

Mr James TIEN, Mrs Selina CHOW, Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr LI Kwok-ying and Mr CHEUNG Hok-ming voted against the motion.

Miss CHAN Yuen-han abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, six were in favour of the motion, 17 against it and three abstained; while among the Members returned by geographical constituencies through direct elections, 26 were present, 15 were in favour of the motion, nine against it and one abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negatived.

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

First motion: Elderly housing policy.

I now call upon Prof Patrick LAU to speak and move his motion.

ELDERLY HOUSING POLICY

PROF PATRICK LAU (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed.

The budget spells out clearly that population ageing will bring about far-reaching consequences to society and the economy. According to forecast, in the next two to three decades, the number of elderly persons aged 65 or above will rise drastically, from accounting for one eighth of the population at present to one quarter of the population in 2030. Despite facing the challenge of a rapidly growing elderly population, the recent budget and policy address make no mention of any timetable for an "Elderly Housing Policy". Even during the

meeting of the Panel on Housing yesterday, the Government did not have a long-term policy on the promotion of comfortable living for all the elderly.

I agree with what the policy address said that "family members play a major role in taking care of the elderly", but at present, government incentive for enhancing the caring of the elderly by the family is not great enough. Apart from increasing tax concessions, I think more effective specific policy should be formulated soon. To put it simply, for many families, their living environment is small, and with a few generations cramming together, it is very easy for them to have conflicts. This is the last straw which touches off family disharmony, with disputes between two generations being the most common scene. Therefore, to consolidate mutual help among family members, the most important step is to solve the housing problem, especially "elderly housing".

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

Although many elderly persons wish to live with their families, which is a way to achieve the objective of "Care for the Elderly" as advocated by the Government, the family environment does not allow them to do so and many elderly persons finally end up in elderly homes. This is particularly the case for elderly persons whose family members have to go out to work, leaving them no time to take care of the elderly and also for those elderly persons who are unable to take care of themselves. As a result, most of them cannot but face being placed in care and attention homes. Since at present there are a lot of private elderly homes, some of which are converted from shopping malls or old buildings, the living conditions for the elderly are not very satisfactory. Actually, some elderly persons do not even have places in elderly homes, and they live in "caged homes" for the sake of convenience. For the elderly who own properties, since the old buildings are dilapidated and hygiene conditions are bad, they are seriously threatening the life safety of the elderly. Although the Government has recently launched a scheme to improve the maintenance of elderly housing, it still falls far short of the idea of quality life as suggested in the policy address.

Therefore, the motion on "Elderly Housing Policy" which I propose today is to explore from a macroscopic angle how to build a real quality city and promote comprehensive elderly housing, so that the elderly from different strata

can have diversified housing choices to meet the needs of elderly persons of different ages and health conditions, so that they can choose their suitable homes be they well-off or poor.

For those middle-class elderly who do not require special care and who can afford financially to buy their own properties, they can choose the "nisedaijutaku" (that is, "two generation housing") which is very popular in Japan, living with their family members in the same lot, but with their respective living space, thus consolidating the supporting role of traditional family. For the elderly who do not have the means, apart from "elderly housing", they can choose public housing similar to the "nisedaijutaku". By doing so, children can be encouraged to fulfil their filial duty, and resources can also be focused on helping elderly persons who require special care and be directed towards perfecting day care service, thus enabling their family members to go to work without worries.

Being also a member of the Housing Authority, I am aware that there are similar schemes at present encouraging two generations of the same family to live closer to each other. However, since the policy for "well-off" tenants impels families to live separately, and the majority of the housing estates have not taken this aspect into consideration in their initial planning, there are bound to be limitations for the two generations to live closer. Currently, the "Housing for Senior Citizens" as launched by the Housing Authority is a great failure. Not only are the locations inappropriate, but the design of sharing kitchens and bathrooms is also highly inconvenient. Therefore, apart from expediting the conversion of the present "elderly housing", when developing new areas or redeveloping old areas in the future, the actual needs of the elderly must be met. Independent housing units must be built and equipped with home care services provided by other agencies while at the same time arranging activities for them to promote neighbourhood cohesion.

As for elderly persons who require long-term care, the relevant policy must encourage public-private partnership in order to provide more choices of housing or places with different degrees of care, and to improve the existing condition of supply falling short of demand and inadequate choices. Apart from places, I feel that reference should be made to overseas experience which encourages private or non-profit-making organizations to build more serviced housing for the elderly, providing one-stop home services including medical, nursing care, food delivery, drug-minding, bathing, cleaning, recreation and

entertainment services. Through a care monitoring system, the elderly can also receive long-term care happily at home, with people taking care of the healthy development of their health and mind.

In fact, such caring services are very common overseas. In Europe, for example, I know that besides planning for elderly housing units, they also pay great attention to home care, focusing on day care in particular, and community support is even available everywhere, making it convenient to meet the different needs of the elderly. This is worth consideration by Hong Kong.

Deputy President, information provided by the Social Welfare Department shows that in 2007-2008, almost 17 000 elderly persons are on the waiting list for subsidized places in elderly homes, with an average waiting time of over 32 months (close to three years). As regards care places requiring special care, the waiting list is over 6 000, with an average waiting period of 43 months (over three and a half years). As the supply falls far short of the demand, from last April to this February, only some 370 elderly persons were allocated places but at the same time, over 1 500 elderly persons passed away without coming to their turn because of the long waiting time. Even so, the Government is still only prepared to increase some 270 places in the following financial year.

Recently, there have been reports that mainland elderly homes admitting people from Hong Kong are faced with operational problems as a result of the appreciation of the Renminbi, throwing the elderly into a state of disarray. The situation is really worrying. Why is it that in this great cosmopolitan city of Hong Kong, with hundreds of billions of financial reserve, the elderly are denied of a place to reside? Obviously, the imbalance between supply and demand explains why the elderly cannot live comfortably.

The reason for such misfortune is the lack of an elderly housing policy for mapping out a long-term strategy and co-ordinating the needs for elderly housing. Therefore, even though some people would wish to play a role, without the support of a relevant policy, there is no way to "give a green light" to some projects.

I know that the Housing Society has done quite a good job in the construction of "serviced elderly housing" and has invited a number of Members of the Legislative Council to visit the flats. This is a very good role model and the Housing Society also hopes very much to help the elderly by building more

suitable housing. Nevertheless, land value is way too high. If these units are provided through the free market, property prices will be pushed to a very high level beyond the affordability of the elderly. If land premium is waived by the Government, there will be lots of limitations. Not only will it be impossible to meet the cost and hence not being able to achieve sustainable development, due to application restrictions of the means test, many elderly persons will still be unable to move into such quality elderly housing even though they have the money. This is because those who can pass the means test do not have the means to afford such elderly housing of a better quality, while those who are financially viable cannot pass the means test. This in fact is very contradictory.

To solve this problem, the Government can consider setting out explicitly in the Outline Zoning Plan the types of land to be used for building elderly housing (in the same way as specifying for hotel use now), and then resort to open tendering to encourage the market to build more elderly housing of various types so that there can be diverse choices for the elderly with different needs. This is worth the Government's consideration and study and should be carried out immediately before the needs resulting from population ageing can be met. We should provide the elderly with not only "a place to live", but also quality housing to achieve the objective of providing comfortable living for all the elderly.

Comfortable living for the elderly should encompass a safe and cosy living environment, while fulfilling special requirements in terms of construction design. Besides District Councils which can be brought into play by assisting in consulting the elderly of different districts on their needs for community facilities, my sector can also provide the Government with a lot of professional opinions. Planners or The Hong Kong Institute of Planners can of course help in the research on the planning of elderly housing in various districts. Surveyors or The Hong Kong Institute of Surveyors can also provide opinions to the Government in respect of land valuation. Architects (like myself) can surely provide abundant professional opinions in respect of architectural design. Deputy President, I have been engaged in a lot of design work in this regard and received favourable comments. Others, such as The Hong Kong Institute of Landscape Architects, can provide the Government with numerous substantive policy opinions on landscape design for recreational grounds for the elderly.

Hong Kong is a cosmopolitan city, and in order to provide quality life, there must be an elderly housing policy to tie in with the international

community. Therefore, my motion suggests the immediate examination and construction of housing to meet the different needs of various categories of elderly persons, and through a land policy that complements elderly housing, encouragement should be given to the market to provide diversified choices. Apart from giving the elderly a comfortable living environment, there should also be sufficient community facilities and recreational space for them to stretch their body and mind. Furthermore, comprehensive complementary community care services are also necessary, including improvements to the present residential care homes for the elderly and the future regulation of serviced elderly housing which is growing in number to ensure that elderly persons will have access to sound home care or institutional care services. Most importantly, efforts should be made to enable the elderly to enjoy their old age with dignity.

Deputy President, I know that so long as the regulation of care and attention homes is mentioned, many people will be concerned about the various issues stemming from the loopholes of existing regulation, particularly elderly abuse cases. I fully agree that the regulation of residential care homes is worth our attention but in my opinion, if there is a sound elderly housing policy in place and the market can provide diversified choices other than residential care homes, driven by healthy competition, institutional services will also be improved according to market trends of supply and demand.

Deputy President, I also concur with the professional opinion of The Hong Kong Institute of Architects that in order to ensure that the relevant legislation will not create obstacles to the implementation of an elderly housing policy, a comprehensive review is necessary, especially targeting at houses built on land for elderly housing by stressing matching architectural design and community facilities, in order to promote the integration of elderly housing into the community.

As regards the proposal of converting vacant schools and old industrial buildings into elderly housing, under a building concept that complements sustainable development, as well as the principles of cherishing and avoiding excessive consumption of existing resources, it is hoped that while formulating an elderly housing policy, consideration could also be given to how vacant areas can be better used for elderly homes or activity centres for the elderly, or as an interim measure, expedite the alleviation of the problem created by a lack of places for the elderly in the short term.

Deputy President, I am very happy to have this opportunity today to propose the motion on "Elderly housing policy", and am grateful to the concern expressed over the motion by eight colleagues who have proposed amendments to enrich the content of my motion. All in all, the proposal of supporting the promotion of comfortable living for all the elderly to create a quality living environment for the elderly is worth an in-depth study by the Government.

With these remarks, I hope that colleagues, the general public and the Government will support this motion. Thank you, Deputy President.

Prof Patrick LAU moved the following motion: (Translation)

"That, given that the Chief Executive's Policy Address emphasizes "quality city and quality life", in facing the two challenges of the appalling living conditions of many elderly persons and the known problem of the ageing population, allocating additional resources to promote comfortable living for all the elderly will be an important strategy to achieve quality life for the whole community, this Council urges the Government to make reference to local and overseas experience to expeditiously formulate, through comprehensive planning, a clear policy on elderly housing, including:

- (a) immediately examining the different housing needs of various categories of elderly persons in various districts in the territory, and formulating guidelines for constructing elderly housing;
- (b) formulating land policies that complement elderly housing, including giving consideration to land supply, land grant and land premium, etc, and setting out explicitly in the Outline Zoning Plan the types of land to be used for building elderly housing;
- (c) providing land at a low price or for free to non-profit-making bodies or organizations that have the interest, ability and experience to build elderly housing, and considering converting vacant schools and old industrial buildings into elderly housing;
- (d) comprehensively reviewing the legislation on lands, planning and buildings, so as to integrate elderly housing into various communities, and providing in the vicinity of elderly housing

sufficient community and passive recreational facilities which are needed by the elderly; and

- (e) improving the regulation of care and attention homes and serviced housing for the elderly, so as to provide diversified choices for elderly persons with different means,

thereby truly creating a quality living environment for the people in the territory, including the elderly who will account for over a quarter of the population, and developing a harmonious and integrated quality city for the future of Hong Kong."

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

DEPUTY PRESIDENT (in Cantonese): Mr Frederick FUNG, Mr James TO, Mrs Selina CHOW, Miss CHAN Yuen-han, Mr Albert HO, Mr CHAN Kam-lam and Mr LEE Wing-tat intend to move amendments to this motion. Mr SIN Chung-kai also intends to move an amendment to Mrs Selina CHOW's amendment. The motion and the amendments will now be debated together in a joint debate.

I now call upon Mr Frederick FUNG to speak first, to be followed by Mr James TO, Mrs Selina CHOW, Mr CHAN Yuen-han, Mr Albert HO, Mr CHAN Kam-lam, Mr LEE Wing-tat and Mr SIN Chung-kai; but no amendments are to be moved at this stage.

MR FREDERICK FUNG (in Cantonese): Deputy President, firstly, I am grateful to Prof Patrick LAU for proposing a forward-looking motion today. Just as Prof LAU said earlier, population ageing is a challenge to the Government, but ageing is a social phenomenon and not a scourge itself. However, if the Government today continues to wait for luck to come and wastes these few golden years without making preparation and planning before the onset of ageing, the consequences of officials failing in their duties will have to be borne by this and the future generations.

What Hong Kong lacks today is not simply an elderly housing policy. Basically, there is no specific policy on the elderly. In his policy address this year, the Chief Executive said and I quote: "We should care more about the elderly They have made contributions to our society, and they deserve better services in return." (end of quote)

Unfortunately, even though our "old pals" have contributed their lifetime for the prosperity of Hong Kong, they have not been awarded due respect and support. Take a walk on the street and we can see elderly men and women picking up cardboard paper; when our "old pals" apply for Comprehensive Social Security Assistance (CSSA), they have to sign the "bad son statement"; those who do not want to be labelled can only rely on the few hundred dollars of "fruit grant" for their living. Disregarding the countless slogans of the Government, such as "a sense of security for the elderly" and "ageing in the community", these are empty slogans and can thus be regarded as rubbish.

Today, Prof LAU is proposing this motion from the angle of his profession, filling in the gap in the present planning of housing hardware. To this, the ADPL lends its support. The purpose of our amendment is to lay down the direction of an elderly housing policy and make concrete proposals to address the inadequacies of the existing policy.

First is on the target and direction of an elderly housing policy. Although different elderly people have different housing demands, the majority share the same aspirations for life upon retirement, that is, living with their dearest ones in the community with which they are most familiar so that they can meet, chat and play chess with their friends in ordinary times and have good health. So, the Association for Democracy and People's Livelihood (ADPL) considers that the general direction of an elderly housing policy should encourage children to live with their parents. Furthermore, the Government should also enhance support for elderly persons living alone or with another elderly person, as well as the "old pals" requiring institutional care.

However, the Social Welfare Department (SWD) which is supposed to provide "old pals" with social security turns out to be the culprit for forcing "old pals" to distance themselves from their children. The Secretary may not be fully aware that in the past, "old pals" living with their children could, if necessary and by way of a statement with legal effect, apply for CSSA on an individual basis but the SWD changed this provision a decade ago, compelling "old pals" living with their children to apply on a family basis instead. Many

children do not want to be labelled and do not want to become "bad sons" and therefore refuse to sign the "bad son statement". They do not want their employers to know that they are on CSSA and they want to live with their parents in order to fulfil their filial duty and take care of their parents. This on the contrary denies their elderly parents of the protection of CSSA. This policy alienates the relationship between children and their elderly parents.

Some "old pals" can only live separately from their children in order to apply for CSSA, or even move into elderly homes. Although the Secretary is responsible for housing and transport policies, since the policy directions involve different government departments, I hope that the Secretary can go back and discuss with the other policy bureaux on ways to improve such anti-intellect policies as soon as possible and formulate the objectives of an elderly housing policy. The ADPL also suggests the offering of additional tax concessions to encourage children to live with their parents.

My second proposal is to expedite the pace of urban renewal and rehabilitation. Many "old pals" who live in old areas — for example, Sham Shui Po, Kwun Tong and Tai Kok Tsui — hope that the authorities can effectively carry out rehabilitation work, giving the community a facelift. As for buildings which are dilapidated beyond repair, the Government should expeditiously, through acquisition, enable the residents to get compensation or resettlement so as to improve their living environment. Moreover, upon completion of renewal projects, more and newer community facilities will be provided, making it easier for them to have access to the latest facilities, support and services in the community, thereby enhancing their quality of living.

When making planning to meet community needs, apart from providing convenient housing hardware for the "old pals", the support of software is equally important. At present, elderly service mainly comprises community support service and institutional service, and as population ageing will mean a substantial increase in the demand for community support service and long-term care service, the Government should formulate long-term plans to cope with demographic changes.

Currently, close to 30 000 are waiting for integrated home care service which is far from enough to satisfy the current demand. The Government should plough in more resources to take care of "old pals" living in the community and provide carers for the elderly with suitable support.

Moreover, the Government at present does not have a sound long-term elderly care system. Five years ago, the SWD implemented a Central Waiting List for subsidized long-term care services, requiring applicants to pass a standardized care need assessment. However, a lot of discharged patients still require long-term care service but have to wait till the completion of the application and assessment procedure before they can have the service. Besides, hospitals are hospitals, and services are rendered purely from the medical angle. As regards how community resources can be located upon discharge, how the carers can obtain support service, or how a discharged wheelchair-bound elderly can overcome the problem of living in a place not serviced by elevators, all these have to be solved by the elderly and their family members on their own. This creates immense pressure and difficulty for the carers. Therefore, various government departments, including planning, housing, medical and welfare services departments must work closely together to provide multi-disciplinary services, with a view to establishing a seamless system for long-term care services.

Regarding institutional services, it is a fact known by all that the quality of private institutions differs. Quality of subsidized institutions are better guaranteed but as at February this year, 17 000 are waiting for subsidized care and attention places and more than 6 000 are waiting for subsidized nursing home places, with an average waiting period of four years. One-quarter of the "old pals" actually died before securing a place. Given the lack of long-term care planning, manpower shortage at the institutions is severe and in view of persistent shortage of emergency placement, day care places, respite places, and so on, I consider it necessary for the Government to solve the problem at its root by increasing resources and through planning to provide "old pals" with sound institutional services.

Deputy President, next week, we will be speaking here on the budget. I hope that before we vote on the budget, the Government could show its sincerity — not to the Legislative Council but to society that it has the determination and intention to repay the elderly. Actually, the issues I mentioned earlier have been repeatedly discussed in the Legislative Council. We cannot recall or count clearly the number of times it has been discussed. The issues have been discussed in many debates, panel meetings or even during the studies carried out by subcommittees, and just yesterday, the Panel on Housing had a discussion. Deputy President, I sometimes get more and more frustrated. These issues

have been discussed over and over again but still, we have not secured the Government's sincere promise and implementation. The stereotyped response given by the Government — be it the bureau or department — every time is the need to observe fiscal prudence, for fear of creating a burden in the long run. The Government is now having over hundreds of billions of fiscal reserve, but still, it is not willing to increase the "fruit grant", and all proposals relating to long-term planning are finally as transient as a fleeting cloud, fading into nothing, leaving outdated facilities and insufficient services to face the challenge of population ageing. What in fact has the Government in mind? How is the Government going to face our elderly? When in fact can the promises made by the Chief Executive in the policy address be delivered?

With these remarks, Deputy President, I support the original motion and all the amendments.

MR JAMES TO (in Cantonese): Deputy President, the original motion of Prof Patrick LAU and most of the amendments all mention population ageing in the future, but attention should equally be paid to the fact that in the coming decades, Hong Kong is at the same time facing a rapid surge in population. From 2006 to 2036, the number of people normally residing in Hong Kong will jump from 6.64 million to 8.14 million. Being a small place, Hong Kong has to suddenly absorb an extra 1.5 million people in the course of the next three decades. It is not difficult to imagine that our living density is bound to leap and the cost of living will definitely become higher, while the renewal of old areas and the development of remote towns will also become inevitable. To the elderly, adapting to these developments is in no way easy.

Given the lack of a sound retirement system, elderly people in Hong Kong are relatively poor. According to the 2006 figures, the median monthly household income for two-person households with elderly members stood at \$6,600 while that of other households in the territory was \$14,000. Even with the Mandatory Provident Fund (MPF), about 40% of the middle-age population are still without retirement protection and in the coming few decades, the accrued MPF for retirees is only around \$100,000 in general, far short of being sufficient to provide retirement protection. It is believed that in the next decade or so, the elderly population is still a relatively poorer group in society. If population density increases, in Hong Kong where land is expensive, the living environment of the elderly will surely get worse.

Hong Kong is a highly prosperous international cosmopolitan city. Despite its small size, its population is big, the living costs such as rent and transport expenses are high, and the tempo of life is fast. It may be a good place for making a living, but not necessarily a paradise for retirement or a "Xanadu" to spend one's twilight years. Many elderly persons are living alone in this cosmopolitan city of Hong Kong, with very weak financial conditions and social ties. From information provided by the Census and Statistics Department, we can see that 21% of the elderly only live with their spouses, while 11.6% live alone. Under such circumstances, it is very reasonable for a lot of the elderly persons to choose to reside on the Mainland. According to the statistics of 2005, around 70 000 people aged over 60 took up long-term residence on the Mainland. One reason is that living expenses on the Mainland are cheaper than in Hong Kong, particularly in the rural areas, and they can enjoy a stronger sense of affinity and better housing and living conditions on the Mainland. Another reason is inter-personal relationship on the Mainland is closer and more supportive in many places on the Mainland than in Hong Kong. Based on the 2006 statistics, 76% of the elderly were born on the Mainland, and it is believed that many of them are still maintaining a close relationship with their family members, cousins and fellow townsmen on the Mainland.

Taking these factors into consideration, we can see that in enabling the elderly to live comfortably and in formulating a housing policy, we cannot simply consider the supply and provision of housing within the territory of Hong Kong. Rather, there should be a more macroscopic planning. Many related social policies, for example, policies on welfare, medical care, family, immigration, or even the living conditions on the Mainland, and so on, actually have a bearing on the elderly's choice to stay or to leave. These factors and the housing needs of elderly persons in Hong Kong are closely intertwined, and there is a need for holistic consideration.

Recently, prices on the Mainland have been soaring. It is learnt that pork price in some mainland cities is even higher than that in Hong Kong, making it impossible for some elderly persons who have settled on the Mainland earlier to continue to stay there to spend their old age. They said that — touch wood — it is difficult for them to continue living a secured old age on the Mainland even if they use up all their "funeral savings". In general, after spending all their savings, Hong Kong elderly can only apply for CSSA but this is not a way out for those elderly who had taken up residence on the Mainland because they must

have resided in Hong Kong for one year prior to their application for CSSA. However, if the elderly cannot even afford to meet the living expenses on the Mainland, will they have enough savings to pay for their living expenses for one year on return to Hong Kong? It can be said that this requirement for CSSA application has put those elderly persons residing in the Mainland on a road of no return.

For some elderly who have to rely on the "fruit grant" to support their living, they are subject to the restriction of not leaving Hong Kong for over 240 days. To the elderly aged 80 or 90, residing in Hong Kong and on the Mainland respectively for a couple of months within a year means fatigue resulting from frequent travelling, and this is tantamount to asking them to forgo their "fruit grant" or give up the arrangement of settling on the Mainland.

To elderly CSSA recipients, other restrictions also deny them of the choice of taking up residence on the Mainland according to their wish. First, elderly CSSA recipients must stay in Hong Kong for over 180 days each year. If they want to stay on the Mainland for good, they must apply under the Portable Comprehensive Social Security Assistance (PCSSA) Scheme, at the cost of surrendering their public rental housing (PRH) flats in Hong Kong, and at the same time, their rent allowance, special subsistence allowance, travel allowance, and so on, will all be deducted, which add up to a *de facto* reduction of their CSSA payment. With the increasing price index on the Mainland, it will be more and more difficult to meet their daily necessities on the Mainland, including the expensive drugs and medical expenses on the Mainland, with the basic CSSA payment they receive in Hong Kong. Hence, the attractiveness of the Scheme is also dwindling. Would the Secretary consider this to be better in that more elderly persons will be living in Hong Kong?

The biggest reason deterring the elderly from residing on the Mainland according to their wish is, I believe, their concern about medical service on the Mainland. The bulk of the elderly are chronically ill. In Hong Kong, we have a better public medical sector whereby the costs of drugs and services are lower, but once they return to the Mainland, they have to pay for all their medical expenditure. If they become seriously ill, they may be forced to come back to Hong Kong for medical treatment. As a result, many elderly persons interested in retiring to the Mainland dare not come to this decision easily. This is especially so when they have applied for the PCSSA, as they must forgo their PRH flats.

The above are just some of the examples. The Government should seriously review the existing geographical limits in the current social welfare system, and expand the portability of the welfare system. Be it financial assistance or medical service, the elderly, when taking up residence on the Mainland, should be able to enjoy the relevant welfare and protection, without having to worry about the future. Then, the elderly can weigh up their support network, the housing conditions and quality of living in Hong Kong and on the Mainland, before a choice for themselves as to where they will spend to their old age. This is actually a better alternative for the elderly than simply relying on the construction of PRH flats for the elderly in Hong Kong.

MRS SELINA CHOW (in Cantonese): Deputy President, Hong Kong is now facing the problem of ageing population. By 2016, the elderly population will increase from the existing 850 000 to 1.13 million. By 2036, for every four Hong Kong people, there will be one elderly person. Formulating a clear elderly housing policy is a task which brooks no delay. Otherwise, the problem of undersupply of elderly housing will only deteriorate rapidly.

At present, the allocation of housing units to the elderly at the grass-roots level can still cope with the demand. We can take the four priority schemes currently implemented by the Hong Kong Housing Authority as examples. For the Single Elderly Persons Priority Scheme designed for single elderly persons and the Elderly Persons Priority Scheme which is for two or more elderly persons living together, there are at present 8 300 persons on the waiting list, while the average waiting time is about one year. For the Families with Elderly Persons Priority Scheme and the Special Scheme for Families with Elderly Persons which aim at those elderly persons living with family members, the waiting time is half a year shorter than the average waiting time. In other words, they can be allocated with a public housing unit after about 18 months at the most. However, by 2016, in New Territories East and New Territories West alone, the elderly population will drastically increase from 160 000 in 2006 to over 500 000, very much above the supply of public housing units.

Facing this trend of ageing population, the Liberal Party thinks that the Government has to be prepared by adjusting the supply of housing units according to the population in different districts. Particularly as the quality of living has been increasing, the elderly persons also prefer to choose independent,

self-contained small units and have their own special expectations. The Administration should look squarely at such demand.

As a matter of fact, the Liberal Party agrees that the community should properly take care of the housing needs of the elders according to their different backgrounds and different needs, so that some elders do not have to be forced to return to their hometowns for retirement or travel far and reside in remote areas. Although what Mr James TO said earlier can reflect the voices of some elderly persons, basically, many elderly persons may prefer to reside in Hong Kong if their family members are in Hong Kong. Yesterday, at the meeting of the Panel on Housing, we just had a discussion on the issue of elderly housing, in which we had a thorough study and understanding of the Senior Citizen Residences Scheme developed by the Hong Kong Housing Society (HKHS). It is proved that this Scheme, since it was launched in 2003 and 2004, has been very well-received. The 576 units have all been rented out, with 150-odd people still on the waiting list. It is a pity that there are temporarily only two locations under this Scheme, namely Jolly Place in Tseung Kwan O and Cheerful Court in Jordan Valley, Ngau Tau Kok. The number of units and the service area are both very limited. The Liberal Party opines that given the popularity of this Scheme, it proves that there is an ample demand towards this kind of middle-class elderly housing. Drawing on this successful experience, the Administration should extend this Scheme to other different districts and enlarge the scope of service.

Apart from limited choice of location, another problem in implementing this Scheme is the requirement of the HKHS that successful applicants have to tender an entry contribution before they are allowed to live in such housing estates for the rest of their lives. Of course, I believe that the authorities concerned are well-intended in making this arrangement, as they hope that the elderly persons do not have to worry about future housing expenses after making this payment once and for all. However, some elders told me that even though they were interested in residing in such housing units, they would worry that they may not be able to make this one-off payment. Some people may want to apply for their old aged parents so that the latter can possess a cosy home, but this wish cannot be fulfilled as this payment is still beyond their affordability. In view of this situation, we hope that this method of payment can be reviewed as soon as possible. For instance, it can be changed to allow payment by instalments, or allow adjustment made according to the financial situation of the inhabitants, in order to enhance its flexibility.

Adjustment of payment is, of course, a technical issue which is not difficult to solve. The more knotty problem at the present moment is rather the attitude of the Government which is far from active. I personally had a very strong feeling about this yesterday. We also know that the negotiation on the site of Tanner Hill, North Point has been procrastinated for a period of time, and not any conclusion has come out from the Government yet. When we look at other places in the world, we find that in many advanced districts and communities, they have a comprehensive elderly housing policy to cope with ageing population. Through government land grant or land allocation, they will allow groups or private organizations to build elderly housing for the elders with different needs and different affordability. Many of those elders living in this kind of housing will have their family members living nearby, which can alleviate the burden of the homes for the elderly. This should be another feasible option.

In planning this kind of housing, the Administration certainly should not only consider providing a shelter, but also pay attention to various support and recreational facilities, especially health needs about which the elderly persons are more concerned. Hence in the amendment, I ask the Government to comprehensively review the community's medical facilities, clinics, health maintenance facilities, and passive leisure and recreational facilities required by the elderly persons.

Deputy President, as the Chinese saying goes, "housing an elder, hoarding a treasure", the Liberal Party is always in support of the policy of encouraging people to live with their parents under one roof or in the same housing estate. Therefore, before the delivery of the budget, we have already introduced our innovative idea. That is, apart from raising the dependent parent/grandparent allowance, we also suggest relaxing the requirement of living together for the purpose of claiming tax deduction, meaning that the requirement will be relaxed from living together in the same housing unit to living together in the same housing estate. In both situations, they are also eligible to claiming tax reduction. The purpose for this is to encourage children to live close to their parents so that they can support each other.

It is encouraging that our view is also shared by certain colleagues. Mr Frederick FUNG suggests in his amendment offering additional tax concessions

so as to encourage people to live with their elderly parents. Mr SIN Chung-kai further proposes that besides living in the same housing estates, "living in the vicinity within a specified distance" should also be eligible for the tax allowance. Great minds do think alike.

Deputy President, I would also talk about the quality of residential care homes for the elderly (RCHEs), especially when it is recently reported in the press that some RCHEs, making use of the loophole of charging an "all inclusive" fee, directly embezzle the additional month of CSSA payment given by the Government to the elderly. This is no different from "robbing" the elderly and that makes everyone boil with anger. Therefore, we agree that monitoring should really be stepped up, particularly when the Government will again issue another bonus month of CSSA payment together with a one-off \$3,000 of Old Age Allowance (OAA) to the elderly. The Administration should resolutely and directly punish those RCHEs which swallow up the CSSA payment of the elders, instead of simply sending warning letters to them.

The problem of excessively long waiting time for subsidized residential care places should be properly dealt with. According to the latest figures from the Social Welfare Department, over 23 000 elderly persons are on the central waiting list. The average waiting time for care-and-attention places is 21 months, while the waiting time for infirmary care places is almost four years. When one has to wait four years for a place, is it rather too long? As a result, 1 539 elderly persons passed away before they could acquire a place. This is unacceptable indeed.

As regards the proposal to relax the restrictions on CSSA and OAA payments, the Liberal Party of course gives our full agreement to it. We also agree that in order to provide convenience to those elderly persons in need, if they can come back to Hong Kong to report once every year, they will still be eligible to receive the payments. We hold that more choices of elderly housing should be provided. If they would like to live in Hong Kong, we should offer them more options. If they would like to retire in the Mainland, we also have to provide convenience to them by all means. Only in this way can we comprehensively take care of the housing needs of the elderly.

Deputy President, thank you.

MISS CHAN YUEN-HAN (in Cantonese): Deputy President, I now present my viewpoints relating to the amendment to be moved today. Frankly speaking, over a period of time in the past, the Legislative Council has aired quite a lot of views on the issue of elderly housing. During our debate on the elderly housing policy, I recall a story about DU Fu, a poet in the Tang Dynasty of China. It is said that during his old age, DU Fu suffered from poverty and physical sickness. Therefore, he built a cottage in Chengdu and settled there. However Deputy President, it seems that I have not put on the microphone. Can I start again?

Deputy President, the debate on elderly housing policy today reminds me of a story about DU Fu, a poet in the Tang Dynasty of China. It is said that during his old age, DU Fu suffered from poverty and physical sickness. He then built a cottage in Chengdu and settled there. However, one day, the roof of the whole cottage was blown off by gales. Not only was old DU Fu unable to mend the roof, he was even bullied by some mischievous children who stole the straw away from his rooftop. Worse still, torrential rain poured. As DU Fu could not find a drier place even to rest his feet, he was drenched through as a result. Hence during that night, DU Fu wrote the poem "My Cottage Unroofed By Autumn Gales". The famous lines from that poem are: "How I wish I could get mansions covering ten thousand miles to house all poor scholars and make them beam with smiles." This truly reflects the aspiration of an elderly person for residing in a cozy, comfortable house.

Deputy President, I tell this story because even though the Tang Dynasty is more than a thousand years away from now, there is still a group of elderly persons, especially poor elderly persons from the grassroots, in our society who are in the same plight as DU Fu, as they have a lot of difficulties in respect of housing. For instance, it is difficult for them to live together with their children, or their living environment is getting worse but they are unable to afford the maintenance fees. In fact, for the various difficulties mentioned above, the Government can resolve them through improvement to the policies. On many occasions in the Legislative Council, we have already mentioned these views. Now I will try to elaborate the content of the amendment.

Deputy President, according to the Report on Elderly in Poverty by the Subcommittee to Study the Subject of Combating Poverty, about 60% of the elderly, or 500 000 of them, are now living in public housing. Many of them have been living in public housing for two to three decades, and their children all grew up in public housing. However, since the Government has now tightened

the income requirements for living in public housing, once their children have become more financially well-off, they have to move away. As a result, more and more elderly persons without income would be left behind. Although they have a shelter in public housing, they do not have family members to take care of them. Besides, there are not many facilities in the housing estates suitable for them to use, and the original community network is also gradually disappearing. On the other hand, they may be living in oversized housing units and will be decanted by the Housing Department at any time. In the course of time, they will become "hidden elderly", and the Government is solely to be blamed for this.

In recent years, the Government is also aware of where the problem lies and has reintroduced the family-friendly policy, while the Housing Authority has also introduced various schemes, such as the schemes to foster harmonious families in public housing, so that parents can live in younger families. When we look at these schemes, we note that for the 1 000 housing units originally reserved for decantation purpose, only one fourth of applications were received in the end. In regard to the addition policy and amalgamation of tenancies scheme, only 300-odd households' applications were successful. We thus see that the Administration is not putting enough efforts in encouraging younger generation to live with their elderly parents.

Frankly speaking, if you ask 10 elderly persons, all the 10 elderly persons would hope that they can be taken care of by their children. If this is not possible, it is only due to the living environment and objective conditions. Therefore, in the amendment, I emphasize and request that the Government should step up efforts in this area by lowering the income and asset limit requirements for public housing applicants living with their elderly parents, reviewing and improving the schemes to foster harmonious families, relaxing some limitations and so on. The purpose is that more elderly persons in the public housing can be taken care of by their young children. To this end, incentives are very important.

Apart from public housing, some elderly persons also live in old and tenement buildings. Some of them are property owners, while some are tenants. The problem they are facing is that their premises, like the elderly themselves, are getting older and thus requiring maintenance and improvement works more frequently. Nevertheless, since they are not financially capable of doing so, they would always worry that once they exhaust all their savings for maintaining the premises, they would have no means to deal with problems in

future. Under the circumstances, they often will not maintain their premises but to let them become dilapidated through time. This situation is very common in San Po Kong, Sham Shui Po, Fung Wong Sun Tsuen and the like. Some of these housing units even have electricity leakage and household hazards.

Besides, there are some poor elderly persons who live in cubicle apartments and cage homes. They do not have the means to move elsewhere, and have not applied for public housing due to various reasons. I suggest that the Administration should carry out a general survey on the elderly housing environment in the whole territory, and the Government should take the initiative to help them. This survey sounds to be a mammoth exercise. But judging from the work presently undertaken by the Government on various fronts, it can conduct a general survey for the elderly only by putting in some more efforts. Take the Total Maintenance Scheme that we mentioned yesterday at the meeting of the Legislative Council Panel on Housing as an example. That scheme is targeted at certain old housing estates, and some rather new housing estates are also included. But when the Administration is carrying out the maintenance survey, it can at the same time conduct a general survey on the living environment of the elderly. In case some elderly persons are in need of help, home-based assistance can be provided to them.

In regard to private housing, the Social Welfare Department (SWD) introduced a scheme last year to actively reach out to the "hidden elderly". The Administration can expand this existing scheme and conduct a general survey on the situation of those elderly living in private housing. In cases where maintenance is required, applications can be immediately submitted to the Building Maintenance Grant Scheme for Elderly Owners, so that the elderly will not miss the chance to improve their living environment because they do not want to take the trouble, do not know the details of the scheme or do not have the ability, when physical ability can sometimes be a factor. Besides, through this general survey, the Administration can also immediately follow up the cases of those poor elderly persons living in cubicle apartments and cage homes. In fact, during a Lunar New Year many years ago, a group of elderly persons passed away due to cold weather. Mrs Elizabeth WONG then organized a network on this. In fact, the Government has the resources to do it. If the Government can make proper use of these resources, it can assist these elderly persons to move to public housing. At present, there are still 6 700-odd elderly persons on the waiting list for public housing. Most of them are living in tenement buildings with poor environment. I think the Administration should speedily conduct a special assessment on them with a view to improving their

living environment. Nonetheless, on this issue, it is often the case that no progress would be made despite our repeated discussion.

Lastly, on the planning front, I fully support Prof Patrick LAU's proposal in the original motion that the types of land to be used for building elderly housing should be set out explicitly in the Outline Zoning Plan, because it would then be easier for the Administration to provide various supporting facilities for the elderly at the planning level.

I have to particularly highlight one point, which a lot of my colleagues also mentioned today, and that is, we are facing the problem of ageing population. Presently, there are 800 000-odd elderly persons over 65 years of age. By 2033, the number will be over 2 million. Under the circumstances, we need to prepare for the rainy days. We need to prepare for an ageing population at the planning level. Therefore, we are in support of the original motion and most of the amendments today. However, we will not support certain amendments which delete this point made by Prof Patrick LAU. Because in the face of an ageing population, we think there is indeed a serious problem in respect of elderly housing, and we need to put more efforts in planning. Hence, I hope that the Government can listen to and accept our views.

Deputy President, as I already emphasized at the beginning of my speech, this issue has undergone repeated discussions in the Legislative Council, and today, it is being discussed again. Very often, we would discuss the elderly problem as a whole, and today, we particularly focus on the elderly housing problem. We very much hope that the Government can consider this when it has the resources to do something today. At present, we see a large group of poor, hidden elderly persons facing difficulties in their living due to various factors. When the weather is cold, we will appeal to all to take care of those singleton elderly around us and also elderly persons not being taken care of. People obviously can see this problem. If the Government, while facing these problems, still does not further increase the strength of the existing policies or make some preparatory arrangements, I think any further discussion would only be a waste of breath. Deputy President, I mean we would be wasting our breath.

Therefore, I very much hope that Secretary Matthew CHEUNG, who is responsible for welfare matters and whom we think is willing to tackle these problems (of course, I think Secretary Eva CHENG is also willing to do

something), will not leave this topic to the next session after our discussion today, so that we do not have to start another heated debate again during the next session. We hope that the Government can pay more attention to the difficulties faced by the elderly, especially the elderly housing problem. I so submit, Deputy President. Thank you.

MR ALBERT HO (in Cantonese): Deputy President, behind the prosperity and affluence of Hong Kong, there is a group of vulnerable people who are desperately in need of care. They are the elderly people living in different corners of our society and facing hardships in their living. Many of them eke out a living by scavenging carton paper and aluminium cans. With an ageing population, the problem of elderly in poverty in Hong Kong has become increasingly acute. According to the latest figures of the Hong Kong Census and Statistics Department, the population of elderly people aged 65 or above has increased from 87 900 in 1961 to 852 000 in 2006, representing a ten-fold increase in 45 years or an average annual increase of 5.1% if the calculation is purely based on the number of people. As a result, the proportion of elderly people to the total population has increased from 2.8% in 1961 to 12.4% in 2006.

According to the relevant figures, 41.3% of the elderly are living in private permanent housing while 41.1% are living in public rental housing (PRH). The elderly people are now facing two major problems in housing. First, most of them are living in PRH units for singletons or small-sized PRH flats. The design of these flats cannot cope with their needs. Another problem is the lack of elderly homes and care and attention services, resulting in a very long waiting time for such services.

In our amendment to the motion, we have, first of all, proposed the construction of more small PRH flats and the provision of suitable supporting social services. In the construction of new PRH buildings, the Government should reserve several floors, such as the lowest three floors, for the construction of small flats with independent kitchens and toilets for the accommodation of the elderly. Apart from ensuring that the design of these flats is suitable for the elderly, the authorities can reserve some places, such as the ground floor of the building or space in the shopping mall, for social service and welfare organizations to set up their offices or service centres. These organizations may provide meals, cleansing, personal care and even recreational activities to the elderly. This will not only provide suitable care and services to the elderly

in need, but also facilitate participation by the more sociable elderly in community activities.

On the other hand, Deputy President, we have often heard of problems with the environmental hygiene and services of residential care homes for the elderly (RCHEs). However, there is no mandatory grading system which can monitor them and help the users to make a choice. There are now 762 RCHEs providing 75 000-odd places in the territory, representing an increase of 32 RCHEs and 8 000 places in five years. However, elder abuse cases in RCHEs are frequently heard of and neglect of elders is not uncommon. It was discovered earlier by the media that the elders' bank books and stamps used for cash withdrawal were all taken away by the staff of an elderly home. Worse still, their CSSA payments and one additional month of allowance, or the so-called bonus payment given out by the authorities recently have all been embezzled. For elderly CSSA recipients of unsound mind who do not have any relatives, the Social Welfare Department (SWD) has the duty to arrange a social worker to be their guardian who will handle matters related to their placement in the elderly homes. However, the SWD has not discharged this duty. I hope the Secretary can take follow-up actions in a comprehensive manner.

We all know that there are lots of loopholes concerning the monitoring of RCHEs. I believe Secretary Matthew CHEUNG will also admit that this is a fact. The licensing system under the Residential Care Homes (Elderly Persons) Ordinance is to ensure that the operation of elderly homes will meet the most basic standards. However, the licensing conditions have not stipulated the standards for measuring the performance of RCHEs. Moreover, the Ordinance and its subsidiary legislation have been implemented for 11 years and no comprehensive review has been conducted so far to make appropriate amendments in the light of the current needs. The SWD has introduced a so-called Service Performance Monitoring System, which, however, is not specifically formulated for evaluating the basic service quality of RCHEs. So, we in the Democratic Party has proposed and emphasized the need of establishing a mandatory and objective grading system in order to ensure that the transparency and service standard of RCHEs can be enhanced. The organization responsible for the grading work should be non-governmental organizations or non-government bodies. They will conduct regular opinion polls among the users and their families, in addition to vetting information papers provided by the RCHEs and conducting site inspections, so as to ensure that the grading is impartial and truly reflects the reality. Meanwhile, the Democratic Party has also proposed the introduction of residential care vouchers so as to

improve the service quality. Under the principle of "money follows the elderly", the elderly can procure residential care services freely. They can also choose to live in quality RCHEs by paying the cost difference, thus alleviating the pressure of subsidized RCHEs. On the other hand, as we all know, there are still vacant places in private RCHEs. Appropriate policies should be adopted to ensure that these resources are fully utilized and not wasted.

Finally, the Democratic Party strongly urges the Government to increase the provision of resources, including the increase of care-and-attention places, nursing home places and infirmary places. According to the reply to my question of serial number 1800 on the budget estimates in the Finance Committee, the average waiting time for subvented care-and-attention places is more than 32 months and that for nursing home places is even more than 38 months, as at end of February 2008. At present, there are around 17 000 people waiting for care-and-attention places, and 2 300 or 14% of the people in this long queue have passed away before places are allocated to them. Concerning nursing home places, among the 6 000-odd elders on the waiting list, only 377 of them were allocated places last year and 25% or 1 500 of the elders have passed away while they were still waiting. The authorities have adopted stalling tactics towards the elders in need and to put it bluntly, the authorities are forcing the elders to wait for death at home. In our opinion, the Government is absolutely capable of solving the problem, given that it has a huge surplus. It therefore should inject \$800 million in five years with the target of achieving an annual increase of 5 300 care-and-attention places, 1 900 nursing home places and 1 400 infirmary places. One half of these places should be in service in two years so that the waiting time for care and attention services can be reduced. We believe the Government is absolutely capable of achieving this efficiently. The question is whether or not it has the will to do so.

With these remarks, I hope Members can support my amendment.

MR CHAN KAM-LAM (in Cantonese): Deputy President, as medical technology is developing by leaps and bounds, people's life expectancy has become longer and longer. The average life expectancy of men in Hong Kong is almost 79 years, while that of women is even 85 years. According to the Census and Statistics Department, the number of population aged 65 or above is around 880 000, accounting for 13% of the total population, as at the end of last year. However, it is estimated that the elderly population will increase to one-quarter of the total population in 2031.

The needs of the elderly in their daily life will change as they enter another stage of life. We are fully obliged to design a suitable living environment for them. It has been the Government's policy to enable the elderly people to "age in place". In other words, suitable support services are provided to the elderly at the place where they live, so that they can age in a familiar community even if their health conditions may change. This should be a very good idea but the way that it is put into practice is disappointing. It has been reported by the media recently that the elderly have to wait for more than four years before being allocated a nursing home place. Last year, one-quarter of the elderly died while waitlisting. This is only the tip of the iceberg of the elderly problem. The motion moved by Prof Patrick LAU has precisely given us a chance to take stock of the elderly housing policy and the general elderly policy as a whole.

Deputy President, the elderly housing policy has to do not only with the number of completed flats. Rather, other supporting welfare measures are needed. Today, our discussion will focus on three policy areas, namely, the supply of flats for the elderly, the living environment and home design as a whole, and other support facilities for the elderly.

As a member of the Housing Authority (HA), I understand that the HA has made continuous effort to explore and adjust its elderly policy. In the 1980s, the Housing for Senior Citizens (HSC) was introduced by the HA, providing the elderly with hostel-type accommodation with 24-hour warden service. However, as the elderly disliked the design of shared kitchen and toilet facilities, the HA has stopped constructing HSC units which are also undergoing gradual conversion works. This has illustrated that different needs of the elderly should be taken into account when building HSC. At present, it takes around two years for the elderly to be allocated public housing. I hope the HA can construct more small flats to meet the housing needs of the elderly in the future.

Apart from the HA, the Hong Kong Housing Society has also implemented the Senior Citizen Residences Scheme, under which flats are rented to eligible and comparatively well-off elderly in the form of a long-term tenancy. However, the Scheme has only been implemented for two phases and the total number of flats involved is no more than 600. When a large number of elderly people are still on the waiting list, how can their needs be met? In my opinion, the Government should co-operate with public organizations more proactively and allocate more land to develop elderly housing of different types and different grades according to the family background and needs of elderly people in

different districts. In addition, a timetable for the supply of housing should be provided so that the elderly can have more choices.

At present, less than 10% of the elderly are living in residential care homes for the elderly (RCHEs). However, according to the latest information of the Social Welfare Department, a total of 23 000-odd elders were waiting for care-and-attention places and nursing home places from April last year to February this year, representing an increase of 6% compared with the figure five years ago. The average waiting time for subsidized places, private homes under the Bought Place Scheme and nursing home places are 32 months, 9.4 months and 43.2 months or almost four years, respectively.

The Government has in fact attached great importance to this problem. In respect of elderly care services, this year's budget proposed to increase funding by \$60 million a year to provide 160 additional day care places, 278 additional subsidized residential care places and 180 additional infirmary places in RCHEs. However, when facing a situation where supply falls short of demand, should the Government try its best to allocate more resources in order to boost the supply of places in various categories? The DAB opines that the Government should construct more RCHEs in a well-planned manner with a view to reducing the waiting time for places to 12 or 18 months within a short period of time in the future. The Government has planned to construct the Kowloon East Hospital in the new Kai Tak area. We know that there is sufficient land for the construction of RCHEs in the adjacent area. We hope that elderly homes providing one-stop support services mentioned by the Chief Executive in the policy address can be implemented expeditiously.

Deputy President, I wish to talk about the living environment and home design of the housing units for the elderly.

The HA has, in recent years, gradually adopted the universal design in its new estates. In other words, facilities for the elderly are installed inside the flats and in the common areas of the buildings. For instance, as some elderly people may rely on wheelchairs, universal design will provide barrier-free access in every corner of the building to meet their needs. The new design is really perfect, but how about the old estates? In some old estates, not even elevators are provided. Through this motion debate, I would like to urge the Housing Department again to install lifts at the earliest opportunity in order to facilitate access of the elderly.

Apart from public housing estates, in many old districts such as Kwun Tong, Sham Shui Po and To Kwa Wan where the elderly population is relatively high, venues for recreational activities by the elderly are limited due to different planning requirements in early years. In this connection, I will move an amendment to the motion in the hope that the Government, with the co-operation of the District Councils and so on, can provide suitable services to meet the needs of the elderly.

For the elderly who cannot take care of themselves and whose family cannot provide the necessary support, RCHEs may be a more suitable choice. As far as I am aware, the elderly lack confidence in the living conditions and even operational practices of some private RCHEs. They would rather wait for a long time in order to be admitted to government-subsidized RCHEs. In view of this, should the Government consider how to help private RCHEs meet the required standards? In doing so, it can improve the living conditions of the elderly and ensure the optimal utilization of existing resources to shorten the waiting time of the elderly and enable them to have a secured life in these homes.

Apart from service quality, which should be improved as a key area of work, the elderly people are also deterred by the variations of the charges of private RCHEs. At present, the charges of private RCHEs range from several thousand dollars to \$30,000 monthly. However, according to the 2006 Population By-census, the median monthly income of households with elderly members is only \$11,000. How can they afford the charges of these homes? Such level of charge is really very high and unaffordable to an elder who does not have any income. So, we very much hope that the Government can provide more resources to upgrade the quality of these homes on the one hand and balance the charges in the private market on the other. In doing so, we believe more elders will be willing to stay in these homes.

Deputy President, the Government should not only formulate a set of elderly housing policy. Nor should it only reserve more land for the elderly in its planning. In our opinion, the formulation of a more comprehensive elderly policy is more important. The DAB will support the original motion and other amendments.

Deputy President, I so submit.

MR LEE WING-TAT (in Cantonese): Deputy President, according to the projection of the Census and Statistics Department, by 2031, we will have approximately a total of 2.6 million senior citizens aged over 60. By 2033, at least one out of every four persons in Hong Kong will be an elder. The figure will continue to increase. The housing needs of elderly citizens will be a matter that warrants our serious concern.

For the elderly who are comparatively well-off and independent, some of them are owners of private housing flats, while others are residing in flats under the Senior Citizen Residences (SEN) Scheme run by the Hong Kong Housing Society (HS). If housing schemes providing one-stop services similar to the SEN Scheme can be developed in various districts in the neighbourhood of common residential area, it will not only accommodate the elderly in SEN flats in a familiar environment, but also enable them to reside closer to their family, facilitating visits and care from their younger family members, while complementing at the same time the inadequacy of the singular composition of population in a SEN community. In neighbouring districts, such as Sha Tin and Tai Po, the provision of SEN schemes, elderly recreation and health care facilities can also achieve a complementary effect. The Democratic Party supports the Government in adopting land policy or other arrangements for this kind of SEN schemes to be expanded among more non-profit making organizations.

However, my focus today will be on the issue of public housing for the elderly. Compared to the SEN Scheme of the HS, the Housing for Senior Citizens (HSC) Scheme run by the Housing Authority (HA) is a complete failure. As we may remember, in the late 1980s, in order to address the housing needs of the elders, the HA introduced hostel-type public rental housing (PRH), categorized by type I, II and III. Type I units were converted flats (commonly known as split units) on the lower floors of standard domestic blocks to be shared by two or three elderly persons. As tenants of HSC units had to share communal kitchen and bathroom facilities, it was rather inconvenient for the elderly. As a result of different life styles and habits, there were often a lot of conflicts and management problems. Since this type of HSC units were not well received by the applicants, the HA eventually decided to terminate their provision in 2000.

As at the end of December 2006, among the 9 820 HSC units, nearly 2 000 of them were vacant. The vacancy rate has along been on the high side, standing at 20% on average. The vacancy rate of HSC units at Tin Chak Estate in Tin Shui Wai is the highest, standing at 74.8%, while that of Wah Lai Estate

in Lai Chi Kok is 60%. The vacancy rates of the so-called split units at Cheung Hang Estate in Tsing Yi, Kwai Chung Estate in Kwai Chung, Leung King Estate in Tuen Mun, Choi Ha Estate in Kwun Tong, King Lam Estate in Tseung Kwan O, Wah Ming Estate in Fan Ling and Ko Yee Estate in Kwun Tong are over 40%.

Two years ago, the HA decided to convert those HSC units with a high vacancy rate for rental as normal PRH flats or for other uses, and about 500 HSC units were planned to be converted each year. So far, the progress has been very slow. As at the end of December 2006, there were 5 568 single-person flats. Over the past year or so, there has not been much change in the situation of these HSC units.

Why are these HSC units with a vacancy rate of as high as 40%, 50%, 60% or even 70%, still not converted or why is the progress so slow? If they are not suitable to be converted into normal PRH flats, then is it possible to convert them into recreational centres for the elderly, care and attention homes or clinics, to provide more tailor-made recreational and health care services in a one-stop manner, so as to optimize the use of these premises? In addition, I hope the Secretary would notice that in some of the newly completed estates of the HA, we find that the so-called "bay area", that is, vacant units on the ground floor in those old-style estates, have been diminishing. Someone told me in a joking manner that even the Housing Department (HD) could not find the space for its office accommodation in new housing estates. I wonder if Members know this, but it is true. It is not a joke. This is outrageously the current design. As all the old estates do not have adequate services or facilities, and if we turn to the new estates to make up for this shortage, we just could not find any bay area in the new estates. All the new estates are not provided with such bay area.

Let us look at the situation in Kwai Chung Estate and some other estates that I am familiar with. This problem may be caused by the HA of which I used to be a member. Because somehow, its architects has since the mid-1990s tended to reserve fewer and fewer vacant units used for general services and facilities. Thus, even if Mr Matthew CHEUNG, who is sitting behind the Secretary, called the HD to inquire about the availability of a bay area for his welfare organization, the reply would be "Sorry, we have none." For this reason we know that Mr CHEUNG proposed to enlist some "good mums" to provide child care service at home. It is indeed a very good idea. Why? Because there is simply no space for this purpose and so, they even have to make use of the homes of those "mums" for providing such service.

This point is included in my amendment as I hope that the Secretary would look into the matter. If my memory is correct, this problem exists in almost all new estates. The situation is very serious. If the situation goes on, when demands for community services continue to increase, PRH tenants or elders may have to take a 10-minute bus trip or a 20-minute walk to get the service as mentioned by Secretary Mathew CHEUNG at a place outside their estate. If the elderly have to walk 30 minutes to go to a so-called elderly centre, the service provided would be meaningless and of little use to the elderly.

Some HSC tenants are unwilling to move away because they are worried that they cannot afford the rental of self-contained units in those newly built estates, or they may fear that after they moved away, they can no longer reside in the same estate with their relatives and good friends, thus losing their own community network and support, or they may find that the self-contained units are too small in size and lack the ancillary facilities they need. I think these problems have to be tackled.

The staff in HD should take the initiative to understand the actual concerns and needs of the elderly. In my experience, services provided to the elderly by government departments I have to thank Patrick LAU; the services are indeed provided in a piecemeal manner. The HD takes care of our needs in housing, while our needs in welfare are taken care of by the welfare organizations, and our health care needs are taken care of by clinics. In our community, it appears that no co-ordinated approach is adopted to respond to the comprehensive needs of the elderly, making the elderly often feel at a loss.

The first thing we hope is that the HD can take better care of the needs of the elderly by providing larger self-contained units and more elderly-friendly facilities. The Secretary may have heard that in the past, some units were shared by two elders. When two single-beds were put together, there would be hardly any space in between. It was then suggested by the HD that bunk beds should be used. This idea sounded rather ridiculous, as it would be very difficult for elders aged 60 or 70 to climb up to the upper deck of the bed. As I mentioned before, for the purpose of saving money and space perhaps, there was a time when the HA constructed some two-person flats of 17 to 18 sq m in size. I criticized it as a backward approach. When I stopped being a member of the HA in 2000, the size of the smallest unit was 23 sq m. And now, two elderly persons are made to live in a HSC flat of only 18 sq m in size, but the toilet cubicle is exceptionally big. The intention of the architect might be good, but

with such a big toilet, the living area would be hardly enough to accommodate two elders. As such, I very much hope that the Secretary would examine the present design to see if it has truly considered from the point of view of the elders? Is there any better approach, so that they can live more decently and enjoy a more dignified retired life? For the elders, if the size of these units have to be reduced from 23 sq m to 17 or 18 sq m, that would be more miserable and regressive than before.

I really hope that the HD can carry out conversion of the vacant HSC flats as soon as practicable. At present, those flats are mostly converted into domestic units. I hope the Secretary could communicate with Mr CHEUNG sitting behind her. Right now, there is a greater demand for community services in the old housing estates, but the number of service units is on the decrease, and many NGOs complained to us that they found it very difficult to expand their services. While the Link Management charges them market rent, the HD is incapable of providing them with vacant units. As such, I hope the Secretary could really look into the matter. They may have to convert some HSC flats on the ground floor into units for use by social service organizations, if conversion works is possible, so that there would be better arrangements not only in respect of elderly housing, but also in the provision of various community services for the elderly in the surroundings.

Thank you, Deputy President.

MR SIN CHUNG-KAI (in Cantonese): Deputy President, my further amendment mainly concerns the amendment proposed by Mrs Selina CHOW. In her amendment, Mrs Selina CHOW proposes to relax the eligibility for claiming tax deduction, in particular that for dependent parent or grandparent allowance. As the allowance is currently only available to people living in the same flat with their parent or grandparent, she has proposed to relax this requirement to living in "the same housing estate".

We are in support of this relaxation. However, as regards relaxing the requirement to "the same housing estate" only, we consider it necessary to review whether or not such a policy is appropriate on the ground of fairness and practical needs. It is because there are difficulties in defining "the same housing estate", although it may sound simple. Let me illustrate my point with some simple examples. Take Mei Foo Sun Chuen as an example. It is a

housing estate, but legally speaking, there are seven phases in this estate and so, they can be regarded as seven housing estates. Therefore, there are certain difficulties in defining the term "the same housing estate". I raise this point because such examples are numerous, and the example of Mei Foo Sun Chuen that I have just cited is only one of them — there should be eight phases, sorry. There should be eight phases in Mei Foo Sun Chuen.

On the other hand, as many parents live in public housing estates, the nearby well-known affluent housing estates (that is private housing estates) have become hot-pick housing estates for their children. Technically speaking, the parents and children live in two separate housing estates. Their children intentionally move there in order to take care of their parents and yet, technically they do not live in the same housing estate.

Therefore, the Democratic Party is in support of the idea of a relaxation but considers that a review should be conducted on whether it should only be relaxed to "the same housing estate". Although we think that it is feasible to relax it to "the same housing estate", the principle of fairness should also be taken into consideration. It is because if the housing estate is a large one, the parents and children may still live far apart even if they live "within the same housing estate". Sometimes, however, different housing estates may only be one street apart and this can still provide convenience to the children in taking care of their parents.

The idea of the Democratic Party is to relax the requirement not only to "the same housing estate". Children who live within a statutory distance of their parents' residence can enjoy an extra tax deduction of, \$30,000, not \$15,000. Based on the principle of fairness, I consider this approach more appropriate. As regards how the statutory distance should be defined — this falls within the purview of Secretary Prof K C CHAN, who is not in this Chamber today — although there is a certain degree of difficulty, we consider this worth trying.

It may be more appropriate to determine the distance as, say, a straight-line distance of 1.5 km or 2 km from the parent's place of residence. This is something we can discuss. Take the Fairview Park at Yuen Long as an example. Two residential flats in the same housing estate can be as far as 2.5 km apart. Then take Discovery Bay on Lantau Island as an example. If

the straight-line distance between two buildings is used as the basis — in fact, there are many phases there and frankly speaking, legally they should not be regarded as the same housing estate. But when asked whether buildings at Discovery Bay should be regarded as belonging to the same housing estate, everybody will think that they seem to be so. In the case of Discovery Bay, for instance, the straight-line distance between two buildings can be as far as more than 3 km. Therefore, as two different housing estates can be only a street apart, the distance between two buildings within the same housing estate may be farther apart than that between two different housing estates.

Therefore, the Democratic Party proposes that if the eligibility for the tax deduction is relaxed to beyond "within the same residential flat" — the meaning of "the same residential flat" is very clear as it simply means "in the same flat" — if it is relaxed to beyond "the same residential flat", then the Democratic Party considers more appropriate to revise it as the same housing estate or within a certain straight-line distance. This is an alternative for consideration. We think that this is to promote the spirit of caring for one's parents by first encouraging people to live with their parents and then encouraging people to live in their parents' proximity. As residential flats in Hong Kong are relatively small and expensive, it is quite a luxury for children to live together with their parents, because it requires a relatively large flat.

Therefore, the Democratic Party proposes an amendment to incorporate the concept of distance. For people who live within a specific distance with their parents or grandparents, the amount of their tax deduction will be raised. It is only a technical amendment that the Democratic Party is proposing.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Deputy President, first of all, I wish to thank Prof Patrick LAU for proposing this motion on "Elderly housing policy" and the amendments made by several Members.

With the development of society, the population structure of Hong Kong acquires similar characteristics like many other developed places with the number of elderly persons and the proportion they take up in the population becoming greater. Findings of the 2006 Population By-census show that the number of elderly persons aged 65 or above has exceeded 850 000, taking up 12.4% of the overall population. We would expect this trend of population

ageing in Hong Kong to continue. Care for the elderly has always been a major policy and objective of the Government. The Government will keep on fine-tuning and perfecting its policies in line with the demographic changes, in order that the needs of the public are properly taken care of. One of the Government's key concerns is how to enable the increasing number of elderly persons to age in their homes. We will listen carefully to views expressed by Members on this topic and we will make a response later when summing up the debate.

Thank you, Deputy President.

MR WONG KWOK-HING (in Cantonese): Deputy President, as the population enjoys an increasing life expectancy, the housing demand of the elderly has also been increasing. The policy address this year has also mentioned "Care for the Elderly" and "Elderly Housing" and so on. However, in order to truly provide "Care for the Elderly" and "Elderly Housing", the Government must begin by rationalizing the housing policies, in particular tackling the contradictions in policies, before the housing needs of the elderly can really be catered for, so as to achieve the purpose of respecting and protecting the elderly.

Deputy President, in October last year, the Housing Department (HD) implemented the addition policy and enhanced transfer scheme for "Harmonious Families". It has been half a year since the schemes were implemented, but the response so far has not been encouraging. Therefore, my colleague, Miss CHAN Yuen-han, has clearly pointed out in her amendment the need to extend and enhance the various measures under the schemes to foster harmonious families in public housing. At the meeting of the Panel on Housing of this Council yesterday, the relevant HD official pointed out in response to my question that as at last month, 791 elderly households had applied for the addition of their young children to their tenancy under the relevant scheme, and there were also 271 applications for transfer. Such figures show that the tenants' response to the schemes has not been encouraging, and there is indeed room for improvement to make the schemes more appealing. For example, the authorities can consider lowering the income and asset limits for public rental housing (PRH) applicants living with their parents and allocating urban PRH flats to young children as an incentive for them to live with their parents. It is because under the existing policy, the income and asset limits will only be relaxed when all applicants are elderly people. Besides, the authorities can

provide other incentives for young children to live with their parents. In the meantime, the authorities should not only process applications lodged by urban tenants for transfer to the New Territories in order to vacate the urban PRH flats for re-allocation. On the other hand, they should also further enhance the publicity of the various schemes to foster harmonious families, thereby enhancing public understanding of the schemes, which can in turn increase the number of participants.

Besides, the existing policy for "well-off" tenants is contradictory to the policy objective of the various schemes to foster harmonious families implemented by the authorities. At public housing estates, I can always hear tenants complain that not that they do not want to live with their parents, but after having started working in society, their income very often exceeds the median income, which means that they have to pay 1.5 times of or double the standard rent. In this case, they can only move out from their PRH flat, leaving their elderly parents behind. Although the schemes to foster harmonious families and the policy for "well-off" tenants seem to be two different housing policies, when these two policies are implemented in parallel, contradictions and conflicts have indeed resulted. Therefore, the authorities should re-examine the housing policies to avoid contradictions in different aspects so that the schemes to foster harmonious families can be further taken forward.

Besides, given that the population is continuously ageing, the authorities should conduct a comprehensive survey on the living conditions of the elderly throughout the territory, and proactively assist the elderly whose living conditions are appalling to improve their living environment, and also assist the elderly with housing needs, in particular those living in cubical apartments and cage homes, to apply for PRH expeditiously.

Deputy President, besides PRH, the authorities should also improve the regulation of care and attention homes and serviced housing for the elderly, and provide diversified choices for elderly persons with different means. The policy address released last year has also pointed out that the Hong Kong Housing Society will identify sites in the urban areas for the construction of housing for the elderly, but unfortunately nothing has been heard of so far. For elderly housing both being or to be constructed, the supporting facilities are very important. The authorities should also provide more convenient facilities to the elderly in the light of their needs, in order to make such housing more appealing to them. As for the regulation of care and attention homes, given that the media

has recently revealed that some private residential care homes for the elderly (RCHEs) have deducted their residents' Additional Old Age Allowance without authorization and aroused social concern about the regulation of private RCHEs, the authorities should seize the opportunity to enhance the regulation on private RCHEs in order to ensure the living standard of the elderly in their twilight years. For elderly persons who cannot take care of themselves or those who may suffer from senile dementia, assistance is especially important.

Besides the various aspects above, the authorities can also achieve "Care for the Elderly" with the support of the taxation policy, including further encouraging children to take care of and live with their parents by providing additional allowances or raising the amount of existing allowances on a discretionary basis, so that the elderly can lead a peaceful and contented life and enjoy the company of their children in their twilight years. Deputy President, as two Secretaries are in this Chamber today, I would like to take this opportunity to call upon the two Secretaries to initiate an inter-departmental and cross-bureaux meeting in order to solve the housing problem of the elderly in a practical manner. I speak today in support of the original motion and all the amendments, and I especially hope that the Secretary can respond to the question of how the Government can effectively resolve the conflict between the various schemes to foster "harmonious families" and the housing policy of making PRH tenants pay 1.5 times of or double the rent payment. I hope the Secretary can respond to this issue.

Thank you, Deputy President.

MR TAM YIU-CHUNG (in Cantonese): Deputy President, at present, the total population of Hong Kong is 6.96 million, among which 880 000 are elderly people aged 65 or above, representing 12.7% of the total population. It is expected that by 2031, the elderly population will account for a quarter of the total population of Hong Kong. With the expected increase in life expectancy and decrease in birth rate, the ageing of the population is an irreversible social change. However, an ageing population may not necessarily impose a heavy burden on society. If the elderly can be provided with a suitable environment in which they can continue to give full play to their abilities, they can definitely bring in fresh impetus to society. According to research analyses undertaken by academics, there is on average an upgrading of Hong Kong's elderly population every five years, with remarkable changes in old people's educational

attainment, savings, income, consumption patterns, leisurely pursuits, health conditions and housing. Therefore, in formulating elderly housing policy, the Government has to modify various public policies in the light of demographic changes with due regard to the needs and opinions of the elderly so as to establish a social environment which is free of any age constraints and caters for both the young and the old.

First of all, it is necessary for the Government to improve its town planning and the designs of public and housing facilities, so as to create a barrier-free environment. At present, on the daily life level, as town planning fails to dovetail with the needs of the elderly, it is difficult for them to find quality residential flats of a smaller size. The designs of public facilities seldom take their needs into consideration. For example, a lot of public housing estates are not provided with elevators, some are provided with elevators not serving all floors, and in some cases, elevator service is not even available to the lower floors at all. For some public housing estates built at the peak — not the Peak at Central — but the public housing estates built on the hilltop — as there is no pedestrian connection to public housing estates, the elderly people have to struggle their way up a "long uphill slope". The area of public rental housing flats is small, so if two single beds are put in a so-called two-person flat, no more space will be left to accommodate other furniture. Some elderly people will use a bunk bed in order to save some space, which means that one of them has to climb onto the upper bunk every night.

To improve this situation, demographic changes have to be taken into consideration in town planning. In this way, concentration of elderly housing in remote areas, which will undermine cross-generation integration, can be avoided. The Government should also provide explicit planning directions to developers to advocate that property development projects should include housing units for the elderly, and encourage developers to provide sufficient facilities for the elderly in property development projects. On public facilities and housing designs, the Government should make utmost effort to implement universal design and the planning guideline on barrier-free design for the elderly. The construction industry should be encouraged to adopt the concept of universal design, so that suitable changes could be made to the various facilities according to the age of the residents to address their needs, thereby creating a barrier-free environment to facilitate integration of people of different ages and physical conditions into the community. This will enable the elderly people to maintain their vigour in life.

Secondly, it is necessary for the Government to conduct another comprehensive review of elderly housing and residential care service in order to keep abreast of the times and enhance various initiatives. At present, different policies on elderly housing and residential care service are in place, such as various priority housing schemes for the elderly, which include the Single Elderly Persons Priority Scheme, the Elderly Persons Priority Scheme, the Families with Elderly Persons Priority Scheme and the Special Scheme for Families with Elderly Persons, and various pilot schemes on elderly housing with the participation of the private sector — many schemes have been implemented; the introduction of a standardized care need assessment mechanism as the basis for the admission of the elderly on the waiting list for residential care service; increasing the supply of residential care places; the introduction of the Enhanced Bought Place Scheme; allowing for the operation of both subsidized and self-financed places in the same homes, and encouraging private sector participation in the provision of residential care homes for the elderly and so on. These have been established in as early as 1998. Back then, the Ad Hoc Committee on Housing and Residential Services under the Elderly Commission, after thorough review and extensive consultation, proposed in its report the series of recommendations listed above. Over the past decade, the policy on elderly housing and residential care services has been developed under this framework. With the continuously ageing population, the focus of the development of the elderly housing policy should not only be put on the protection of the right of housing and the provision of remedial services. Rather, emphasis should be put on developmental and preventive services. Therefore, a comprehensive review and improvement measures should be implemented without delay.

Thirdly, as the ties between Hong Kong and the Mainland have become closer and closer, in formulating the elderly policy, the mainland factor will inevitably have to be taken into consideration. The Democratic Alliance for the Betterment and Progress of Hong Kong has all along been fighting for the abolition of the requirement pertaining to the permitted period of absence from Hong Kong for receiving the "fruit grant" so as to provide the conditions conducive to the elderly's free choice of the place of residence. Regarding residential care services, a lot of elderly people regard the spacious, tranquil and well-equipped elderly homes in the Mainland as the ideal place for spending their old age. At present, although some social welfare organizations are also operating elderly homes in the Mainland, little progress has been made in their admission of residents from Hong Kong because the requirement pertaining to

the permitted period of absence from Hong Kong for receiving the "fruit grant" has made a lot of elderly persons abandon such an idea. Although these elderly homes will arrange for the residents to return to Hong Kong regularly, it is very difficult for the residents to find a place to live in for only three months. On the other hand, the economic development in the Mainland has given rise to, some new circumstances, which might not have been contemplated when the elderly policy was formulated in the past. A lot of elderly people in Hong Kong returned to the Mainland for settlement in the past on the ground that the living standard in the Mainland was low. They hoped that they could spend the rest of their life there with their limited savings. However, with rising prices in the Mainland, their burden has been aggravated. Therefore, with limited savings, they may not be able to afford living there.

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

MR TAM YIU-CHUNG (in Cantonese): It is therefore necessary to take these circumstances into consideration at the same time.

MR FRED LI (in Cantonese): Deputy President, according to the results of the 2006 Population By-census, among the districts covered by the 18 District Councils, Kwun Tong has the largest elderly population, which amounts to 94 195, while Wong Tai Sin, another district in Kowloon East, ranks third, with an elderly population of 75 000. In other words, in my constituency, Kowloon East, the total number of elderly people can be said to be the top of chart in the whole territory, with 170 000 elderly people living there. Most of them live in public rental housing (PRH) built in the 1960s, including Choi Hung Estate, Tung Tau (I) Estate, Lower Ngau Tau Kok (II) Estate, Ping Shek Estate and Wo Lok Estate, all of which have a history of almost 40 years. Most of the children in the families living in these estates are already working. Some have already moved to private residential buildings, some have moved to extended urban areas or other parts of the New Territories for various reasons, leaving their parent or both parents behind in the PRH. We should really give particular regard to these arrangements. Not only are these elderly people not being taken care of by their family members. They even have a stronger feeling of being abandoned; on the other hand, after the young families have moved out, they will lose the good helpers for looking after their children.

In the 2006-2007 policy address, the Chief Executive proposed to strengthen the family-based support network. In the same year, the Housing Authority (HA) proposed a series of measures to foster harmonious families, including reducing the minimum waiting time for applicants of the Families with Elderly Persons Priority Scheme (FEP) and the Special Scheme for Families with Elderly Persons (NFEP) from two years to 18 months, and relaxing the restriction on the applicants' choice of district under the NFEP by allowing applicants to choose flats in any district except the urban district. Besides, under the Addition Policy for Harmonious Families, one adult offspring (that is those aged 18 or above) and his/her family members are allowed to be added to the tenancy of elders living alone or elderly households, instead of only being allowed conditional temporary stay. I have given my full support to all these proposals in the HA. Under the Enhanced Transfer Scheme for Harmonious Families and the Amalgamation of Tenancies for Harmonious Families, young families living in the New Territories can move to neighbouring districts of their elderly relatives living in the urban area, or even live with them through addition to their tenancy, and up to 1 000 flats are available per year. These are all worthwhile measures as they can enable the elderly and their relatives to live closer to each other and promote mutual support, thereby enabling the elderly to lead a more contented life. However, I would still like to put forward a further proposal. The Democratic Party hopes that, with the increase in supply of urban PRH flats by the HA and the corresponding increase in the quota of flats under these schemes, more young families and elderly people can live together or live in the same estate.

As there are more elderly people living in the urban areas, the Democratic Party proposes that the restrictions under NFEP can be further relaxed to allow applicants to choose flats in the urban areas; and as the flats chosen are located in urban areas, consideration should be given to setting a longer waiting time for those applying for urban PRH flats, and allowing for the reduction of only one year instead of two years in waiting time, subject to the supply of PRH flats in the urban areas. This can provide more choices to young families and enable them to live with the elderly in the urban areas.

Besides, as the rent for new PRH flats, especially those in the urban areas, are higher, in order to ease the rental burden of the elderly and their families, there are various elderly priority schemes for PRH, including the Single Elderly Persons Priority Scheme, the Elderly Persons Priority Scheme, the FEP, the NFEP — well, I think the Secretary may have already found it difficult to follow

my point, but I believe that as the Chairman of the HA, you ought to know what I am talking about, right? All the four public housing allocation schemes I mentioned have to do with helping the elderly — I hope you can consider abolishing the two-year residence requirement for the application for rental assistance, so that elderly people can immediately apply for such assistance after they have moved into these PRH flats. This can really achieve ageing in place.

To encourage young people or young families to live with the elderly people, we suggest that the Housing Department, in setting the income and assets limits for PRH applicants, provide more allowances and support on daily living expenses, having regard to the health, care and transport needs of the family members or the elderly people, and relax the limit on additional income or pitch the assets limit at a higher level for schemes such as the FEP and the NFEP — I think the limit on additional income is more important — so that elderly people in need will be allocated with PRH flats and taken care of by their family members.

According to the results provided by the Census and Statistics Department on the census conducted in 2006, 41.1% of the elderly people are living in PRH, and 41.3% are living in private buildings. Except for the relatively well-off group, the rest of the elderly people are living in cubical apartments or bedspaces, or some old and dilapidated buildings. Therefore, the Democratic Party hopes that the HA — through the Secretary — can review the elderly housing allocation policy so that more elderly people in need will be allocated with PRH flats or live with their young children and enjoy life in their twilight years. I so submit.

DR JOSEPH LEE (in Cantonese): Deputy President, most of the issues concerning elderly housing are receiving great attention from us and these issues are frequently discussed and many opinions have been voiced. The Government is actually doing quite a lot in recent years by, among other things, providing household repair and maintenance service for the elderly. However, no long-term policy on elderly housing has been drawn up to date and this is quite disappointing. This is especially so for the elderly people who have devoted a large part of their lives in contributing to the economic success of Hong Kong. Now most of them are only getting a minimal reward like the Old Age Allowance.

Deputy President, on the drawing up of a long-term housing policy, I would like to make one point and that is, I am sure that every member of the public would want the Government to draw up a blueprint of a comprehensive and long-term elderly policy. This would involve not just housing but it should aim to match other policies and measures in social welfare, long-term care, health care, social and leisure life and so on, so that every citizen in Hong Kong would have some idea of how they are going to live their old age and what kind of environment or welfare our Government will offer them. This is a more practical approach to take. So I am in favour of formulating a comprehensive elderly policy.

On the points (a) and (b) proposed by Prof Patrick LAU in the motion, which mentioned that different housing needs of various categories of elderly persons and planning in lands should be examined, I agree very much to these. At present, with the support of and land granted by the Government and as mentioned by other Honourable colleagues, the Housing Authority has launched many Senior Citizen Residences schemes and they are well-received. Response in the market is excellent. Now there should be more than 100 elderly persons on the waiting list for these schemes. This shows that there is a certain market demand for quality housing.

All along the Government has not cared much about the middle class, especially those from the middle class who cannot be described as real members of the middle class. As a general rule, they are unable to enjoy any social benefits and so this kind of housing for the middle-class elderly is quite a good choice for them. In future as the number of this group of elderly persons who can afford better quality in life would be increasing, the Government should review the policy on the provision of housing for these middle-class elderly and allow non-profit making groups to take part in the production of elderly housing units.

In planning the locations for these housing blocks for the elderly, I would think that we can try to consider places in the New Territories with better air quality, so that they can live in a more spacious environment with an open vista. Of course, I am not saying that all the elderly persons should be relocated to the New Territories but that other places in the urban areas should also be identified to enable the elderly to live close to private residential developments. This will enable them to maintain close contacts with their family members living nearby.

As for the amendments proposed by a number of Honourable colleagues to the original motion, such as including the health care factor, I am very much in support of these proposals. On the community facilities provided to the elderly, I think greenery in their living environment and community hygiene teams are essential. As a matter of fact, I have always called on the authorities to promote the idea of community farms. I would not repeat the advantages of this idea of community farms here. For the elderly, these would be places for them to spend their leisure time. They can gather together and practise the activity theory in sociology, that is to say, when they engage in more activities, they will have a healthy social life and this would be good to both their body and mind. Therefore, I hope that when planning is undertaken for elderly housing, the Government may consider further extending the concept of community farms so that the elderly can benefit more.

Second, with respect to the living of the elderly, long-term care is also indispensable. In developing elderly housing, more emphasis should be put on health promotion. I think when the Government is developing elderly housing, it would only consider elderly housing a kind of welfare. Such an idea is outdated. Now we should approach the issue from the perspective of health when elderly housing is to be developed. The existing primary services in the community should be made full use of, such as those offered by professionals like family doctors, nurses and pharmacists. Community hygiene teams should be formed to take care of these elderly persons. So with respect to the community level, if housing programmes or policies are to be planned, the approach to be taken should focus not only on welfare matters. Rather, the health care perspective should also be adopted.

On perfecting the regulation of residential care homes for the elderly (RCHEs), I agree very much to the point made. Today's newspapers have also reported on some of these RCHEs, especially those in the private sector which are not all of an acceptable quality. The regulation imposed by the Government is far from satisfactory and this has caused a lot of cases of elder abuse or problems such as the elderly being cheated of their CSSA payments. This is a great blow to the elderly. I think in this regard and as I have said, the Government, in its policy on regulating these RCHEs, should adopt not only the perspective of welfare but also the health perspective.

Why do RCHEs have such shortcomings in the provision of long-term care? This is because government subsidy for these RCHEs is in the form of

one-off grants. Since funding for these RCHEs is in the form of one-off grants and the management is often made up of social workers, the result is that resources are mainly put in welfare matters and not much money is used to hire nurses. In some of these homes, because of financial stringency, they can only comply with the minimum legal requirement and just hire one nurse to take care of 60 elderly persons. When the number of inmates exceeds the limit, they may hire health care assistants in place of nurses. This results in a decline in the quality of services and nursing care in these RCHEs. And there is no protection to the inmates as well. I think the Government should undertake a review of this situation as soon as possible and look into how funding can help the RCHEs ensure the improvement of the quality of their nursing service. In that case, I think for the elderly or we ourselves when we become old, we would all be assured of the housing and long-term care services for the elderly.

Thank you, Deputy President.

MR LI KWOK-YING (in Cantonese): Deputy President, the topic for discussion today is "Elderly housing policy", and from a macro perspective, this is just one of the areas of the elderly policy. So when we are to discuss elderly housing policy, the focus should not be placed only on the provision of accommodation for the elderly but that through comprehensive planning and matching facilities, the elderly can be given a cosy and safe haven when they are advanced in years. Of course, we also have to take into account the wish and practical conditions of the elderly before they can be truly provided with a living environment to their satisfaction for them to live in contentment in their later years.

In fact, elderly persons with different conditions do have different housing needs and other needs in life. Therefore, as we are to discuss housing for the elderly and elderly services, the focus of our attention should not just be the provision of institutional care for the elderly but should also include those elderly persons living in the community. In general, we can divide those elderly persons in the community into three main groups and target-specific measures can be introduced to meet their housing and other needs in life. The first group is those elderly persons living with their family members, that is, those from families with elders. The second group is elderly singletons and those living with another elder. The third group is those elderly persons who do not have any ability to care for themselves at all.

Deputy President, under the traditional belief of being cared for by one's children when people get old, the first group, that is, those families with elderly persons, may be the first choice for most elderly people who prefer to age in the community. In the 2006-2007 policy address, special mention is made by the Chief Executive to strengthening the bond of mutual support among family members. The authorities have since provided support in housing policy to encourage children to live with their family members. Last year the Housing Authority introduced measures like reducing the minimum waiting time for the Elderly Persons Priority Scheme and the Special Scheme for Families with Elderly Persons from two years to 18 months.

For those elderly persons with better financial means and their families, the Housing Society has built some senior citizen residences, some of which are branded as "platinum senior citizen residences" and they are fitted with deluxe facilities. These are meant to meet the housing needs of elderly persons from the middle class. Through these measures, and given the high prices of residential properties and practical housing needs, more children will choose to live with the elderly. In order to cultivate a sense of security in the elderly, the authorities should continue and improve these measures to meet the housing needs of families with elderly persons.

It remains of course that not all elderly persons or families with elderly persons can benefit from such schemes. For example, in the senior citizen residences which have been mentioned earlier, they are beyond the affordability of elderly persons and their families with average financial means. Some organizations involved in these schemes may only act out of business considerations and place the focus on those senior citizen residences which are marketable at good prices. However, in order that elderly persons and their families who have average financial means can have a chance to live under a desirable living environment, can the authorities not consider providing land at low prices or even for free so that non-profit making bodies and organizations can provide less expensive elderly housing to these elderly persons and their families? Such a suggestion can demonstrate the determination of the authorities in helping the elderly by providing an alternative option to those residences for the rich elderly. It can also meet the housing needs of elderly persons and their families with less financial means while avoiding polarization in families with elderly person which is not conducive to the building of a harmonious society. All these should be considered by the authorities.

As I have just said, accommodation is only part of the elderly housing policy. To enable the elderly to live happily in the community, they should be given enough care and attention services. The lack of care and support services has become a major obstacle to the elderly who wish to age in the community. At present, there are day care centres for the elderly at the community level which take good care of the physical and mental needs of the elderly. Such centres provide services covering personal care, rehabilitation training, social and leisure activities as well as meals. However, the shortage of these services has taken a toll on the quality of life for those elderly singletons ageing in the community and put a heavier pressure on the family carers of the elderly. Since the Chief Executive made special mention in last year's policy address that the people of Hong Kong should strengthen the bond of mutual support among family members and hence imbuing a sense of security in the elderly, there must be corresponding policy support. This means that the places in the day care centres should be increased in order to give greater support to families taking care of the elderly.

With the ageing of the population, there is a drastic increase in the demand for long-term care in the community, especially from those elderly persons unable to take care of themselves or those who cannot be cared for by their families. If these people wish to be admitted into a care and attention home subsidized by the Government, it is very likely that they will have to wait several years. It is learned that generally speaking, elderly persons whose conditions require infirmary care would not live for more than three years. As a result, it is a mockery to see close to one quarter of the waitlisting elderly persons die before they are given a place. For those care and attention homes in the private sector, there are problems like high charges and variations in service quality, hence the elderly persons are not given any proper care.

Since population ageing has been recognized as a great potential obstacle to our social development, and as the retirement and nursing needs of the older generation has become a burning issue, the authorities should take action and formulate policies to enhance the care and attention given to the elderly at the community level. This will enable them to live a peaceful life in their later years.

Deputy President, I so submit.

MR RONNY TONG (in Cantonese): Deputy President, about the crisis brought about by population ageing, we have touched on it during the few occasions in the past when debate was held on the disparity between the rich and the poor. However, there are two points which I think must be mentioned. First, the policy direction that we explored in our earlier discussions on elderly in poverty has pointed to a major direction, and Prof Patrick LAU has given us an opportunity today to delve deeper into the problem of elderly housing; and second, the problem of elderly housing is not only related to the needs of the grass-roots elderly. We should not forget that some of the elderly from the middle class also have their needs. I will talk about this later on.

Deputy President, it is an indisputable fact that population ageing is growing at fast speed, and the crucial thing is that this backdrop of an ageing population will determine the direction of the SAR Government's policy on elderly housing. If we look at the census conducted in 2006, we will find that the number of people aged 65 or above is already some 852 700, an increase of 26% as compared to 10 years ago. Elderly population in the New Territories shows a marked increase than the urban areas in recent years. As the saying goes, "housing an elder, hoarding a treasure". Now there are about 600 000 families in Hong Kong with at least one elderly person and about 70% of the elderly live with their children or non-elderly persons; while about 20% of the elderly live alone or live with other elders.

Now there are a few special characteristics with respect to elderly housing that we must pay attention to. First, over the next 10 years, the elderly population that will appear in Hong Kong society will be composed mainly of the post-war baby boom generation. As compared to the past, elderly persons in this group do have some savings and their education attainment and average income are somewhat better than those from the previous generation. Some of them are even financially able to some extent. For these elderly persons, most of them live apart from their children and have certain expectations for their living conditions. Second, the problem of elderly in poverty will not be mitigated as the economy turns better. In contrast, when the economy fares better, especially when it is accompanied by inflation, rents and property prices will go up. The pressure on the elderly will on the contrary increase. Third, those elderly persons living in remote areas may experience a smaller pressure with respect to rent, but as these elderly persons live too far away from their children, the kind of family and community support they get may be less than that of other elderly persons. This applies especially to those living in the older

urban areas and in the rural areas. The problems they face may not be confined to housing alone. They may also face problems relating to the environment of the community in which they live.

Deputy President, regarding the New Territories East which I serve, it can be said to be a mixture of different kinds of elderly persons with many unique features of their own. In Sha Tin and Tseung Kwan O, it is obvious that there are more places of a better quality for the elderly to live. Targeting this group of middle-class elderly, the Housing Society (HS) launched the Senior Citizen Residences schemes a few years ago. These schemes are well-received. They have flats designed for the middle-class elderly and their facilities are better than those in the homes for the aged. Fees are charged in the form of paying an entry contribution and this also suits the needs of these middle-class elderly people.

The problem is that such flats are very much in short supply. When added together, the number of flats at the Cheerful Court and Jolly Place is only 576 and they are all leased within a very short time after they are put up in the market. It is understood that in the near future, there will not be similar schemes launched in the market. We think that if the Government is to promote these schemes further with the help of the HS, it is not competing with the private sector for profit. On the contrary, the Government may act through the planning provisions attached to the land grant and require that the land in question can only be used for elderly housing and facilities for use by the elderly can also be specified. If green light is given in policy to permit the HS or even private sector developers to take part in the construction programme, in the long run, that would be a win-win situation.

What we should be more concerned about is the housing problem of the grass-roots elderly. As I have just said, some elderly persons live in remote communities like Tai Po and New Territories North, and their children may live apart from them because they have to work and they may just come home and visit the elderly folks once a week. The support given by the community to these elderly is minimal.

To address the housing problem faced by the grass-roots elderly, the most thorough solution is to undertake a localized and territory-wide re-planning of the communities to examine the needs of the old people at a community level with a view to making improvements. For example, in Tai Po Market and

Sheung Shui's Shek Wu Hui, the Government and the HS should proactively take action to help the elderly renovate the buildings and provide facilities on the vacant land there to enable the old folks to engage in leisure and social activities and even invite some social enterprises to operate these elderly-friendly facilities. In this way, the old folks there can be properly taken care of.

Planning, revitalization and renovation initiatives can be taken in the communities so that some of these ageing communities can be made attractive to the young people again. Then the young people will come back and live closer to their parents. An example is that in some of the ageing housing estates in Sha Tin, the Government can allocate more young families to the elderly estates, so that the community can be made more lively, more rejuvenated and teeming with vigour and vitality.

Deputy President, if we are to understand the elderly, especially the housing needs of the poor elderly, then we must undertake more in-depth studies and obtain the relevant information. I am now working with The Chinese University of Hong Kong to begin a study on the community needs of the elderly living in remote areas. The study will be completed within this month. I hope that when it is finished, I can share the findings with the relevant authorities and urge that proper attention be paid to the housing and community needs of the elderly.

With these remarks, I support the original motion and all the amendments.

MRS ANSON CHAN (in Cantonese): Deputy President, it is beyond any doubt that population ageing is a problem confronting the society of Hong Kong. It is estimated that by 2030, the population of elderly persons aged 65 or above will take up 30% of the total population, or about 2 million. What will be derived from population ageing are a host of social policy problems. The most pressing ones are in the areas of health care, housing, matching community facilities and population policy. How should planning and adjustments be made to match changes in demographic features? This is of course the responsibility of the Government and actions can brook no delay.

It is the dream of many people that they can live and work happily. This is especially the case for people who have worked hard for most of their lives and

it is only natural and cannot be regarded as excessive at all that they yearn for a peaceful life and a cosy home after their retirement. In general, if the elderly persons are physically fit enough and given adequate health care and social services, they would rather stay at home and age instead of living in residential care homes. For elderly persons who are physically and financially sound, how much does the Government know about their housing needs? For elderly persons from the middle class, just now I have said that 30% of the population in Hong Kong would be 65 or above by 2030 and of this, 10% out of this group of 2 million, that is, 200 000 at a conservative estimate, are the middle-class elderly. These old people do not have to depend on the younger generation, for they have pension and personal savings. They wish to lead a quality life in their later years. They may even have properties of their own and they do not want to see a drastic change from a comfortable, well-off life to living in a substandard care and attention home. Has the Government really made any serious attempt to gauge their housing needs?

As for the ordinary elderly people from the lower class, their situation is even worse. For those who do not live with their children and lack the financial means to buy their own property, what options are offered to them by the Government? Now that property prices are always rising and the grassroots find it impossible to own property. In some old buildings, the people living there are facing the plight of demolition or eviction by the landlords. Put it simply, there is a severe shortage of housing for the elderly. The Housing Society has said recently that it is hard to identify land for developing elderly housing. At present, the only confirmed land supply for building elderly housing blocks are the urban renewal sites in Shau Kei Wan and Sham Shui Po. Over the next five years, the Housing Authority has decided that 76 000 public rental housing units be produced. But the number can only meet the needs of those on the waiting list temporarily. In future, the public rental housing programmes are full of uncertainties and it is highly likely that the supply will continue to fall short of the demand.

In producing flats, it takes several years from planning to construction and completion. The Government should kick start the long-term housing strategy and land planning at the soonest. It should study the housing supply to the elderly and the different housing needs of elderly persons from different strata. It should formulate a land policy which meets the needs of the elderly. Issues like land supply, land premium and so on should be looked into. It should also examine how the private sector can be encouraged to provide suitable kinds of

elderly housing. An example is to add land lots for designated uses related to the elderly into the land application list and lower the prices for these lots for competitive bidding by private developers. As far as I know, developers are not entirely uninterested in building elderly housing blocks. The most important thing is whether or not the Government can effectively co-operate and negotiate with the developers, with a view to drawing up a housing policy that is acceptable to all parties and beneficial to the elderly.

Community facilities and matching health care services are not to be separated from the issue of elderly housing. Examples of these are day care centres and integrated household services. I very much hope that the Government can see farther ahead and face up to the problem of population ageing from a macro perspective. When drawing up various social policies, the issue of population ageing should be factored in for study and consideration.

For those elderly persons having difficulty in taking care of themselves or if their children have no time to take care of them, the care and attention homes seem to be the only option left. So in the face of rapid population ageing, the elderly will not just have greater needs in housing, and their needs for care and attention homes will obviously surge. Now many service organizations are working to their limits to cope with the increase in demand. Recently, it is disclosed that last year, of the 6 200 elderly persons on the waiting list for infirmary places, as many as one quarter of them died while waitlisting. Those who died while waiting for a place in care and attention homes take up 13.6% of the 2 303 elderly persons on the waiting list. The number of elderly persons on the waiting list for infirmary beds and care and attention home places is rising from year to year. With respect to the waiting time, a subsidized residential place will take an average of close to three years. The Government should undertake planning of the demand for long-term care, including community care and institutional care. It should finalize a sustainable and sound proposal, thus enabling the elderly to access more comprehensive care in the community and hence reduce the chance of hospitalization. In addition, the quality of residential care services varies from institution to institution and with respect to this problem, the Government should deploy more staff to conduct more blitz checks. Any care and attention home found to have breached the relevant rules should be subject to heavier penalties. At the same time, nursing staff should be increased to upgrade the quality of residential care services.

With these remarks, I support Prof Patrick LAU's motion.

MR CHIM PUI-CHUNG (in Cantonese): Deputy President, the problem of ageing population in Hong Kong will become increasingly acute in future. According to studies undertaken by specialists, in the next one to two decades, in addition to population ageing, the age of the people could go up to nearly 120.

Under such circumstances, if people aged 65 are considered elderly persons, by then nearly half of the population will fall into the category of the elderly. So, I think the Government should first of all adjust the age of the elderly from 65 to 75. Why? How would people in their 60s consider themselves old? If they are considered elderly people, we have six or seven Members in this Council who have already reached the age of the elderly, accounting for 12% to 13% of all the Members. In particular, all these so-called "elderly" Members have no intention to withdraw from the next election. As a result, the average age will soon reach 70 or above. Therefore, the Government should make it a priority in its policy to adjust the definition of the elderly upwards from 65 to 75. This is essential for coping with the changes and needs of society.

With regard to the elderly housing policy under discussion today, I personally think that a review is warranted in several aspects of government policies. First, in the past, people lived in the rural areas with their families. Rich people would build houses for residential purposes and such houses were built larger and larger in size, so that the elderly could live with their grandchildren under the same roof. So the entire family lived together in the same house. The poor people naturally had to be crammed into the same house. Since all the people had their own houses in the rural areas, they would be crammed into their houses. Although they were poor, they still could experience a feeling of warmth at home in a different way.

However, after they came to Hong Kong, particularly in a modern society, the younger generation would not follow the way of life in their hometown, which they think is out of fashion. Instead, they would learn from overseas countries. The housing units in overseas countries have become smaller and smaller, as young people tend to build up two-member families. In other words, the change that has taken place is: Children would leave their parents after getting married because there would be many problems involving their relationship with their daughter-in-law, children, and so on. Under such circumstances, the elderly are gradually forced to leave the small families I think the first and foremost task of the Government in future is to review the

overall policy, and conduct studies to identify places in mainland cities for the construction of an elderly city. What I am proposing is not as simple as an elderly estate. Each so-called "elderly city" should be able to accommodate some 30 000 to 50 000 elderly persons.

(THE PRESIDENT resumed the Chair)

It is not true that the elderly are unwilling to move into elderly housing units or homes for the elderly as they can make friends in such places and hence take care of each other, or they have common aspirations. So in fact they are willing to move into these places. Of course, they are also concerned about medical, social welfare and overall social policy issues. Therefore, the Government must first conduct studies in this regard. The present social welfare system in Hong Kong is not considered as very mean to the elderly. However, since the Government has to keep its expenditure within the limits of its revenues, while the current provision is not mean, how much can the Government spend? Why do the authorities not conduct some official surveys to find out how many people we can accommodate by building an elderly city in the Mainland? How much spending is required? How much will the elderly be charged as fees? All these answers can only be obtained through conducting surveys. Have the authorities conducted such reviews? If not, it is the responsibility of the Government to do so. I do not care about who are taking the offices of the Directors of Bureau, the Secretaries of Department or the Chief Executive, but these issues must be studied through conducting official surveys. If the authorities have not conducted any studies, or if they refuse to conduct such studies, that would be irresponsible.

Secondly, we should realize that the area occupied by the country parks in Hong Kong is in fact very extensive. We do not oppose greening the environment, but we need to study whether it is necessary for us to have so many country parks. Studies can be conducted on setting aside certain land. Some people said that Hong Kong does not have much space. Of course, our urban area is very limited in space, but we do have extensive area of land in the New Territories and on Lantau Island. If they feel that space is limited, it is just because we have different feelings. As such, we can conduct studies on building an elderly estate in the rural area — because it is smaller in scale — to specifically take care of the elderly. Why can we not do so? Of course, I must

stress once again that the elderly are afraid of loneliness, and they are also afraid of not having proper care and attention. So, if we can really build an elderly estate and an elderly city, then how would they be treated badly? Therefore, this is just an issue that the Government has not thought about thoroughly.

Thirdly, of course, the two projects I have just mentioned are a bit too remote from reality. What are the more realistic options? Now we have many social welfare organizations that require our subvention, such as the Tung Wah Group of Hospitals, Po Leung Kuk, and so on. Many of these welfare organizations are nearly In the past, they were granted land, but now they rely on the rental income generated from the buildings they had constructed. The authorities may formulate more policies for them and let them design the so-called homes for the elderly. This would give them more responsibilities, and they should be made to take up duties in this regard.

Fourthly, insofar as elderly homes in the urban areas are concerned, the facilities and the environment are very unfavourable to them, and some of them are profit-making. As such, the provision of poor and sub-standard facilities in such homes is quite understandable. Under such circumstances, the fourth problem that the Government has to address is how it can rectify such facilities. Before the implementation of the two new and good projects, we can still do something in the interest of the elderly. Only in this way can we really prescribe the right remedy to the problem. With regard to many other measures, they are either ways for the Government to shirk its responsibility, or just our own wishful thinking.

Therefore, Madam President, I have not delivered a speech for a very long time. So, even though these subject matters do not fall into the scope of my constituency, I still have to say something and support the motion as well as all the *(The buzzer sounded)*

MR ALAN LEONG (in Cantonese): President, Hong Kong is a place with scarcity of land but a huge population. So, the housing problem has always been a problem that every Hong Kong citizen has to face.

Of the many policies in Hong Kong, the public housing policy is considered a more refined policy because in the past and even now, nearly half of the local population has in fact benefited from this policy, which makes it

unnecessary for them to feel too worried about the expensive rent, and enable them to focus their full attention on career development as well as the education of their children. I have previously pointed out that this housing policy has in fact helped promoting the internal economic prosperity in Hong Kong.

President, even for a good policy, it does not mean that it can remain unchanged all the time. It must be adjusted according to the actual circumstances or changes in society. Of course, this applies also to the public housing policy. An indisputable fact is: Many Hong Kong people have not taken heed of the Chief Executive's call for giving birth to three children. According to the statistics compiled by the Hong Kong Government, the population in Hong Kong will keep on ageing, and it is expected that by 2030, about 27% of the local population, that is, about 2.1 million people, will be aged 65 or above. In view of this, the Government must formulate a comprehensive policy to cope with the challenges brought about by the ageing population in future.

President, there is an actual need for an elderly housing policy, which is the subject matter of our discussion today, be it from a long-term or a short term perspective. I think the authorities should provide the elderly with adequate housing within their affordability, so as to meet the policy target of tackling the problem of an ageing population. In saying that the authorities should provide the elderly with adequate housing affordable to them, I mean all the elderly, though with different levels of affordability, should be able to find an affordable and suitable home, whether in the market or under housing programmes of the relevant authorities of the Government.

Basing on the statistics of the 2006 Population By-census released by the Census and Statistics Department, an organization estimated that the percentage of elderly in poverty was as high as 33%, that is, one in every three elderly persons is living in a state of poverty. With the gradual ageing of the population, together with the fact that the disparity between the rich and the poor has not been suitably tackled, the number of elderly persons in poverty would definitely continue to rise. Therefore, it is necessary for the Government to provide adequate public housing for grass-roots elderly persons. The authorities should make a proper estimation of the future demand for public housing in the light of the problem of ageing population as well as the situation of the disparity between the rich and the poor, particularly as there is a strong

demand for singleton public housing flats allocated for single elderly persons. In addition, it is equally important for the authorities to analyse the situation and forecast the actual demands in different districts before formulating corresponding guidelines for building public housing flats.

President, in certain districts, there are a particularly large number of single elderly persons living in poverty. Such districts include Sham Shui Po, Kwun Tong, Wong Tai Sin, and so on. We should construct more singleton flats in such districts in order to accommodate these elderly persons. Let me cite an example. At present, in the centre of Kwun Tong near Yue Man Square, many elderly persons are living in cubicle apartments, where the living conditions are very poor, and the hygiene standards and the law and order there are equally poor; they even have to share the toilets and kitchens with other tenants. However, singleton public housing flats are not available in the district. Since they are unwilling to leave the community to which they have great sentimental attachment over the years, and move to public housing estates in other districts, they have no alternative but to continue enduring and tolerating these appalling conditions. Therefore, the Bureau should adopt different approaches according to the different situations of the districts, so as to enable all grass-roots elderly to enjoy the benefits of "quality city and quality life".

President, the Senior Citizen Residences (SEN) Scheme organized by the Housing Society provides housing for the middle-class elderly who can afford their own living expenses after their retirement. However, at the moment, there are only two SEN housing projects, namely, the Jolly Place and the Cheerful Court, and the flats in both projects have already been fully occupied. According to the Chairman of the Hong Kong Housing Society Mr YEUNG Ka-sing, there is a concrete demand for SEN units in society and there is a waiting list for these flats. It is learned that hundreds of elderly persons are on the waiting list. Yet, unfortunately, the authorities seem to be not particularly enthusiastic about the Scheme. At least, on the surface, the Housing Society has not been allocated land to construct more flats under the SEN Scheme.

President, the success of these two SEN projects fully illustrates that there is a demand for such independent flats for the elderly which provide one-stop services. The Bureau should continue holding discussion with the Housing Society to consider which districts have a strong demand for SEN units and the possibility of ongoing construction of these units before it can respond to the demand of the community in this regard.

I made the above remarks in the hope that the authorities will directly allocate additional resources in the light of the development of the Government and the needs, for building more elderly housing to provide different housing protection and choices for the elderly with different levels of affordability. But other matching policies are also very important. As highlighted by some amendments, proposals such as setting out explicitly in the Outline Zoning Plan the types of land to be used for building elderly housing, encouraging people to live with their elderly parents through offering additional tax concessions or strengthening support and leisure and recreational facilities for the elderly must be considered.

With these remarks, President, I support the original motion as well as all the amendments.

DR KWOK KA-KI (in Cantonese): Madam President, first of all, I wish to thank Prof Patrick LAU for raising a very interesting issue that very much deserves our exploration. In fact, this issue involves a wide range of subject matters. On the surface, we are discussing housing policies, but in fact, if we explore the issue in a more in-depth manner, it actually affects two aspects. Firstly, planning vision for a major constituent of the population, namely, the elderly; secondly, as a doctor, I must say that our society must make certain commitments to the future housing and health care services for the elderly. Recently, apart from the elderly housing policy, the Government has incidentally proposed to conduct studies on different policies relating to the elderly, including the health care reform document in my hands now.

One of the reasons or motivations prompting the Government to carry out the health care reform is this: In view of the fact that the elderly population will rise from the present 12% to over 25% in Hong Kong in the next two to three decades, and that the burden on public health care services is estimated to increase by several times, the Government has, therefore, conducted this study. Of course, we are not going to discuss this issue today, and there are also many controversies involved.

Besides, I wish to cite from planning vision report for 2030 recently completed by the Government. The report explicitly expresses the aspiration

that Hong Kong should have an urban and economic planning that can have sustainable development and high quality and is in line with economic development. However, there is one point that the Government seldom mentions, and I can only read it in two paragraphs after having searched through the entire document. In the sections on sustainable development or the desired living environment, there are two parts that are slightly relevant: One is a housing policy that meets the needs of various sectors, and the other is the building up of an energetic and harmonious society.

However, with regard to the present housing policy of Hong Kong, if it is compared with other government policies from the perspectives of planning vision and health care development, the Government has not faced or seriously faced the problem of the housing policy. The reason is very simple. Housing has always been a precious resource of Hong Kong, and very unfortunately, it is also where a lot of interests lie. I do not know whether this is good news or a bad news, as property prices in Hong Kong have been on the increase. Many residential premises, including those situated in relatively remote locations, are packaged as luxurious properties to be sold at prices as high as over \$10,000 per sq ft. To developers who own high-quality properties, or the Government with large quantity of land awaiting the opportunity to be sold at high premiums, this is really good news. But for many Hong Kong people who can hardly afford a property under the high land price policy, particularly the elderly, this is extremely bad news. In fact, it has become an increasingly remote reality for them to purchase their own flat, and to these disadvantaged groups, or the elderly, high-quality housing and a dignified living environment have also become farther and farther beyond their reach remote reality.

Of course, the Government must take care of the interests of certain large consortia or large developers. In the recent Hunghom Peninsula development incident, we all understand that the Government had then offered a "real bargain" to the developer, selling the development at a premium of \$3,000-odd per sq ft. But we have heard good news recently that the price has risen to \$10,000 per sq ft. This handling approach is astonishing and hardly acceptable to us. In fact, this is what Hong Kong is like. But while taking care of the developers, how much work the Government has done for our elderly population?

Just now several colleagues have mentioned that the Senior Citizen Residences (SEN) Scheme of the Hong Kong Housing Society is very popular and many people are waiting for such housing flats. But this is meaningless because this is just like a window-dressing gesture. These 500-odd households are too insignificant when compared with all the people in need. By 2033, when we have to face the scenario of having over 25% of the total population being elderly persons, and due to changes in the social environment and the population structure, most of the cases will be singleton elderly living alone, or two elderly persons living together. Has the Government really considered this problem? I cannot see that it has.

Apart from the points raised by colleagues today, I wish to see this question from the perspective of a member of the health care sector. Regarding these elderly persons, we cannot just leave them at a certain place and consider the job done. Someone even suggests solving the problem by constructing a health care estate in the Mainland. If Members have visited a home for the elderly, they will know that the biggest hope of the elderly is that their family members can visit them, even though it may not be possible for them to live together under the same roof, and that they can continue to live in their own community. This is a point that we must respect. We cannot say that due to cost considerations, we have to accommodate them somewhere in the Guangdong province. Of course, if they go there of their own accord, we will not oppose it.

In fact, with regard to many of their health care needs, medical and health care personnel or hospitals can provide assistance. Hospitals can be found in all the 18 districts of the territory. We can make use of the sites in the proximity of hospitals. Such sites that are close to hospitals are in fact the best locations for developing elderly housing — from flats for those elderly who require intensive care or who are highly dependent to those for elderly who are capable of self-care. These sites in the proximity of hospitals in different districts can be utilized. However, Madam President, many of these sites have already been used for building luxurious properties. Members can see this at places around the Queen Elizabeth Hospital.

Therefore, we feel that, if a government is really people-oriented and committed to living up to its promise, it should not be so short-sighted and

lacking visionary plans. It should not sweep the problem of ageing population under the carpet, nor should it consider this a burden. We have the capability, we have a large number of professionals, and we have the resources. If the Government continues to use all kind of excuses to shirk its responsibility, I would say that the Government is irresponsible. I hope that the Government will change. I so submit. Thank you, Madam President.

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

MR LEUNG KWOK-HUNG (in Cantonese): President, the topic of our discussion today is the elderly housing policy, and Prof Patrick LAU is very concerned about this issue. In fact, do we have any elderly policy? If there is no elderly policy at all, it is futile for us to discuss the elderly housing policy. The logic is simple enough. If someone wishes to find out about the character of a person, all he has to do is to go to his home to see how he treats his parents. That person may be very gentle to other people, but if he shouts at his parents or if he does not take care of them, then this person is hardly likely a man of virtues.

This is how we go about with our observation of others. The same can be applied to the observation of a government. A government may talk of all kinds of high virtues, just like the "three policies on the elderly" proposed by Mr TUNG Chee-hwa when he was the Chief Executive, including the vow to foster a sense of health and worthiness among the elderly, and so on. So, all these are some very impressive and elegant slogans, but there was actually no policy to enable the elderly to enjoy a peaceful and fruitful retirement. Contributing their sweat and hard toil, these elderly people have dedicated their whole lives to bringing up their children who are working in various trades and sectors in society. So they have made a lot of contribution to the prosperity of Hong Kong. But when they grow old, to put it bluntly, they end up "living in hell". If a government acts in this manner, it can be compared to a hypocritical person who preaches high virtues in the public but abuses his own parents at home or neglects his parents' sufferings and knows only to fool around and bully people.

I had watched a Cantonese movie entitled "A Grand Banquet of a Rich Family", that satirizes the wealthy class. A billionaire wishes to hold a banquet

of celebration because he knows that once he hosts a banquet, many guests would send him gifts. So he forces his father to grow a beard, and hold a banquet to celebrate the growing of a beard of his father, which creates a reason for others to offer him congratulations. It seems that our Government has acted similarly. It mentions the elderly all the time. I can still recall that the Chief Executive, Mr Donald TSANG, had the leisure to walk around everywhere when he was running in the Chief Executive election. I once met him in Yue Wan Estate. He was holding the hands of an elderly person. I did not know whether he or the elderly person was trembling. Anyway, both of them were trembling. I believe that elderly person trembled out of shock because he was meeting the Chief Executive, and also because many people were surrounding him in putting up a "show". Now Mr TSANG has already been elected as the Chief Executive, and I wonder if that elderly person is still alive. At that time, I had planned to rush forward to stage a demonstration, but then I decided to give up in order not to frighten that elderly gentleman.

If that elder has the luck of watching this debate now — subscribing to the Cable Television is rather expensive — he would agree with what I have said. Regarding elderly housing policy, I do have some strong personal feelings. First, can the practice of providing "split flats" as discussed in this Council really solve the problem? Will this practice gradually fade out? After this practice has faded out, though each elderly person can have a room of his own, it will still give rise to certain problems. A person living on his own without any companion is detaching himself from society. Living alone will generate other problems. Therefore, in short, we must make massive investment in our elderly services. In other words, they must be able to form their own community. We cannot just allocate some notorious singleton flats currently left vacant in a housing estate or some unwanted flats to the elderly and call them elderly flats. This is not right.

The Housing Society is established with the money of Hong Kong people. In the past, it built low cost housing. But now, it has introduced some so-called luxurious platinum elderly housing. I dare not say that this is wrong, but obviously this fails to address the needs of those elderly who live in my estate or those elderly whom I met during my electioneering activities in New Territories East. If we want to do a good job in this regard, we must understand that this is not just a housing issue, as we also need to create an elderly community and centre.

At present, we absolutely do not have such a policy. We treat the elderly in a way as if they are dispensable. When we are rich, we would give them some money. If they are dissatisfied, then we may give them an additional monthly payment of the "fruit grant". But if they request an increase of the monthly amount of "fruit grant", no way. This has fully revealed the Government's elderly policy, that is, if they are dissatisfied, then it would give them some candies. This is just like what happened when we were small, as the adults would give us "fancy gem biscuits" to stop our tears. That is what they are doing.

Therefore, this made me think of a passage in the school textbook which I studied when I was young. It reads, "Thus men did not love their parents only, nor treat as children only their own sons. A competent provision was secured for the aged till their death, employment for the able-bodied, and the means of growing up to the young. They showed kindness and compassion to widows, orphans, childless men, and those who were disabled by disease, so that they were all sufficiently maintained." That was written a long time ago. It was an extract from *The Book of Rites*, an ideal of the people for over a thousand years. What kind of era have we come to now? We are now in an era when the rich men have made so much money that they have become too fat to put on their socks. We are in an era when our Treasury is "flooded" with cash but when we say that we need to implement social reforms, the authorities would say that there is insufficient funding. However, up till now, a progressive regime has not yet been developed in our taxation system.

The elderly are poor, or the elderly have stretched to the limits, but the rich bosses of the consortia do not have to contribute more money. These rich people would only bother to host banquets to celebrate such trivial occasions like the growing of beards of their fathers. But when something does happen, they would say that the elderly are so good, that Hong Kong needs to cherish the past and that we need to live in harmony. Let me tell you that these are all false. Let me tell you that the passage extracted from *The Book of Rites* goes on to say this: "Any rulers who did not follow this course were driven away by those who possessed power and position, and all regarded them as pests. This is the period of Small Tranquility." What does it mean? It means that for the six great men, including King Wen and King Wu of the Zhou Dynasty, if they cannot enable the people to enjoy a good life, then they would be "driven away by those who possessed power and position" — they would be overthrown.

Members, what we are discussing today is our system. When the Chief Executive was running in the election, he respectfully addressed the elderly as our "old folks", but when the election was over, he would probably say that they are "old fools". That is all I want to say.

DR FERNANDO CHEUNG (in Cantonese): Regarding the elderly population now, if people aged above 60 are considered as the elderly, then the number of the elderly already accounts for 15% of the total population; if the line is drawn at people aged above 65, it still accounts for 12%. They are by no means "old fools", but the elderly in Hong Kong do not enjoy very good status. We do say very good things about them. We say that the Chinese have great respect for the elderly, and when TUNG Chee-hwa was in office, he proposed the "three policies on the elderly", that is, "giving the elderly a sense of security, a sense of belonging and a feeling of health and worthiness". The slogan was very impressive, stressing that in taking care of the elderly, the authorities would provide them with assistance in aspects such as housing, medical services and health care, and so on. However, what has actually been done is quite another story.

I am very grateful to Prof Patrick LAU for proposing this motion today to express concern about the housing problem of the elderly. I also know that Prof LAU had designed numerous housing projects in the past, not just for the elderly, but also for people with disabilities as well. I also recall that he had designed some elderly housing for accommodating blind or visually-impaired elderly persons. All these are very major contribution. However, how do we now accommodate elderly persons in need? President, it is not true to say that the Government has not done anything. I believe the Government will later on proudly say that among the elderly in Hong Kong now, if people aged over 60 are considered the elderly, then over 40% of them are currently living in public housing provided either by the Housing Authority or the Housing Society. If those living in Home Ownership Scheme (HOS) flats are also included, they would altogether account for over 50% of the elderly population. This is marvellous. If they need to wait for the allocation of public housing flats, it would only take them less than two years. Recently, the authorities have even introduced some priority schemes for allocating public housing to elderly persons. These are all good policies.

However, President, the relevant background actually is: The problem of elderly in poverty is rather acute in Hong Kong. We can see that, if the standards of the international poverty line (that is, the calculation method of the Hong Kong Council of Social Service) are adopted, over 30%, or close to 40% of the elderly in Hong Kong are considered to be living in poverty. In view of Hong Kong's status as an advanced territory, such situation of poverty is unacceptable and beyond our imagination. But this is exactly the situation in Hong Kong. Of course, the background is, very often, people of our last generation had worked very hard in jobs with not very high wages, and they may not have substantial savings. They have to rely on their family members to a very large extent in order to support their living. However, if they are single elderly persons, or their family members do not have the means to take care of them, they really need to be assisted by society, and they do have an urgent need for public housing.

We are very glad that the Government can do these, though in a rather piecemeal fashion in the course of implementation. After providing them with accommodation, the authorities would consider the job done, thinking that all they need to do is to provide housing to the elderly in need as far as possible. In implementing the policy of "split flats", the authorities had definitely not taken the perspective of the elderly in their consideration. This has consequently led to disputes among the elderly and even cases of elders being stabbed to death, and so on. Now, we propose to make improvement, but improvement is made at a snail's pace; and a lot of other types of people have moved into such housing units. Consequently, many elderly persons do not want to take up these "split flats".

When they feel unwell, or when there are problems with their health, they would need to queue up for residential care places. In fact, are there really so many elderly persons who need to be accommodated in residential care homes? On the one hand, we say that the elderly should age in their homes, but on the other hand, insofar as the Government's policies are concerned, whether in respect of housing or health care, we cannot see that the Government has ever provided comprehensive support to take care of the physical and mental needs of the elderly and provide them with appropriate accommodations in society. We have chanted slogans, saying that the Elderly Commission must have regard to the policies. In fact, the Elderly Commission holds four meetings annually, and

Dr LEONG Che-hung had been its Chairman for several years. When he first assumed office, he had explicitly told us that he wished to pursue three issues. The first was universal old age pension, but this has vanished now. The second was a long-term care policy, and this has vanished as well. And finally, the only remaining issue is the promotion of active old age. This has been an item discussed by the Elderly Commission over the past few years.

President, long-term care services and housing must complement each other. However, the present situation is: housing, health care services and social welfare services, and so on, are all provided in a piecemeal and unco-ordinated manner. We have not considered that, particularly when elderly persons are gathered up to live in a community, these services should be provided simultaneously.

Prof Patrick LAU has proposed that land should be allocated in the Outline Zoning Plan to cope with the needs arising from the ageing population. In the meantime, with regard to some vacant flats, and even for those "split flats" mentioned earlier, they can in fact be converted for the purpose of providing the relevant services. But we have not considered this. Yet, this is already done in overseas countries. In the design aspect, should we also be concerned about the immobility problem of the elderly and come up with the relevant design accordingly? Regarding the so-called design manual which has been discussed for many years, it still has not been tabled to this Council. The Government is working at a snail's pace. Even though the direction is set, and even the slogans are ready, the actual details of implementation invariably cannot catch up with the development.

I have read the minutes of the most recent meeting of the Elderly Commission in March, in which it was mentioned that the Elderly Commission welcomed the Government's provision of over 100 day care places. But I am sorry to say that we have over 1 000 elderly persons on the waiting list. As for the 200-odd subsidized residential care places, there are also more than 20 000 persons on the waiting list. I have recently mentioned that over a quarter of elderly persons waiting for residential care places had died in 10 months. The average waiting time for these places is more than 40 months, but a quarter of elderly persons on the waiting list had died in 10 months. So theoretically, all the elderly persons on the waiting list will have died in the course of 40 months.

The authorities are adopting a "snail-like" attitude in handling these elderly persons who cannot afford to wait, therefore *(The buzzer sounded)*

Thank you, President.

MR LEUNG YIU-CHUNG (in Cantonese): President, Prof Patrick LAU has proposed this motion debate on "Elderly housing policy" and it can be said to be a response to the comments made by the Financial Secretary Mr John TSANG on the Old Age Allowance and retirement protection. He points out that one quarter of our population in future would be elderly persons. I think this motion is a timely response indeed.

However, on the problems related to the elderly, as many Honourable colleagues have pointed out, it is not just today that we discover the existence of these problems. When Mr TUNG Chee-hwa first assumed office, he was concerned about the elderly. That is why many Honourable colleagues have referred to the three policies on the elderly, that is, a sense of worthiness, a sense of belonging and a sense of security.

President, it is now 11 years after the reunification, but how far have we solved this problem? I do not dare to echo the comment made by Dr Fernando CHEUNG earlier that the Government has done practically nothing. But it is a fact that many problems still exist and it is disquieting. A few weeks ago, Dr Fernando CHEUNG made some remarks here in which he condemned that there were some elderly persons who applied for a place in the care and attention homes but their applications were not approved even when they died. Such things have happened. In addition, we can see great contradictions in government policy. The Government allows some elderly persons to live alone and this seems to be a good thing. But some elderly persons have died without anyone's knowledge and such things often happen.

We can also see some elderly persons loiter on the streets doing nothing. They live with their family members but they do not dare to return home. This is like what Mr LEUNG Kwok-hung has said, that is, if we are to approach the issue of elderly housing as a standalone issue, the problem can never be solved. This is because the problem of elderly housing is in fact tied up with the entire policy on the elderly.

We have also seen problems related to "split flats". Elderly persons living in these flats are prone to quarrels and sometimes even fights happen. In view of that, the Government let them live alone. But who is to take care of them? There are some elderly persons who cannot take care of themselves. It will not work if the authorities do not give enough resources in line with such measures. However, what the Government is doing is only to tackle a problem as it crops up. When people say that it is no good to have "split flats", then it provides them with singleton units. But what happens afterwards? The answer is that they have to take care of themselves.

Some very inhuman things happen as a result. We know that elderly persons are likely to suffer from some health problems. Just imagine how they are to mind themselves. However, government resources are always not enough. This is why problems abound. After a certain problem is tackled, another problem will appear. So I agree with Mr LEUNG Kwok-hung who said earlier that there should really be an elderly policy and this issue must be viewed holistically and must never be approached in isolation, or else the problems will never go away.

Mr WONG Kwok-hing has mentioned some problems and I agree very much with him. As we discussed a couple of days ago at the meeting of the Panel on Housing, this has to do with two policies. The first is made because it is considered that public rental housing tenants should not waste public resources and it follows that if they have the financial means, it is hoped that they can move out of their public rental housing units, or they will have to pay expensive rents. This is the first policy or the so-called well-off tenant policy. However, on the other hand, the Government is telling us that it is very concerned about problems related to the elderly singletons. So if some young people want to live with the elderly persons in their families, they can apply for some public rental housing units nearby. An alternative is to add these young people to the tenancy. From these two policies, it can be seen that one policy shows a caring attitude towards for the elderly and so steps are taken to enable the elderly to live with their family members. But what about the other policy? This is the so-called well-off tenant policy. Objectively speaking, it serves to evict tenants. Why is that so? This is because if the elderly persons are to live with their children, it is likely that a rent of 1.5 times or even double rent will have to be charged. So the young people have to move out and the elderly persons will live there alone. These two policies are self-contradictory, but the Government refuses to make a

review of them. So on one hand, it says that owing to resource considerations, the well-off tenant policy must be kept. But on the other it also says that it will take care of the elderly. Just what is going on here?

Government policies are entirely self-contradictory and it is precisely because we do not look at the matter from an overall perspective that such results are caused. Luckily, a few days ago, at a meeting of the Panel on Housing, colleagues from the Transport and Housing Bureau undertook to review the problem. They agreed that there was contradiction. I do not know if the Secretary would agree that a review of these problems is warranted and the Government must not contradict itself in its policies. This is the most important thing. For example, we have just said that "split flats" are a bad thing. When several elderly persons live together, quarrels and even fights would appear. This is not a good policy. But if they are to live alone, it is like isolating them and it is also inappropriate for them to live away from other people.

Can we not give them some resources? Certainly, the Housing Department offers some resources to them such as in the form of sending social workers to visit them. But such manpower resources are very much inadequate. On top of that, some elderly persons say that they may go to the community centres or the elderly centres. However, these elderly centres are in serious shortage. In many elderly centres in the housing estates, the size of membership is often greatly in excess of the number of members as laid down by the Social Welfare Department. Even so, many elderly persons are waiting for their turn to become members.

The motion of Prof Patrick LAU points out that we should look for land with nice surroundings and build elderly housing while taking into account the various needs of the elderly. Actually, doing so is to isolate them. I would think that the effect is limited. Some Honourable colleagues have said that other matching facilities should be increased. This is a very good proposal. Unless such facilities exist, we cannot expect to see any results. So I think that with respect to the issue of elderly housing being discussed today, it is crucial to identify ways to deploy resources effectively in order to tie in with the policies.

Another problem mentioned earlier is about residential care homes for the elderly. It is best for elderly people to live in these homes because in this way, they are living as a group and being properly looked after. This would be the

best. But resources are not enough. The authorities say that improvements will be made and after more than a decade, what has been done is still grossly inadequate. Just how much importance does the Government attach to the elderly problem? Just how much attention to it is paid? This is actually a problem to think about. We can see the waiting list is so long and are the authorities so heartless as to see the applicants die while they are waiting? Is this what we want to see? If the answer is negative, Secretary, what can be done to improve the situation? This is really something we should all give serious thoughts to.

We cannot just make "care for the elderly" a pet phrase and if we do not do anything, it is still pointless and futile. Members of the public hope that the Government is not just indulging in empty talks but that concrete action can be truly taken to render this a meaningful cause.

President, I so submit.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I will now call upon Prof Patrick LAU to speak on the amendments. The time limit is five minutes.

PROF PATRICK LAU (in Cantonese): President, there is a Chinese idiom "As you drink water, think about where it comes from." Therefore, never should we regard the elderly as a burden. Instead, we should consider them as precious assets. Had it not been the contribution they made to society when they were young, our achievement today would not have been possible.

I wish to thank Miss CHAN Yuen-han for mentioning a poem composed by DU Fu, which portrays the poet's miserable situation in his old age. That is rather undesirable. Mr LEUNG Kwok-hung mentioned the concepts in the *Book of Rites*, which deserve our contemplation. I am very glad today because two Directors of Bureau are here listening to Members' viewpoints. Several

Members stressed that, at a time when the Government has enormous resources and a surplus of over \$100 billion, should it show its commitment to society and the elderly? What they have said is not confined to the housing problems. We, as well as other colleagues, hope that the Government can make some concrete promises in the Budget.

Apart from resources, several Members have moved amendments urging the Government to do something expeditiously or even immediately. For example, Mr Frederick FUNG, Mrs Anson CHAN and Dr Fernando CHEUNG mentioned that the Government must make achievements that can be clearly seen by the people, particularly in improving the planning of developments in new districts, the redevelopment of old districts, improving the living conditions of elderly people who live in ageing districts, and so on.

President, we agree that we should review the income and asset limits for people living together with the elderly and we should provide tax incentives to encourage more young people to live with the elderly. However, it is all the more imperative to draw up a comprehensive elderly housing policy, introduce relevant planning concepts when redeveloping old districts, make flexible arrangements to enable the elderly to live in the vicinity of their younger family members, so as to give full play to the spirit of mutual support embodied in "nisedaijutaku" or "two generation houses".

President, I do not oppose the proposal put forward by a Member in his amendment of providing flexible support to elderly who choose to live in their native hometowns in the Mainland after their retirement, as it echoes my view that diversified choices should be provided. However, as there has been recent news on all sorts of problems that have taken place in elderly homes in the Mainland, and it may not be so easy for the Hong Kong Government to provide assistance to Hong Kong people when they encounter problems in the Mainland, I feel that completely relying on places outside Hong Kong may not be able to truly solve the problems faced by our society.

In this regard, Dr KWOK Ka-ki also mentioned that elderly housing and medical services are closely related. Therefore, I reiterate that, regardless of the opinions proposed, we must first of all formulate a comprehensive elderly housing policy in Hong Kong. Apart from this core policy issue, we must have multi-dimensional matching support. Many Members have also mentioned this

point. Mr LEE Wing-tat, Dr Fernando CHEUNG, Mr CHAN Kam-lam and Mrs Selina CHOW have all stressed the importance of matching measures. Mr LEUNG Yiu-chung has also mentioned this. Only in this way can we really solve the problem of our inability to provide comfortable housing for all the elderly, and only in this way can we meet the basic requirements of an elderly policy in the international arena.

President, I would like to thank Members who have proposed amendments to my motion. With regard to Mr CHIM Pui-chung's unique opinions, I think we can consider them as well. I hope that under the major direction that I have proposed for an elderly housing policy, the implementation details and technical amendments relating to various policies can be passed unanimously, so that we can join hands in making some contribution to the welfare of the elderly and bring good news to them.

Thank you, President.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Madam President, I am very grateful to Members for speaking on the original motion and the amendments and voicing their opinions on elderly housing, welfare, health care and related policies.

Encouraging "ageing in the community" is an underlying principle of the elderly policy that the Government has formulated through the Labour and Welfare Bureau. For the majority of elderly persons, ageing in the community is their wish. In addition, care and support from family members and neighbours are of great benefit to the physical and mental well-being of the elderly.

Many Members have pointed out that about 40% of the elderly live in the public rental housing (PRH) flats. The proportion of PRH tenants among the elderly is higher than that in the overall population of Hong Kong. They are those among the elderly who are in greater need of support. So in discussing elderly housing policy, I will start from public housing.

Mr LEE Wing-tat points out in his amendment that PRH units of elderly-friendly designs and relevant support facilities should be provided. We

are in complete agreement with this view. In the past, the Hong Kong Housing Authority (HA) launched some hostel-type senior citizen residences, however, as the tenants had to use communal kitchens and toilets, these residences were not so well-received by the elderly. In 2001, the HA ceased the production of this kind of units especially designed for the elderly. Nevertheless, the HA is still committed to providing a safe and convenient living environment to the elderly tenants, with a view to enabling them to age in the community. For many years the HA has made numerous improvements to the design of buildings and housing estates. The following measures are adopted:

Starting from 2002, all new construction projects are to adopt the universal design, the aim of which is to provide a living environment well-suited to residents of various age groups. Under this concept, we have introduced facilities that suit the needs of the elderly, such as the levered door handle, and so on. The design of accesses in the housing estates is also improved.

In 2006, the HA launched an improvement scheme on barrier-free access under which more ramps and handles are provided. Also, facilities like the floor announcer system in the lifts are installed to facilitate use by the elderly and people with disabilities.

The HA will undertake refitting of facilities in the units according to the specific needs of the elderly tenants, these include the addition of indoor handles, widened doors, and changing the height or position of the electric sockets, and so on.

In some of the housing estates, the HA carries out some estate improvement projects in which leisure and sitting-out facilities suitable for use by the elderly are renovated or installed. These include Tai Chi practice grounds, foot reflexology paths, long benches, and so on. Additional lifts are installed in some housing estates to facilitate access by the elderly.

Mr LEE Wing-tat points out that we do not have enough space for use by the social service units. The HA will lease certain non-residential units suitable for use by social service organizations to provide suitable community elderly services. The HA will also try to redevelop some of the senior citizen residences with a higher vacancy rate for other community or welfare uses in order to meet community needs.

The above measures will serve to make the environment of the public housing estates more suited to the daily needs of the elderly. The HA will continue to study the issue and explore how the design of public housing estates can be further improved.

Some Members have pointed out that we only serve the needs of the developers, a view that I disagree completely. In the case of resources in the public housing estates, the average waiting time for elderly applicants is 1.3 years (Appendix 1). We have made considerable commitment to the housing needs of elderly persons, especially those who cannot afford private housing.

Apart from hardware facilities, we also encourage the management advisory committees in various housing estates to collaborate with the Social Welfare Department (SWD) and non-governmental organizations (NGOs) to provide support services to elderly in the estates and organize various kinds of community and leisure activities. These will serve to strengthen neighbourhood relations and the support given by the community to elderly persons living in the estates.

Besides, those PRH households with elderly members are also given many kinds of preferential treatment by the HA. Examples of these are that they can join the Rent Assistance Scheme by meeting more lenient requirements. The Scheme will help them overcome temporary financial difficulties. Other measures include a waiving of the requirement to declare income and assets on a regular basis. They do not have to pay extra rents or return their flats when their financial situation has reached a certain level. Also, they can receive allowances from the SWD and the Housing Department and they can install the Personal Emergency Link service for more effective support.

Apart from support from the Government and the community, it is also very important for the elderly to have the company, care and support from family members. In order to encourage young families to take care of the elderly parents or relatives and to build a support network with the family as the core element, the HA has launched many schemes to encourage young families to live with their elderly parents or close to them for better mutual support. Applicants of the Families with Elderly Persons Priority Scheme and the Special Scheme for Families with Elderly Persons may have their waiting time reduced. Applicants of the former scheme may even choose a flat from a housing estate in the urban area.

In addition, the HA has also introduced measures to facilitate addition, transfer and amalgamation of tenancies. Starting from October 2007, a series of measures such as the Addition Policy for Harmonious Families, Enhanced Transfer Scheme for Harmonious Families and Amalgamation of Tenancies for Harmonious Families, and so on, are introduced to encourage PRH families straddling two generations to care for each other. Now there are 791 elderly PRH tenants who have added their adult children and family members through the Addition Policy for Harmonious Families. Besides, 136 tenants have amalgamated their tenancies through the Amalgamation of Tenancies for Harmonious Families scheme, of which 48 families have been transferred to larger PRH flats after the amalgamation of tenancies. During the first phase of the Enhanced Transfer Scheme for Harmonious Families, 271 applications are received. Madam President, I have paid a visit to these families and I find that they are very receptive of these new initiatives which they think are of great help to them.

Miss CHAN Yuen-han has suggested extending and improving all these housing schemes to foster harmonious families. She is backed up by Mr WONG Kwok-hing. We will take active steps to follow up. In fact, the HA is looking into relaxing the eligibility requirements for inter-district transfers to benefit more families.

Some Members also point out that there may be contradiction with our policy of asking some tenants to pay 1.5 times or double that of the regular rent. I would like to point out that the aim of public housing policy as held by the HA is to provide public housing to those who cannot afford private sector rental housing. As public housing is a precious public resource, the PRH tenants assistance policy hopes that by lowering the subsidy given to those PRH tenants whose income far exceeds that of the income cap for inclusion in the waiting list, these tenants can be encouraged to seek private sector housing. When PRH tenants declare their income and if their income is found to be double that of the income cap as specified, they will have to pay additional rent. The aim is to spare resources for the benefit of those in greater need. Madam President, this is a major principle which we go by and it has been discussed in society over a long period of time. On the other hand, the HA has a series of measures which encourage children to live with their elderly parents, the details of which I have just outlined.

In addition, elderly applicants for the Single Elderly Persons Priority Scheme and the Elderly Persons Priority Scheme enjoy priority in public housing

allocation over the ordinary applicants. Now the waiting time for single elderly persons is about 1.1 years and it is shorter than the 1.8 years for ordinary families.

In sum, although the existing policy of the HA is not to provide housing estates for exclusive use by the elderly, the HA has always been fostering conditions conducive to making public housing estates a suitable place for the needy elderly to age.

For those elderly persons not living in public housing estates, the Government is equally concerned about their needs. Different policy bureaux have their relevant policies and measures to promote the policy objective of "ageing in the community".

To help elderly persons with long-term care needs to age in the community, the Labour and Welfare Bureau provides many kinds of subsidized community care services, including the home-based house call services and the centre-based day care services. The scope of such services encompasses home care and attention, rehabilitation exercises, household safety assessment and refitting, homemaking, meal delivery and escort service. Now there are about 23 000 elderly persons who use various kinds of community care services.

In addition, the 41 District Elderly Community Centres, 115 Neighbourhood Elderly Centres and 57 Elderly Activity Centres have formed a vast territory-wide community support network covering all places in Hong Kong. These centres give various kinds of support services at a district level to the elderly which include counselling, referrals, assisting in applications for long-term care, emotional support, community and health education, outreach work, recruiting volunteers, social and recreational activities, as well as meal service. The Government will pay attention to the need of specific places, especially those newly developed residential areas to see if there is any need to set up these centres for the elderly.

With respect to health care and community care services, now the Hospital Authority and the Department of Health work through hospitals, general outpatient clinics and specialist outpatient service located in various districts to provide hospitalization and outpatient services to the elderly. In recent years, the Hospital Authority also increases community and day care services and for

the elderly discharges at a community level. This is done through community rehabilitation service, community elderly assessment groups, house-call doctors and geriatric day hospitals. These will enable the elderly patients to receive uninterrupted rehabilitation care. In the year 2006-2007, more than 85% of the patients visited by the community rehabilitation service workers are elderly persons.

On the other hand, the Department of Health works through the elderly health centres located in all the 18 districts and provide primary health services such as health assessment, medical check-up, counselling, health education and general outpatient service to the elderly. These are to enhance the ability in the elderly to mind themselves and to foster good habits of living. The 18 elderly health outreach teams under the Department of Health also collaborate with the elderly centres run by NGOs to hold free health talks and other health education activities to the elderly and their carers.

To further strengthen support for the elderly, the Hospital Authority has launched the Integrated Discharge Support Programme for Elderly Patients in collaboration with NGOs to provide support services to the elderly on their discharge from hospital. Such services include discharge plans, transitional rehabilitation care and home-based community care to assist the elderly in their recuperation in the community. This scheme is a new initiative of the Labour and Welfare Bureau and the pilot scheme was launched in Kwun Tong in March 2008.

With respect to leisure facilities, the Leisure and Cultural Services Department offers a wide range of leisure facilities for use by the elderly. Apart from the conventional sitting-out area, the Department has in recent years added many health facilities for the elderly in the parks and playgrounds. All these have proven popular with the elderly.

Mr CHAN Kam-lam points out the importance of collaborating with the District Councils (DCs) in providing passive recreational facilities to the elderly. Starting from January 2008, the 18 DCs have begun taking part in managing the leisure facilities at a district level. Besides, the Government allocates \$300 million a year to the DCs for the purpose of carrying out district minor works to meet the needs of various communities. The Department will work closely with the DCs to finalize these leisure facilities projects for use by the elderly and other members of the public.

With respect to building design, the Buildings Department has published the *Design Manual: Barrier Free Access* which sets out the requirements on correct accesses and facilities in a building for the convenience of the disabled. These designs are also of help to the elderly with mobility impairment.

Miss CHAN Yuen-han makes special mention of the poor living conditions of some elderly persons. If they can meet the eligibility criteria, they can apply for a PRH flat to improve their living conditions. They can enjoy the preferential treatment of a shorter waiting time. To help those elderly persons living in dilapidated private buildings with poor facilities and who do not have the financial means to improve their household conditions, the Government in the 2008-2009 Budget has earmarked a funding of \$200 million to implement the Building Maintenance Grant Scheme for Elderly Owners over the next five years. The scope of the Scheme is to improve the indoor environment and safety of the homes of the elderly, such as installing handles in the toilet and bathroom. The Scheme also subsidizes the elderly in need to purchase some equipment essential to their daily life, such as electric fans and heaters. We would expect that about 40 000 elderly persons can benefit from the new initiative. If the funding application is approved by the Finance Committee of the Legislative Council, it is expected that the Scheme can be launched in June 2008 at the soonest.

Mr Frederick FUNG suggests offering tax concessions to encourage children to live with the elderly. As a matter of fact, the Government has always been offering tax concessions to encourage taxpayers to support the living of their elderly parents or grandparents. An example is that a taxpayer who pays for the living expenses of each of his or her parent or grandparent aged 60 or above or a disabled parent or grandparent under 60, he or she is entitled to a tax allowance of \$30,000. If the taxpayer lives with the dependant parent or grandparent throughout the year, he or she is entitled to an additional tax allowance of \$30,000. As for a taxpayer who pays for the living expenses of a parent or grandparent aged from 55 to 59, the taxpayer can get a tax allowance of \$15,000 for every dependant and another \$15,000 if the dependant is living with the taxpayer.

Mr SIN Chung-kai and Mrs Selina CHOW have asked if any tax concession can be offered to children whose elderly parents or grandparents live in the same housing estate or within a prescribed distance. With respect to this, the Financial Services and the Treasury Bureau is of the view that more

considerations should be made on account of factors like whether adjustment should be made according to the size of the housing estate and how a proper proximity distance is to be defined, and whether or not complications will arise with taxpayer compliance or with the Inland Revenue Department in enforcement. What also needs to be considered is whether or not revenue will be reduced as a result. The Bureau thinks that careful considerations should be made in these aspects.

Prof Patrick LAU in his original motion suggests formulating policies, designating land for building elderly housing and providing suitable community facilities. The idea behind these suggestions is to group elderly persons together for the provision of one-stop community services. This involves housing arrangements and it is related to elderly policy. The idea is quite similar to the Senior Citizen Residences scheme put out by the Housing Society (HS) on trial. Under this scheme, two lots of land situated in Tseung Kwan O and Jordan Valley are granted to the HS at a nominal premium for the construction of Jolly Place and Cheerful Court. Flats in these buildings are leased to the elderly persons in the form of lease for life starting from 2003 and 2004. The target group of this scheme is those elderly persons with sufficient financial means to lead an independent life and who are physically fit and can take care of themselves. One-stop service is provided, including housing, community leisure and health care services. In our opinion, this mode of housing can give an additional option to eligible elderly persons. Recently, the HS has proposed to the Government a new development plan to build elderly housing on Hong Kong Island. The relevant policy bureau and departments are now discussing the matter with the HS.

Some Members are concerned that our progress in this aspect would be slow. In fact, at the end of 2007, the HS handed to us their preliminary proposals. As far as we understand it, the HS is now discussing with the relevant departments the planning parameters (such as the building height and density) of the project. And it is also making detailed planning design of the flats for the elderly and other facilities. Also included are the contents of elderly services and operation mode, and so on. We will follow the matter up actively with the HS.

However, I wish to point out that the policy of "ageing in the community" does not require that the elderly persons should be grouped together and live as a

group. Our policy objective is to provide the elderly living in various locations with welfare, health care, leisure and community services and facilities which I have mentioned. This will enable the elderly persons to more easily access these facilities and services. At the same time, the Government also encourages the young and elderly members in a family to care for each other. There are in fact many elderly persons who choose to live with or close to their children. As Mr LEE Wing-tat has pointed out in the amendment, when more young families live in a community, the community can be imbued with vigour and vitality.

On the question of whether to implement the concept of elderly housing as proposed in the original motion more extensively, we consider that the issue must be studied carefully. As I have just said, there is no need for elderly persons to be grouped together and live together before they can get support as appropriate. The most important thing is to ensure that elderly services such as in welfare, health care, leisure and so on can be made available in a convenient manner to all elderly persons living in various locations in Hong Kong. And encouragement should be given to young and old members in a family to care for each other and support can be given by neighbours to one another.

If private-sector organizations think that there is a certain demand for this kind of elderly housing, they may consider developing such projects on private land. If the HS or other NGOs hope to seek government subsidies or support to develop this kind of projects, the relevant government departments will study their proposals carefully after taking into account factors like the effective deployment of public resources.

Now I would like to respond to other policies related to the elderly as mentioned in the original motion and the amendments.

With respect to care and attention homes and their regulation, Prof Patrick LAU in his original motion proposes that the regulation of care and attention homes should be improved. The Residential Care Homes (Elderly Persons) Ordinance and its subsidiary legislation which came into force in June 1996 have confirmed the regulatory mechanism for residential care homes for the elderly (RCHEs) licensed by the SWD. Areas regulated under the licence include health, hygiene, manpower, safety and choice of location, and so on.

The Licensing Office of the Residential Care Homes for the Elderly under the SWD is tasked with enforcing the requirements under the Ordinance. Staff from the Licensing Office will inspect the RCHEs to ensure compliance with licensing requirements. Apart from regular inspections, when a complaint is received by the Licensing Office against a certain RCHE, an inspection of the RCHE concerned will be made immediately. If it is found that the complaint is substantiated, the Licensing Office will issue an advice or a warning to the RCHE concerned depending on the nature and seriousness of the case. The case will be followed up to ensure that improvements are made.

Mr Frederick FUNG and Mr CHAN Kam-lam both suggest that subsidized residential care places be increased to meet the demand. The Government has increased the supply of such places from about 16 000 in 1997 to about 26 000 in 2007. The rate of increase is about 60%. In 2008-2009, a further 107 subsidized residential care places will be added. The 2008-2009 Budget has earmarked \$29.8 million in recurrent expenditure for the provision of 278 new places.

With population ageing, it is not enough to meet growing demands simply by adding subsidized residential care places. While increasing such places, we will continue to increase various kinds of subsidized community care services to help the elderly age in the community.

Mr Frederick FUNG in his amendment proposes that the nursing manpower of RCHEs should be increased. In a bid to further reduce the problem of manpower shortage of nurses in the welfare sector, the SWD and the Hospital Authority offer a two-year full-time training course especially for enrolled nurses in the welfare sector. Five classes have been organized so far with a total number of 550 places offered. Tuition fees for the course are subsidized by the Government and graduates are required to serve in the welfare sector for no less than two years.

Apart from nurses, health workers also play an important role in taking care of the elderly in the RCHEs. To improve the skills and abilities of the health workers, the SWD in April 2006 revised the contents of the training course for health workers. The minimum education attainment for entrants is raised from Secondary Three to Secondary Five. Contents of the course are improved and the total training hours are also increased.

Mr Frederick FUNG in his amendment also proposes to enhance the transparency of RCHEs. In this regard, the SWD has uploaded the information of all RCHEs onto its website and new arrangements have been implemented since December 2005 to publicize on the SWD website the information of RCHEs prosecuted under the Residential Care Homes (Elderly Persons) Ordinance.

Mr Albert HO suggests in his amendment that residential care vouchers be provided to eligible elderly persons. The Elderly Commission has discussed the main issues involved in response to the recommendations made by the former Commission on Poverty on the waitlisting situation of subsidized residential care services and has decided to study the issues further. These include:

How to ensure that subsidized residential care can be concentrated on caring the neediest elderly and how to promote the development of quality self-financing/private residential care services and to encourage individuals, families and the community to shoulder responsibility together so as to care for elderly with long-term care needs.

The study will also examine the subvention mode for long-term care services, including the introduction of various kinds of "residential care vouchers".

Mr Frederick FUNG in his amendment mentions perfecting the Comprehensive Social Security Assistance (CSSA) system to encourage children to take care of the elderly. Under the CSSA scheme, the payment amount is determined according to the monthly income and needs of the family. As the recognized needs of the elderly are usually greater than other members of a family, therefore, the use of a family as the unit for calculation of CSSA payment enables families with elderly persons and which are in financial difficulty to fulfil the eligibility criteria for CSSA more easily.

Mr James TO suggests offering health care and welfare support to Hong Kong elderly persons who take up residence on the Mainland. Now the Hospital Authority and the Department of Health operate public hospitals and clinics in Hong Kong which provide health care services of a high quality to residents of Hong Kong. Hong Kong residents living on the Mainland may return to Hong Kong if necessary and use these services offered by the Hospital Authority.

Under the CSSA scheme, there is a special Portable CSSA Scheme for Guangdong and Fujian Provinces which offers eligible elderly CSSA recipients another option to enable them to receive CSSA payments while residing in Guangdong and Fujian Provinces. These two provinces are the native places of most elderly CSSA recipients and they take up about 95% of the elderly CSSA recipients. As at end February 2008, elderly recipients who return to Guangdong and Fujian number 3 150 and 150 respectively, accounting for 1.8% of the total number of elderly CSSA recipients.

Considering the fact that some of the elderly persons receiving Old Age Allowance also hope to spend more time to travel, visit relatives or live for a short period of time in places outside Hong Kong, the Government has since October 2005 relaxed the absence requirement for Social Security Assistance Scheme recipients from 180 days to 240 days each year. The recipients can enjoy this relaxation if they reside in Hong Kong for no less than 90 days for the year concerned.

Mr Frederick FUNG in his amendment also suggests expediting the pace of urban renewal and rehabilitation to improve the living conditions of the elderly residing in old districts. Work in this aspect has always been the key tasks of the Urban Renewal Authority (URA). The URA adopts a comprehensive strategy for the renewal of old districts, which includes redevelopment, building restoration, revitalizing old districts and heritage conservation. In the old districts of Sham Shui Po and Kwun Tong, the URA has commenced 13 redevelopment projects there and assisted in the restoration of 60 buildings. In the future, the URA will continue its efforts to carry out urban renewal in the old districts to improve the living conditions of the old communities.

Madam President, as health care services advance and the health conditions of the people continue to improve, the average life expectancy of the Hong Kong people is increasing all the time. The original motion of Prof LAU and the amendments of other Members, as well as the speeches made by Members, all show that Members are very concerned about the needs of the elderly in Hong Kong. As population structure in Hong Kong is showing signs of ageing, like Members, the Government attaches great importance to taking care of the needs of the elderly in housing and other aspects in the hope that they can lead a decent and secured life in their old age.

I notice that Mr CHIM Pui-chung has pointed out earlier that our definition of elderly persons should be raised from people aged 65 to those aged 75, and he has cited the average age of Members of this Council. I do not know if it has ever occurred to him that if this is so, does it mean that the elderly persons can enjoy the concessions extended to them only when they are 75 years old? This is perhaps something he has to consider.

Madam President, our existing subsidized housing policy puts stresses on helping low-income families which cannot afford paying the rents of private buildings by offering them public rental housing. Now the HA has a comprehensive policy to help the elderly in need of public housing to be allocated a flat sooner. There are also many other measures in place to encourage elderly persons to live with their family members and care for each other. The universal design and improvements made on the facilities are meant to enable the elderly persons to age in the community.

As I have just said, the promotion of ageing in community aims to provide suitable services which are readily available to the elderly, while encouraging family members to care for each other and building a community support network. From this we can see that elderly persons do not necessarily have to be grouped together and live together in one place. Having said that, this idea of elderly housing can truly give elderly persons another option. We would be glad to consider other suggestions.

Of course, a greater challenge and goal for us is more than just providing buildings or housing estates suitable for the elderly, but to work in various policy areas so that in terms of living environment, facilities, services and culture, Hong Kong can become a society well-suited to the elderly to age in.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now call upon Mr Frederick FUNG to move his amendment.

MR FREDERICK FUNG (in Cantonese): President, I move that Prof Patrick LAU's motion be amended.

Mr Frederick FUNG moved the following amendment: (Translation)

"To delete "given that" after "That," and substitute with "although"; to delete "in facing" after "'quality city and quality life'," and substitute with "it has not put forward any long-term policy objective, and in the face of"; to delete "allocating" after "the ageing population," and substitute with "this Council urges the Government to allocate"; to delete "will be an important strategy" after "all the elderly" and substitute with "so as"; to delete "this Council urges the Government to" after "the whole community," and substitute with "and"; to add ", as well as comprehensively consult the elderly," after "overseas experience"; to add "encouraging people to live with their elderly parents through measures such as perfecting the Comprehensive Social Security Assistance system and offering additional tax concessions, etc, as well as enhancing the support for elderly persons living alone or with another elderly person; (c)" after "(b)"; to delete the original "(c)" and substitute with "(d) expediting the pace of urban renewal and rehabilitation to improve the living environment for the elderly residing in old districts (including Sham Shui Po and Kwun Tong); (e)"; to delete the original "(d)" and substitute with "(f)"; to add "as well as the system for long-term care services and the relevant support measures, with a view to reinforcing the policy objective of 'ageing in the community'," after "planning and buildings,"; to add ", medical care and community care services" after "integrate elderly housing"; to delete the original "(e)" and substitute with "(g)"; to add "by increasing the subsidized places and nursing manpower as well as enhancing the transparency of residential care homes for the elderly" after "housing for the elderly"; and to add "and a culture of mutual help and care" after "living environment"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment moved by Mr Frederick FUNG to Prof Patrick LAU'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): Members have been informed that Mr CHAN Kam-lam will withdraw his amendment if Mr Frederick FUNG's amendment is passed. As this is the case now, Mr CHAN Kam-lam will not move his amendment.

PRESIDENT (in Cantonese): Mr James TO, as Mr Frederick FUNG'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. You have up to three minutes to explain the revised terms in your amendment. You may now move your revised amendment.

MR JAMES TO (in Cantonese): President, I move that Prof Patrick LAU's motion as amended by Mr Frederick FUNG, be further amended by my revised amendment.

Mr James TO moved the following amendment to the motion as amended by Mr Frederick FUNG: (Translation)

"To add "; in addition, in view of the cramped living environment in Hong Kong and the appalling living conditions of many elderly persons, quite a number of elderly persons hope to take up residence on the Mainland upon retirement to enjoy a better housing and living environment; the Government, in formulating the elderly housing policy, should take into consideration this factor and provide more support and flexibility in such areas as medical care, welfare, etc, for the Hong Kong elderly persons who take up residence on the Mainland, so as to enable the elderly to choose the places where they reside and live upon retirement according to their actual situations and wishes" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr James TO's amendment to Prof Patrick LAU's motion as amended by Mr Frederick FUNG 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): Mrs Selina CHOW, as the amendments by Mr Frederick FUNG and Mr James TO have 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. You have up to three minutes to explain the revised terms in your amendment. You may now move your revised amendment.

MRS SELINA CHOW (in Cantonese): President, I move that Prof Patrick LAU's motion as amended by Mr Frederick FUNG and Mr James TO be further amended by my revised amendment.

Mrs Selina CHOW moved the following further amendment to the motion as amended by Mr Frederick FUNG and Mr James TO: (Translation)

"To add "; at the same time, the Government should also raise the dependent parent/grandparent allowance, and relax the requirement of living together for the purpose of claiming tax deduction, so as to encourage the younger generation to live in the same housing estates as their elderly parents, hence facilitating the provision of appropriate care for the elderly" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mrs Selina CHOW's amendment to Prof Patrick LAU's motion as amended by Mr Frederick FUNG and Mr James TO be passed.

PRESIDENT (in Cantonese): I now call upon Mr SIN Chung-kai to move his amendment to Mrs Selina CHOW's amendment.

MR SIN CHUNG-KAI (in Cantonese): President, I move that Mrs Selina CHOW's amendment be amended.

Mr SIN Chung-kai moved the following amendment to Mrs Selina CHOW's amendment: (Translation)

"To delete "as to encourage the younger generation to live in the same housing estates as their elderly parents, hence facilitating the provision of appropriate care for the elderly" after "tax deduction, so" and substitute with "that children living in the same housing estates as their elderly parents or grandparents or living in the vicinity within a specified distance can enjoy the tax allowance, so as to encourage children to take care of their elderly parents and grandparents"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr SIN Chung-kai to Mrs Selina CHOW's amendment, 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): I now put the question to you and that is: That Mrs Selina CHOW's amendment, as amended by Mr SIN Chung-kai, to Prof Patrick LAU's motion which has been amended by Mr Frederick FUNG and Mr James TO 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 amendment passed.

PRESIDENT (in Cantonese): Miss CHAN Yuen-han, as the amendments by Mr Frederick FUNG, Mr James TO, Mrs Selina CHOW and Mr SIN Chung-kai have 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. You may now move your revised amendment.

MISS CHAN YUEN-HAN (in Cantonese): President, I move that Prof Patrick LAU's motion as amended by Mr Frederick FUNG, Mr James TO, Mrs Selina CHOW and Mr SIN Chung-kai be further amended by my revised amendment.

Miss CHAN Yuen-han moved the following further amendment to the motion as amended by Mr Frederick FUNG, Mr James TO, Mrs Selina CHOW and Mr SIN Chung-kai: (Translation)

"To add "; in addition, the Government should: (a) construct public housing units and other types of housing for the elderly according to the different housing needs of various categories of elderly persons in various districts in the territory; (b) when considering converting vacant schools and old industrial buildings into elderly housing, also consider converting them into relevant support facilities, such as elderly centres, to be managed and operated by non-profit-making bodies or organizations; (c) lower the income and asset limit requirements for public housing applicants living with their elderly parents, as well as extend and enhance the various measures under the 'schemes to foster harmonious families' in public housing, thereby enabling more elderly persons to live with their children and be taken care of by their family members; and (d) conduct a comprehensive survey on the housing conditions of elderly persons in Hong Kong, actively help elderly persons living in appalling conditions to improve their living environment, and assist elderly persons with housing needs, such as those living in cubicle apartments and cage homes, to apply for public housing" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Miss CHAN Yuen-han's amendment to Prof Patrick LAU's motion as amended by Mr Frederick FUNG, Mr James TO, Mrs Selina CHOW and Mr SIN Chung-kai 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 Albert HO, as the amendments by Mr Frederick FUNG, Mr James TO, Mrs Selina CHOW, Mr SIN Chung-kai and Miss CHAN Yuen-han have 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. You may now move your revised amendment.

MR ALBERT HO (in Cantonese): President, I move that Prof Patrick LAU's motion as amended by Mr Frederick FUNG, Mr James TO, Mrs Selina CHOW, Mr SIN Chung-kai and Miss CHAN Yuen-han be further amended by my revised amendment.

Mr Albert HO moved the following further amendment to the motion as amended by Mr Frederick FUNG, Mr James TO, Mrs Selina CHOW, Mr SIN Chung-kai and Miss CHAN Yuen-han: (Translation)

"To add "; (e) construct more small public housing flats for the elderly and provide supporting social services; and (f) study the provision of 'residential care vouchers' to eligible elderly persons so that holders of such vouchers can freely purchase residential care services of their choice, as well as introduce a grading system for residential care homes for the elderly to strengthen their regulation, while at the same time expeditiously increase the residential care places for the elderly, so as to resolve the current hardship caused by the excessively long waiting time to those on the central waiting list" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Albert HO's amendment to Prof Patrick LAU's motion as amended by Mr Frederick FUNG, Mr James TO, Mrs Selina CHOW, Mr SIN Chung-kai and Miss CHAN Yuen-han 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 LEE Wing-tat, as the amendments by Mr Frederick FUNG, Mr James TO, Mrs Selina CHOW, Mr SIN Chung-kai, Miss CHAN Yuen-han and Mr Albert HO have 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. You may now move your revised amendment.

MR LEE WING-TAT (in Cantonese): President, I move that Prof Patrick LAU's motion as amended by Mr Frederick FUNG, Mr James TO, Mrs Selina CHOW, Mr SIN Chung-kai, Miss CHAN Yuen-han and Mr Albert HO be further amended by my revised amendment.

Mr LEE Wing-tat moved the following further amendment to the motion as amended by Mr Frederick FUNG, Mr James TO, Mrs Selina CHOW, Mr SIN Chung-kai, Miss CHAN Yuen-han and Mr Albert HO: (Translation)

"To add "; and (g) review the policy on public housing for the elderly, including providing housing units of elderly-friendly designs and relevant support facilities on a comprehensive basis, as well as assigning more young families to housing estates where many elderly persons live, so as to inject new vitality into the elderly community" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr LEE Wing-tat's amendment to Prof Patrick LAU's motion as amended by Mr Frederick FUNG, Mr James TO, Mrs Selina CHOW, Mr SIN Chung-kai, Miss CHAN Yuen-han and Mr Albert HO 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): Prof Patrick LAU, you may now reply and you have 51 seconds.

PROF PATRICK LAU (in Cantonese): President, I would like to thank the seven Members who have spoken with great enthusiasm. I also thank all political parties and groupings for their support to the general direction of my motion on "Elderly housing policy". I understand that the Government will actively consider the views raised by Members. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Prof Patrick LAU, as amended by Mr Frederick FUNG, Mr James TO, Mrs Selina CHOW, Mr SIN Chung-kai, Miss CHAN Yuen-han, Mr Albert HO and Mr LEE Wing-tat, 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.

PRESIDENT (in Cantonese): Second motion: Raising the limit of university places for publicly-funded degree programmes.

I now call upon Mr Fred LI to speak and move his motion.

RAISING THE LIMIT OF UNIVERSITY PLACES FOR PUBLICLY-FUNDED DEGREE PROGRAMMES

MR FRED LI (in Cantonese): Madam President, in the past, university students were regarded as cream of society and elites selected through examinations. Starting from 1981, the university admission rate gradually rose from 2% to 6%. I believe, however, the university admission rate back in 1972, the year I sat the Hong Kong Certificate of Education Examination (HKCEE), was less than 1%. That was why I was not admitted by a university in Hong Kong. *(Laughter)* In 1989, which is 19 years ago, Governor WILSON announced his plan to raise the limit of university places to reach an admission rate of 18%. University students have thus become increasingly common. Nowadays, unfortunately, we are still faced with the problems of having a bottleneck in pursuing higher studies and a shortage of talents. This explains why today I propose this motion on behalf of the Democratic Party to request the Government to provide more publicly-funded university places.

In 2000, TUNG Chee-hwa, the then Chief Executive, announced his plan to expand tertiary education to achieve a 60% tertiary education popularization rate and encouraged institutions to operate self-financed associate degree programmes to provide an alternative channel to matriculation students whose

results in the Hong Kong Advanced Level Examination (HKALE) do not earn them a place in university to pursue further studies. The introduction of sub-degree programmes should originally have helped upgrade the quality of talents in Hong Kong. This is because, in the past, the only way for children or young people to attend universities in Hong Kong was to compete with 100 000 HKCEE candidates and score outstanding grades. Then they could continue with their matriculation studies and, after a selection process, sit the HKALE for admission to universities if they scored outstanding academic results. However, as Members are aware, not every young people can adapt to the "spoon-fed" curriculum of the HKALE. As a result, some young people cannot enter through the "narrow door" and make it to universities.

The programmes are open to Secondary Five to Secondary Seven students, and there is a wider choice of instruction methods and elective subjects — please wait. I might have got the order wrong, as my script does not have page numbers. Let me say it again because I have omitted a sentence — However, associate degree programmes are open to Secondary Five to Secondary Seven students, and there is a wider choice of instruction methods and elective subjects. Students can choose to study such subjects as accounting, management, information technology, design, communication, and even sociology, which are different from general matriculation curriculum. Some students who have already discovered their own strengths, such as students who like programming or those with artistic talent, will then be able to focus their development on the subjects in which their strengths lie at an early stage. There have also been quite a number of students who have made outstanding achievements. Therefore, so long as the quality of associate degree programmes is up to a certain standard, associate degree holders with outstanding academic results should have an equal chance to study in degree programmes.

Associate degree students should have been the so-called "prospective graduates". However, owing to the varied quality of sub-degree courses and the slim chance of pursuing higher studies, "prospective graduates" have now become "graduates trapped in a cul-de-sac". Because it is extremely difficult for associate degree holders to pursue studies in degree programmes even if they have outstanding academic results as well as the will and ability to do so. At present, the Government has provided only 1 000-odd articulation places for years two and three. Given the limited opportunities for pursuing higher studies, the chances of associate degree graduates attending universities are very slim. Although the Government considers that sub-degrees are an independent

and valuable graduation qualification, and even stresses that moving onto universities should not be considered the only way out for associate degree graduates, this is not convincing at all. Associate degree programmes are similar to higher diploma programmes, which were very popular in the past. The graduates can certainly choose to work, but associate degree programmes should provide another channel for pursuing higher studies so that their graduates can choose between pursuing higher studies and employment, instead of giving students the feeling that there is no hope for pursuing higher studies and so, they can only choose to work.

Furthermore, a bachelor's degree is commonly held in society to be an ideal academic benchmark. The findings of a comprehensive questionnaire survey recently conducted by the Democratic Party on the provision of more degree places have shown that more than half of secondary students and nearly 70% of parents expect themselves or their children to be able to finally obtain a qualification at degree level or above. The ultimate aim of their pursuing sub-degree programmes is to obtain a bachelor's degree. At present, however, only 30 000-plus students can study in matriculation programmes, and only 14 500 of them can "overcome two hurdles" and successfully obtain a "ticket" to a publicly-funded university place. It can be easily imagined that the great majority of students have to find another way to higher education should they wish to further their studies. It has also been revealed that 42% of the interviewees choose associate degree programmes in the hope of articulating with degree programmes in the future, because it will cost them a lot more to pursue higher studies through other channels (such as pursuing studies abroad).

Unfortunately, the tuition fees for associate degree programmes are not at all low. Basically, the annual tuition fees for an associate degree programme range from \$30,000 to \$50,000. However, the quality of education is hardly commensurate with the level of the tuition fees charged by the programme. It is widely known that the quality of associate degree programmes has long been a cause of criticism in the community. Mr Peter CHEUNG, the former Executive Director of the Hong Kong Council for Academic Accreditation, has once publicly criticized institutions operating associate degree programmes for engaging in vicious competition without regard to the quality and recognition of sub-degrees. This has resulted in a situation where there are places, but not education. It can easily be seen from recruitment advertisements in newspapers or entry requirements of universities that associate degree holders do not particularly have advantages. Therefore, the Government is merely

exaggerating in describing associate degrees as an independent qualification, for this is not consistent with the reality in society.

Theoretically, upon the completion of an associate degree programme, many students can actually be taken as having completed the first two years of first-degree programmes. If the sub-degree education received by them is quality-assured and sufficient university places are available, the Democratic Party believes that the majority of sub-degree students would wish to complete first-degree education and would be capable of doing so.

On the other hand, there has been a growing demand in society for talents with degree qualifications. The Government made in 2003 a projection of the future manpower demand in Hong Kong and found that such trades as the financial services industry and professional services like accounting, legal and engineering services, have gradually shifted to recruiting employees with better education. It is also pointed out in the report that there will be a shortfall of 80 000 employees with first-degree qualifications in 2007. According to the figures released by the Census and Statistics Department in the fourth quarter of 2007, the unemployment rate of university students was a mere 1.9%, which was close to the natural unemployment rate and almost represented full employment. Furthermore, despite the Government's comment that a 66% tertiary education popularization rate has been achieved in Hong Kong — this has been repeatedly mentioned by Mr Michael SUEN — actually, the number of places for first-year publicly-funded programmes accounts for only 18% of students of the appropriate age group, which is low compared with our neighbouring regions. While the tertiary education rate of Singapore stands at 23.5%, the admission rates of other developed countries, such as Australia, Britain and the United States, have even reached 82%, 51% and 64% respectively.

The university popularization rate and the competitiveness of a city are closely related. If a city is capable of providing more channels for access to quality higher education and expanding the population receiving quality higher education, the talents in the city will become more capable of meeting social changes. They will also have greater ability to grasp and use knowledge. Naturally, the competitiveness of the city will be raised. Korea is a case in point. According to the rankings published in the World Economic Forum's Global Competitiveness Report 2007-2008, the ranking of Korea's competitiveness rose from the 23rd last year to the 11th this year. In terms of

higher education and training, Korea's ranking also rose from the 21st last year to the 6th this year. The country's rate of admission to higher education even ranked first among 131 countries. The profound impact of higher education on the competitiveness of a city is thus evident.

If we look at Hong Kong, we will find in the same report that Hong Kong has performed quite well, for we ranked the 12th in terms of competitiveness. However, of the 131 economies, Hong Kong ranked the 61st in terms of university admission rate. Furthermore, this is said in the report as one of the factors undermining Hong Kong's efforts to upgrade its competitiveness. Each year, the World Economic Forum would invite thousands of chief executives of multinational enterprises to participate in a questionnaire survey. The findings of the survey would represent their overall impressions of the various economies. It is found that 17.1% of the interviewees consider that the education standard of Hong Kong's labour force is not high enough, and this is the greatest obstacle to businesses. Members must not take this percentage lightly because the constraints in the business environment in each country and region are analysed in the report. Of the 14 problems raised, the most serious one faced by Hong Kong is precisely the education standard of the labour force not being high enough. This reflects the view held by overseas investors that the inadequacy of talents is most unfavourable to business operation in the territory.

Therefore, raising the limit of university places for degree programmes can help remove the bottleneck in the pursuit of further studies by associate degree students. The Democratic Party believes the provision of sufficient places will help alleviate manpower shortage and upgrade Hong Kong's competitiveness. Furthermore, a consensus has already been reached in society to increase the number of university places. In our survey, 40% of interviewees consider that the Government should accord priority to injecting resources for increasing publicly-funded university places. Coupled with the fact that the bottleneck problem faced by associate degree students in pursuing higher studies is worsening as a result of increases in the number of self-financed associate degree programmes, and since a consensus is already reached in society, the Government should address the difficulty encountered by associate degree students in pursuing higher studies by gradually expanding the number of university places for publicly-funded degree programmes, with a view to resolving this problem which has been troubling associate degree graduates for quite some time.

Madam President, popularization of university education has become a major global trend. The university admission rate in Hong Kong has obviously lagged behind that in other places. We should continue to move towards a knowledge-based economy. Therefore, training of talents has become even more important. As we already have a group of "prospective graduates", why does the Government not provide additional publicly-funded university places to open up a new path for associate degree students and hence enable these "graduates trapped in a cul-de-sac" to become truly competent talents? It is my hope that not only can we easily "pick up" many university students in the future, we can also easily "pick up" a handful of local talents who have received quality university education. And if that happens, I hope Hong Kong can then become an education hub in Asia.

With these remarks, Madam President, I beg to move.

Mr Fred LI moved the following motion: (Translation)

"That, as the percentage of the people in Hong Kong who attend universities at the appropriate age has all along been lower than those of the neighbouring regions, and there is presently a keen demand for degree holders in the market, this Council urges the Government to gradually raise the annual limit of 14 500 places for publicly-funded first-year first-degree programmes, increase the proportion of local people of the appropriate age group holding first degree or higher academic qualifications, and provide more opportunities for sub-degree holders with outstanding academic results to pursue higher studies, so as to match the development of a knowledge-based economy in Hong Kong."

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

PRESIDENT (in Cantonese): Ms Miriam LAU, Mr CHEUNG Man-kwong, Mr Jasper TSANG and Dr Joseph LEE intend to move amendments to this motion. Dr YEUNG Sum also intends to move an amendment to Mr Jasper TSANG's amendment. The motion and the amendments will now be debated together in a joint debate.

I will call upon Ms Miriam LAU to speak first, to be followed by Mr CHEUNG Man-kwong, Mr Jasper TSANG, Dr Joseph LEE and Dr YEUNG Sum; but no amendments are to be moved at this stage.

MS MIRIAM LAU (in Cantonese): Madam President, in January this year, the *Time Magazine* coined a new term, Nylonkong, hailing New York, London and Hong Kong as three major successful examples of globalization. One who wishes to learn about globalization must first get to know these three cities. However, as everyone knows, both New York and London have quality manpower and talents, and also achieved the cluster effects. In this respect, Hong Kong may still have to borrow from them in many areas.

As pointed out in a document published earlier by the Commission on Strategic Development, more than 30% and nearly 23% of the population aged above 25 in New York and London are university students. If we look at Hong Kong, the relevant percentage stands at a mere 15.2%, as shown in the latest by-census, revealing that Hong Kong is still far behind the two major international cities of New York and London. Furthermore, in terms of the university admission rate of students of the appropriate age group in Hong Kong, the target of 18%, which was set 19 years ago, was reached only in 2004. There is not only a huge gap between Hong Kong and the neighbouring countries, such as Singapore and Japan, of which the admission rate is 23.5% and 44.2% respectively, the gap between Hong Kong and members of the Organization for Economic Co-operation and Development, of which the rate stands at 54% on average, is even greater.

The Liberal Party therefore agrees with the original motion's proposal of gradually expanding publicly-funded university places. However, we have also proposed an amendment to make it clear that, in order to enhance the integrated competitiveness of our population, we must simultaneously encourage the provision of more private university places and strive to lure more outstanding local and non-local talents with a view to injecting more "living water" into our human resources before Hong Kong can live up to its name as being a member of Nylonkong and rival the two other internationally-renowned cities in terms of talents with high education standard.

Nevertheless, the poor standard of the supporting facilities in local institutions, especially the shortage of hostel places, has long been a cause of criticism. Not only do non-local students find it hard to get a hostel place, even

local students have complained about the difficulty in securing a hostel place. Despite that the shortage of hostel places can be slightly ameliorated with the completion of the first United hostel, offering 2 500 hostel places, in Ma On Shan in 2011, even the authorities have admitted that the eight major tertiary institutions will still face a shortfall of some 11 100 hostel places following the admission of more non-local students. Therefore, we consider that more efforts should be made on such fronts as allocation of land for hostels, financing, repayment periods, and so on, in order to assist various institutions in resolving problems in this respect.

Besides making an effort to attract overseas talents, the authorities should also keep in tune with the development of a knowledge-based economy and strengthen training of local young people, putting equal emphasis on quality and quantity. Despite its vigorous effort to expand the number of tertiary places several years ago, the Government has relied mainly on the provision of more associate degree places, which are not university places. Furthermore, quite a number of associate degree students find it incredibly difficult to be admitted to a university. Of the 32 500 sub-degree graduates in the territory in 2006, only 967 University Grants Committee-funded Year Two articulation places were available. In other words, fewer than three out of 100 students could secure a publicly-funded university place to pursue studies in Year Two. Despite that the number of articulation places for Year Two will be increased to 1 927 from this school year onward, the chance of attending universities is still very low, compared with about 30 000 associate degree graduates a year.

The Liberal Party considers that increasing the number of self-financed university places can be a solution. However, the only private university in Hong Kong is the Hong Kong Shue Yan University. According to Prof Lawrence J LAU, Vice Chancellor of The Chinese University of Hong Kong, 75% of the universities in Japan and Korea are operated by the private sector. Therefore, relying solely on the eight public universities to promote Hong Kong as an education hub will certainly not bear fruit.

Actually, the Hong Kong Shue Yan University has rapidly gained popularity after its success in upgrading its status last year, with the number of students applying for admission rising sharply by 50% to exceed 6 000. The Hong Kong Community College of the Hong Kong Polytechnic University and the Hang Seng School of Commerce are also actively making preparation for upgrading their status to become a private university. It is thus evident that expanding private or self-financed university places is a desirable direction.

Of course, we cannot rely solely on upgrading "quantity". We should endeavour to upgrade the "quality" of first-degree and associate degree graduates as well.

It is an unfortunate lesson that the nursing associate degree programme operated by the Hong Kong Institute of Technology has recently failed to pass the professional accreditation by the Nursing Council. After three years of strenuous studies and payment of nearly \$100,000 in tuition fees, the students cannot be registered as nurses, with their money and youth wasted for no reason. What is more, people's confidence in the quality of associate degrees has diminished further.

It has been repeatedly pointed out by the Liberal Party that an unified system must be adopted for the assessment and accreditation of associate degrees to, first, prevent the use of different systems for assessing the associate degree programmes of the eight major institutions and the other institutions and, second, the recurrence of the entirely different attitudes taken by professional bodies and the institutions towards the accreditation of the programmes, as in the incident involving the Institute of Technology. We hope that the associate degree review report, to be published shortly, can come up with concrete proposals to upgrade the quality of tertiary education for implementation expeditiously.

Madam President, the National 11th Five-Year Plan mentions the need to "support Hong Kong in developing its services industries, such as financial, logistics, tourism and information industries and uphold Hong Kong's status as an international financial, trade and shipping centre". The Liberal Party feels that we should carefully consider ways to tune in with this direction of development, including training the relevant talents.

Let me cite the logistics industry as an example. The rapid economic development on the Mainland, coupled with the impetus brought about by CEPA and the implementation of cross-boundary infrastructure projects, should have provided new development opportunities for Hong Kong, from trade to the logistics industry. However, ports and airports on the Mainland have, at the same time, become our major rivals. This, coupled with their relatively low costs, has made it imperative for Hong Kong to move in the direction of high valued-added services and provide more professional and better software services in areas such as procurement management, contract consultation, financial and strategic planning, and so on. Only in doing so can Hong Kong

compete with others and, in order to achieve this, training of manpower software is indispensable.

We agree with the amendments and further amendment proposed by Mr Jasper TSANG, Mr CHEUNG Man-kwong and Dr YEUNG Sum that more subsidy should be offered to degree and associate degree students to alleviate their financial burden. This is because a four-member family with a monthly income of \$23,000 can already become ineligible for any grants and low-interest (2.5%) loans. As a result, many lower-middle households cannot be benefited. The interest rate of non-means tested loans, which stands at 4.382%, is even 1.632% higher than the general property mortgage rate offered by banks, which is P minus 2.5%. It is therefore even more costly to borrow money for studying than for purchasing a flat. No wonder many graduates lament that pursuing studies has caused them to become heavily indebted.

We also support the proposal made by Dr Joseph LEE to increase the funding for the places for first-year first-degree programmes in nursing.

Madam President, I so submit.

MR CHEUNG MAN-KWONG (in Cantonese): President, the Government's policy of providing 14 500 university places a year has remained unchanged for 19 years and this is a stumbling block to our social development. The fact that associate degrees put emphasis on quantity rather than quality has resulted in their academic qualifications being not recognized by the community. Even professional qualifications are not professionally recognized and, in the end, the interest of students is sacrificed. A depth bomb is thus thrown into the SAR Government.

The benchmark of achieving the target of a 60% tertiary education popularization rate, which is a myth in the education sector similar to the "85 000" saga, has become a nightmare for associate degrees. Over the past three years, improving the quality of associate degrees and providing more chances for attending universities have become the topics of motions I would definitely propose each year. As facts speak louder than words, it has been proved that the Government's education myth has brought endless disasters and the education bubbles being previously pumped up have burst one after another. The Government must face squarely the seriously flawed associate degrees

policy, the hardship and aspiration of associate degrees students, and the successive outbreaks of scandals involving associate degrees.

Secretary for Education, Michael SUEN, has finally admitted that the quality of sub-degree programmes is problematic, and sub-degree students are like wasting all their efforts in their studies as a result of over-enrolment by some institutions of students not meeting requirements without providing support, remedial or enhancement programmes. Last week, the Legislative Council was suddenly approached by a group of prospective graduates of the nursing associate degree programme operated by the Hong Kong Institute of Technology (HKIT). On that day of drizzle, facing uncertainties about their future, the students came to petition Members, expressing their worry that their studies for the past three years will come to nothing. However, the failure of this programme operated by the HKIT to pass the professional accreditation by the Nursing Council represents only the tip of an iceberg of the problems concerning associate degrees.

Prior to the incident involving the HKIT, students of the Higher Diploma programme in nursing operated by the HKU SPACE Community College had also complained about the delay caused in the accreditation of their programme, and their pre-service training and employment had been affected as a result. The registration of the Community College at Lingnan University was once revoked in 2006 by the Social Workers Registration Board because of over-enrolment and its ratio between teachers and students not meeting the requirement. Why should academic accreditation and professional accreditation be administered separately? If the same programme has passed the academic accreditation but not professionally accreditation, what should the students do? Why does the Education Bureau, headed by Michael SUEN, allow institutions to enrol students before accreditation, despite Dr York CHOW's emphasis of "not encouraging institutions to operate programmes before obtaining recognized qualifications", thus causing some students to realize only upon their graduation, as if waking up from a dream, that they might have studied in vain for three years? Is it the case that the professional associate degree programmes have completely gone out of control, while the Education Bureau can do nothing at all and students can only cry without tears?

Currently, associate degree programmes failing to pass academic accreditation cannot secure government loans and subsidy. Even if they can pass the accreditation, it does not mean they have obtained professional registration qualifications because of the strict requirements set by professional bodies on student enrolment and teachers' qualifications. This is why during

the debate in the Legislative Council in November last year on the quality of tertiary education, I emphasized that the Government and institutions must adhere to the enrolment benchmark and ensure the quality of the curriculum. This is because it would be putting the cart before the horse if the institutions do not perform their gate-keeping roles properly beforehand and request professions or society to recognize the qualifications afterwards.

The vicious competition among associate degree programmes, which has caused great chaos, is attributed in the first instance to the cessation of government subsidy in 2003, causing self-financing programmes to engage in vicious competition. In addition to receiving zero subsidy and paying a high interest for loans, associate degree students even have to borrow money to repay for the university the mortgage loan for the teaching complex. This is outright double discrimination and extreme meanness. It is reported that the Executive Council, which has just reviewed the associate degree policy, has still refused to offer subsidy to associate degrees. In doing so, the fundamental problem faced by associate degrees cannot be resolved. If the Government is determined to improve the quality, it must prescribe the right medicine by providing more opportunities for associate degrees to receive direct subsidy and for the students to pursue higher studies, and accord equal treatment to first-degree students and associate degree students. This will not only ease the burden of associate degree students in paying tuition fees, their quality and prospects can be assured as well.

Currently, associate degree students have to pay an average of \$50,000 a year due to an excessive supply of associate degree students and a vicious competition induced by the self-financing nature of the programmes. Even if the repayment period is extended to 20 years under the Government's latest proposal, students will still have to pay more than \$6,000 a year as mortgage repayment for their university. After numerous deductions, the unit cost of associate degree programmes incurred for teaching purposes amounts to only \$40,000 or so, far lower than the unit cost of \$120,000 for publicly-funded associate degree and higher diploma programmes, and even lower than the unit cost of \$60,000 for publicly-funded matriculation programmes. Just imagine this. The unit cost of associate degree programmes, which stands at \$40,000, cannot even compare with the unit cost of matriculation programmes. How can they reach the standard of university? As the saying goes, even the cleverest housewife cannot cook a meal without rice. Quality can hardly be raised if subsidy is not granted. This is the Achilles' heel of the review of associate degrees.

Insofar as education is concerned, it is most unfair that students are divided into two classes. While undergraduate students receive an 82% subsidy, associate degree students receive zero subsidy. When tertiary education has become the aspiration of parents and an essential manpower investment for economic development, unequal distribution of resources is more of a problem than scarcity of resources. The disparity in funding is tantamount to discriminating against and looking down upon the hardship and hopes of associate degree students. It is absolutely unwise of the Government to treat education in such a short-sighted manner. Furthermore, according to the review report of associate degrees, the number of publicly-funded articulation places for university programmes will not be increased any more. This is another failure on the part of the Government. It is ridiculous that the number of associate degree places has expanded at top speed within five years to 30 000, and yet the number of publicly-funded university places has remained unchanged at 14 500 for 19 years. This is a rigid limit of university places. Does the Government consider that the shortfall of first-degree graduates can be filled through reproducing a large number of associate degree places? Can the demand for local places be met through importation of talents from the Mainland? The report has shifted the focus of attention to the immature and unregulated private universities, and can this solve the problem caused by the bottleneck faced by associate degree students in pursuing higher studies?

The lesson of associate degree should be drawn in developing private universities. Currently, due to the worsening of the associate degree market, some institutions operating associate degree programmes have transformed into private universities or planned to develop themselves into private universities. However, should the mode of operation remain unchanged, how can private universities avoid the same nightmare of vicious competition? This is because both are operating on a self-financing basis, and stringent quality assurance is unlikely to be provided. Even if enrolment is capped, how can these institutions maintain high quality if they have to compete for students for survival, and yet the tuition fees charged by them for operating undergraduate programmes must be maintained at a level as low as that for associate degree programmes or operate at the cost close to that of matriculation programmes? In the future, first-degree graduates in Hong Kong will probably be divided into two classes, with 14 500 of them being publicly-funded first-degree graduates and the remaining being first-degree graduates from self-financing private universities. Despite the enormous number of the latter category of graduates, their quality is open to question. In the end, students will become heavily indebted. The

academic qualifications acquired upon graduation will depreciate collectively, and a new bubble of first-degree graduates from private universities will thus come into being. The Government has made mistakes again and again. When these days recur, how can the Government justify what it has done to the young people in Hong Kong?

President, the Government's "85 000" housing policy has led to seething discontent among the public for a long time. The great leap forward in associate degree education is like a bomb produced by the Government itself. Should the Government fail to address the three evils of associate degrees in the areas of subsidy, quality and articulation arrangement, and allow the nightmare of associate degrees to spread to haunt private universities, thus challenging the publicly-funded system and institution of the existing eight universities, another bomb will be created in due course in the education sector and ultimately, universities and students alike will be hurt. The Government must think twice about it.

President, I so submit.

MR JASPER TSANG (in Cantonese): President, during the previous debate, I heard the Secretary for Transport and Housing say that she had to contemplate whether the age for the elderly to enjoy concessions will have to be raised in response to Mr CHIM Pui-chung's proposal of raising the age for a person to be defined as elderly from 65 to 75. I wonder if the Secretary can make reference to our education policy and create a new category of "sub-elderly people" under the elderly. In this way, different concessions can be provided.

However, there is a fundamental difference between the elderly and first-degree and associate-degree students in the sense that all "sub-elderly people" aged between 65 and 75 will definitely be advanced to the level of the elderly provided that they live long enough. However, associate degree students may not necessarily be able to advance to become first-degree students. On behalf of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), I express our support for Mr Fred LI's motion on raising the limit of university places. At the same time, I would also like to raise two supplementary proposals: First, to provide more effective subsidy to students taking degree programmes; and second, to encourage and assist the development of private universities. These two proposals have long been advocated by the DAB.

As pointed out by Mr Fred LI just now, the proposal to develop more university places has been debated in this Council before. We also greatly welcome the idea of raising the proportion of the population receiving university education. Compared with other neighbouring regions or developed economies, we are definitely lagging behind. I do not think I need to repeat the relevant figures.

Regarding the question of whether we need so many university graduates, there is indeed a shortfall of more than 80 000 first-degree graduates, as pointed out in the manpower resource projection for 2007 published by the Economic Analysis Division of the Financial Services and the Treasury Bureau jointly with the Education and Manpower Bureau in 2003, as also cited by Fred LI earlier. In other words, there is actually still a shortage of university students having regard to the needs of our economic and social development.

However, President, in comparison with other places, not only is the ratio of our university population relatively low, even the ratio of our private university is far lower than others. I notice that South Korea, for instance, was mentioned by Mr Fred LI and Ms Miriam LAU in their speeches earlier. Fred LI has attributed South Korea's rapidly growing competitiveness in recent years to the provision of talents because the country has a sharp increase in the number of talents with university qualifications. According to Ms Miriam LAU, 70% of the universities in South Korea are operated by the private sector. What about us? If Hong Kong is to keep up with such places as South Korea while expanding the limit of university places in Hong Kong, can the proportion of our private university be maintained at such a low level as it is now?

Earlier in the meeting, some colleagues quoted the developments in such countries as Britain, the United States, European countries, South Korea, Japan, and so on. Some of the privately-run universities in these countries have a long history and good reputation, and some of them are held in high repute. These universities have excellent academic foundation and abundant sources of funding. Despite exorbitant tuition fees, people will still scramble for studying in these universities. Subsequent to a long period of development, these universities already enjoy a very high status. However, what is more worthy of our reference is As we do not have private universities like these in Hong Kong, it is impossible for so-called elite private universities to suddenly appear in the territory to compete with universities heavily funded by the Government.

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

So, what can be done to avoid the situation in which universities are divided into two classes and a large number of privately-run and non-subsidized universities lower their standard and engage in vicious competition without having regard to quality, as described by Mr CHEUNG Man-kwong earlier? Indeed, we can make reference to South Korea's experience. Why can its privately-run tertiary institutions develop at such a fast pace and in such a healthy condition, as well as making such an enormous contribution to truly upgrading the nation's competitiveness in a relatively short period of time? This does not happen by chance.

In South Korea, for instance, its Government has introduced many pragmatic and effective measures to support privately-run universities. In order to encourage various sectors of the community to invest in and donate to private universities, the South Korean Government actively encourages collaboration between the country's business sector and universities so that each private university is linked up with at least one enterprise as a source of financial support. What benefits will these enterprises reap by supporting universities? The answer is that financial, tax and monetary support will be offered to them by the Government. When overseas capital is introduced to South Korea, these concession policies are also applied to encourage overseas capital to invest in the country's private universities. This is what we can actually learn from South Korea.

The existing private universities in Hong Kong are very vulnerable indeed. We are very pleased to see that the Hong Kong Shue Yan University has finally established its status as a university after decades of hard work. In addition to the Shue Yan University and the Open University, some institutions, including the HKU School of Professional and Continuing Education, the School of Professional Education and Executive Development and the Baptist Convention of Hong Kong have also expressed their wish to operate private universities. For the sake of operating a university, the Baptist Convention of Hong Kong has already set up a preparatory committee. Furthermore, the Caritas Francis Hsu College and the Caritas Bianchi College have amalgamated and planned to transform into a private university within a decade. It is thus evident that there are both the intentions and resources. It merely depends on how the

Government is going to give them assistance by launching incentive policies to enable them to truly implement their plans.

In relation to this point, we proposed another amendment concerning ways to provide more subsidy to university students. For instance, can the Government be more generous in its loan scheme? Can the interest rate be lowered? Can the repayment period allow more flexibility? This is because, with the establishment of more private universities, more and more students will be able to study in universities and they have to pay tuition fees and this is precisely the problem pointed out by Mr CHEUNG Man-kwong just now. If the Government can truly support these students, can it provide assistance by, for instance, providing loans — even though the interest rate will be relatively low, the Government is only required to pay for the expenses incurred as a result of interest rate reduction, and the expenses will still far less than the expenses incurred in the provision of funding for the eight major institutions? It has become a common aspiration of our young generation, their parents and society as a whole that students should study in universities. Therefore, it is worthwhile for the Government to handle this matter with a serious and proactive attitude.

I would like to respond to the "85 000" policy in the context of education mentioned by Mr CHEUNG Man-kwong because this was repeatedly mentioned by him. What does it mean by "85 000" policy in education? I suppose it is originated from the Government's housing policy. I would like to remind Honourable Members that the 85 000 housing policy proposed years ago was supported by the Democratic Party, the DAB and the Hong Kong Association for Democracy and People's Livelihood. Later, when the Government expressed its intention to scrap the policy, all of us expressed opposition — the Civic Party was, unfortunately, not yet formed back then and so ,we have no idea what it would do. Regarding the "85 000" policy that we are discussing I do not know what CHEUNG Man-kwong means, but it is truly a case of "85 000". Why? Because apart from the statistics collected in 2003, as cited by Mr Fred LI just now, statistics were also collected by the Government in 2000. It was revealed that there was a shortfall of only around 30 000 first-degree talents at that time but there was a shortfall of 85 000 talents at the tertiary level, according to the statistics collected in 2000. Given these statistics, it was therefore justifiable for associate degree programmes to be operated (*The buzzer sounded*)

DEPUTY PRESIDENT (in Cantonese): Time is up.

DR JOSEPH LEE (in Cantonese): Deputy President, I find the subject of the motion today very meaningful because I, being a member of university teaching staff, have spotted a lot of problems. First of all, I would like to respond to the point raised by Mr Jasper TSANG just now that the existing private universities are weak. I agree with him and the reason for this is the limited resources. However, it does not mean that existing private universities are weak academically. The Open University of Hong Kong (OUHK), for instance, is indeed weak in terms of resources, but our students are not at all weak. Let me cite the second-phase construction project as an example. Discussion had dragged on for a long time before the project was completed successfully. This is also relevant. Why? When it comes to private universities, the amendment I am going to propose later to increase the places for first-year first-degree (FYFD) programmes in nursing is also relevant. However, I would like to respond to Mr Jasper TSANG that the weakness is attributed to the lack of resources. Should the Government be able to offer assistance, private universities would become just as strong as other universities.

Let me return to the subject of the motion. Looking back on history, we will find that the Government seemed to have increase funding for research and development for primary schools, secondary schools and even universities in its previous budgets. However, I have also learned from relevant documents that since 1994-1995, the number of FYFD places has remained at 14 500. Apparently, the number of FYFD places has not been increased over the past decade or so. Despite annual increases in funding for research and development, there has been no increase in the number of FYFD places. This is very interesting indeed. The Government will probably explain later why there has been no increase in the number of FYFD places.

The amendment proposed by me today pinpoints particularly the funding for the places for FYFD programmes in nursing. I will explain later why this is necessary. Has the number of places been increased so far? Is it because the programmes have reached saturation that there is no need for the number of places to be increased?

Some colleagues, such as Mr Fred LI, Mr CHEUNG Man-kwong and Mr Jasper TSANG, mentioned earlier that compared with other developed countries such as Singapore, the proportion of people in Hong Kong who attend

universities at the appropriate age stands at 18%. I am not going to repeat the figures. However, if we do a little calculation with the figures, we can see that there is a gap of 5% between Hong Kong and Singapore, with their proportion of people who attend universities in the appropriate age group standing at 18% and 23.5% respectively. Though this gap does not appear to be substantial, there is a gap of 47% between Hong Kong and places such as Europe and the United States, where the university admission rate exceeds 60%. Is such a gap enormous? May I request the Secretary to explain later why the number of FYFD places is still maintained at 14 500 for a decade or so? The Secretary will probably have a reason.

I certainly agree that in making economic or education planning, the Government should consider such factors as the economic development, education system, the historical and population background, so as to examine whether the proportion of tertiary student is too high or too low, or whether the "85 000" policy in education has created bubbles. I think the Government should now give us an account of the criteria adopted for determining the number of FYFD places. What criteria can the Government show us that there is no need for change over the past decade or so, and for the number of FYFD places to be maintained at this level? I think the Government or the Secretary can explain to us what has actually happened. Is it because there are adequate talents in Hong Kong that retraining is unwarranted? The Government may know this better than we do. It should give us an explanation because we do wish to have a clear picture.

If we examine purely from the angle of the population, there has been an increase in its size, given that the population of Hong Kong stood at 5.6 million in the 1990s and has reached nearly 7 million at the moment. But why is it so strange that there has not been any increase in the number of FYFD places? In contrast, if we look at another fact, we will find that the proportion of non-local students in local universities has been raised from 2% in 1993 to 10% in 2007. A simple calculation will show that there is a difference of 8%. This reflects the strange approach adopted by the Government over the past decade or so that increased subsidy has been provided to non-local students while the subsidy provided to local students has remained unchanged. What has happened? Does the Government wish to introduce more talents? Is it the case that there are no more talents in Hong Kong and more overseas talents have to be introduced as a result? Is it because the birth rate in Hong Kong is low, as the Chief Executive remarked earlier, that Hong Kong people must give birth to

more children? While I have no idea of the reasons, I hope the Secretary can give this more consideration. However, it is quite strange that no subsidy has been provided to our FYFD students but on the contrary, the funding for non-local students has been increased.

The Government has often said that our population will face a serious ageing problem in two or three decades, and five people of the appropriate age in the workforce will then be required to support two elderly people. However, if the number of talents is not increased and our talents cannot make improvement, do we really have adequate manpower resources to support our aged population by then? I think it is worthwhile for our Government to give serious consideration to this matter.

I believe the results of many candidates in the Hong Kong Advanced Level Examination have reached the benchmark. Let me cite some simple figures to illustrate my point. In 2006, of the 15 500 people who acquired the matriculation qualification, some 1 000 were not admitted to universities because the number of university places has remained unchanged at 14 500 for more than a decade. Hence, 1 000 or so students could only become "graduates trapped in a cul-de-sac" or associate degrees graduates. Of course, students from well-off families may choose to study abroad. However, would some of our talents be wasted, and would some of the young people whom can be nurtured be also wasted? In this regard, the Government should consider what should be done.

Turning to my own profession, I wish to talk about the issue of nursing degrees. In 1990, or 18 years ago, the first nursing degree programme was launched in Hong Kong offering 40 places only. It has been 18 years now and statistics reveal that 600-plus FYFD places for nursing programmes are available. In comparison, the number of places has been substantially increased. However, both the Hospital Authority and the Government have said that about 1 000 to 1 200 registered nurses are required per annum. In total, the number of nurses trained annually by the three publicly-funded universities and one private university, namely the OUHK, is only some 700. How can this cope with the current shortage of nursing manpower? In this regard, is it necessary for the Government to provide additional resources for the provision of FYFD nursing places to meet the future demand?

The existing arrangement is very simple. While the Government has indicated that subsidy will not be specially given to private universities, three

publicly-funded universities have been told that the number of FYFD nursing places will be raised, only that they will not be given new funding and have to make deployment by themselves. However, which department will be willing to slash three of its own places and give them to the nursing department? I think this is unlikely to happen. Therefore, the number of places to be increased in the end will not be great. I think the Government should reconsider the need to provide additional funding to specially help the three institutions and the private institution to offer more FYFD nursing places. Most importantly, with the provision of additional places, it can be expected that a serious shortage of nurses will not appear in the future. It must be understood that a nurse cannot be trained overnight.

I am very much worried that the shortage of nurses will appear again very soon should the Government fail to increase its strength in providing training. Moreover, we do not wish to see abrupt reopening of nursing schools or news, as cited by Mr CHEUNG Man-kwong, that even if associate degree places are provided by some institutions, their students cannot obtain professional qualifications upon graduation which means that their time spent in studying has thus been wasted. For this reason, I urge that, in planning the use of public money to subsidize university places, the Government should, besides considering such other factors as the labour market, study from the angle of the general health of society in examining the need to provide additional resources, especially new funds, for the purpose of increasing the number of FYFD nursing places to meet the health needs of the entire society in the future to ensure that the quality of nursing is assured.

Deputy President, I so submit.

DR YEUNG SUM (in Cantonese): Deputy President, Secretary Michael SUEN, known as a "bomb disposal expert", is sitting in this Chamber. I hope he can listen carefully to the speeches delivered by Honourable colleagues and expeditiously put forth solutions to a wide range of problems faced by tertiary education.

Deputy President, at the start of this year's Legislative Council Session, I proposed a motion on improving associate degree education. During the motion debate, I raised the point that the Government should address a wide range of problems faced by associate degree students, because the market was

not functioning properly and the bubble of associate degrees will burst soon. In less than six months, this issue is brought up in this Council again for discussion. An earlier incident in which an associate degree programme failed to pass the professional accreditation has once again turned a group of innocent students into victims. The alarm of associate degree education has been sounded repeatedly for a long time. Why does the Government still refuse to rectify its mistake despite repeated advice?

Actually, the tuition fees borne by students, whether they are studying in publicly-funded, private degree programmes or sub-degree programmes, are absolutely not in a small amount. Today I will focus my discussion on the subsidy, especially that for associate degree students. Each year, they have to pay tuition fees ranging between \$30,000 and \$50,000. As one third of the tuition fees collected will be used to repay loans incurred by institutions to operate programmes, very little resources truly devoted to improving the quality of curriculum. Given that institutions have to repay all loans incurred for operating programmes within 10 years, they can only deduct some money from the tuition fees for repayment of loans. It can therefore be easily imagined that the loans raised for building campuses and operating programmes will not only impose pressure on institutions in providing quality education, the same degree of pressure will also be shifted to students due to the market-led factor.

Nevertheless, many students would still prefer borrowing money from the Government to fulfil their hope of pursuing higher studies or acquiring a skill through associate degree programmes, thereby making contribution to society. However, not only has the Government failed to provide these aspiring young people with adequate opportunities for pursuing higher studies, it has even been miserly in providing subsidy. At present, students pursuing publicly-funded degree programmes or associate degree programmes have to pass a means test in order to apply to the Government for grants and low-interest loans. A four-member household will not be eligible for subsidy in the form of grants or low-interest loans should the total monthly income exceed \$25,000. Even if a family makes \$20,000 a month, the amount of grant or low-interest loan offered will still be very little. The outstanding tuition fees will have to be borne by students themselves or through the application for non-means tested loans. Furthermore, even the annual tuition fees for publicly-funded degree programmes are as high as \$42,100. The fact that these families have to cover tuition fees by two months of their income demonstrates that the tuition fees are far beyond their affordability.

From this, Deputy President, we know that the position of associate degree students is even worse than that of degree students. Despite that grants and learning expenses are currently provided under the Financial Assistance Scheme for Post-secondary Students (FASP), low-interest loans are not provided to cover the living expenses. Some students who do not want to aggravate the burden of their families can only take up several part-time jobs while pursuing their studies or force themselves to apply for non-means tested high-interest loans. The interest rates of non-means tested loans are not only higher than the mortgage rates charged by banks, the calculation of interest would have already started when the students are still studying. For students who are aged 25 or above and have graduated from associate degree programmes but wish to continue to pursue self-financed degree programmes, they would have to bear the full sum of their tuition fees or borrow high-interest loans from the Government again. For poverty-stricken students aspiring to pursue further studies, this would aggravate their difficulties.

Therefore, I propose that the Government should improve the existing Tertiary Student Finance Scheme (TSFS) and FASP to offer grants to means-tested students and further waive the interest on their loans and turn their low-interest loans into interest-free ones with a view to alleviating their burden, which is already extremely heavy. With reference to the information on the 2004-2005 school year, the Government received interest amounting to approximately \$34 million in the school year from the TSFS and around \$1 million from the FASP. Should the Government be able to offer interest-free loans to students, it will receive only about \$40 million less annually. Yet, the number of students to be benefited would reach 50 000 to 70 000. Apart from this, the existing means tests should be relaxed so that more middle-class and grass-roots households can be benefited as they will not be required to pay high interest for their studies.

Deputy President, from the several incidents involving the collapse of associate degree programmes, we will find that the students are certainly the hardest hit. Actually, Hong Kong is already moving towards a knowledge-based society. Education as a manpower investment is also taken very seriously by the Government. Why is it that only associate degrees are being neglected? What do associate degree students get in return after taking up several jobs and spending years studying hard? In the end, they will only find their dreams unfulfilled. We can see that the quality of education is varied, and their qualifications are not widely recognized. Though a qualification

framework has been put in place, their qualifications are generally not recognized by the business sector. Even Mr James TIEN has recently mentioned that the business sector has strong opinions about associate degree students. Furthermore, their chances of pursuing university studies can be described as very slim. Hence, as the alarm has long been sounded for associate degree education, the Government must squarely address the bubble of associate degree education with a view to expeditiously resolving the problem and making commitment to tertiary education. Our specific proposals are as follows: First, the Government should strengthen monitoring to disallow institutions not yet professionally registered from enrolling students or accepting students who have failed in Chinese, English and Mathematics subjects. Supervision on this front must be stepped up. Second, the Democratic Party proposes that the Government should seriously consider offering full subsidy to associate degree programmes. However, when this proposal was raised by me last time, Secretary Michael SUEN described my proposal as impossible and impractical. Third, the Government should offer interest-free loans to students. I hope the Government can carefully consider these three proposals again.

Thank you, Deputy President.

SECRETARY FOR EDUCATION (in Cantonese): The SAR Government has always strived to provide, through different initiatives, local young people at appropriate age with comprehensive and diversified channels for pursuing higher studies to meet the needs of Hong Kong society and education development.

The motion proposed by Mr Fred LI today comprises two parts. While the first part seeks to urge the Government to gradually raise the annual limit of 14 500 places for publicly-funded first-year first-degree (FYFD) programmes, the second part urges the Government to provide more opportunities for sub-degree holders with outstanding academic results to pursue higher studies. Regarding raising the limit of FYFD places, in determining the approved student number targets (including the number target for publicly-funded FYFD places) in the University Grants Committee (UGC)-funded sector, the Administration will take into account various educational, social and economic considerations. These include, among others, the projected student population of the 17-20 age cohort, the quality of student intakes, the development of the publicly-funded and self-financing post-secondary sectors, the Government's fiscal position, as well as the manpower requirements and economic development trends of Hong Kong.

Currently, a total of 14 500 publicly-funded places for FYFD programmes, representing approximately 18% of the 17-20 age cohort, are provided by various UGC-funded institutions.

The past two decades have seen rapid developments in tertiary education in Hong Kong. In early 1980s in the previous century, only about 2.2% of the 17-20 age cohort could enter local universities, which was a far cry from the present rate of 18%. The annual recurrent funding for financing various tertiary institutions has also raised from about \$57 million in the 1980-1981 school year to more than \$10 billion at present.

Despite the fact that the number of publicly-funded FYFD places had since the 1994-1995 school year remained unchanged at 14 500, more tertiary education opportunities have been provided through developments on other fronts. In fact, in addition to the 1 927 UGC-funded Year Two undergraduate places to be provided in the 2008-2009 school year, the self-financing sector has currently provided a total of about 2 500 FYFD places and around 2 000 places for top-up programmes.

In addition, self-financed sub-degree programmes have developed rapidly in recent years, with the number of programmes raising from around 20 in 2000 to more than 270 at present. The annual new intakes have also been increased from 2 600 to around 20 000 at present. Hence, the proportion of young people who have the opportunity to pursue tertiary education now exceeds 6% of the average number of people in the relevant age cohort. (Appendix 2)

Certainly, I agree with Honourable Members who said that while supportive initiatives had been taken in terms of "quantity", more efforts still had to be made in terms of "quality". A number of Honourable Members have also mentioned other possible initiatives. As Members are aware, the second report concerning tertiary education drafted a long time ago is being circulated among stakeholders. This is why Members could read from newspapers, during the past few days, different views raised by various parties on the contents of the report. I also hope that the internal procedure could be completed expeditiously so that the report can be formally published. Deputy President, it would actually be even better if this debate today could be held one week or two later, (*Laughter*) for I will probably be able to give a clearer response. However, I would still try my best to do so.

We also hope to provide more articulation opportunities for associate degree holders. The publicly-funded articulation places currently provided by UGC-funded institutions provide articulation opportunities for associate degree graduates as well as other students holding equivalent academic qualifications. As pointed out by me earlier, a total of 1 927 publicly-funded Year Two undergraduate places will be provided by UGC-funded institutions in the 2008-2009 school year. It is expected that the 967 Year Three undergraduate places provided by various institutions in the 2008-2009 school year will also be raised to 1 927 in the 2009-2010 school year. By then, a total of 3 854 publicly-funded Year Two and Year Three undergraduate places will be provided by the UGC sector. In addition, the self-financed sector is currently providing some 1 900 places for top-up degree programmes as a channel for our young people to pursue further studies.

Deputy President, this is a relatively general introduction. As for the detailed questions raised by some Honourable Members earlier, I hope to give a detailed reply later after listening to the speeches made by other Members.

Thank you, Deputy President.

MISS TAM HEUNG-MAN (in Cantonese): Deputy President, "nine lids are never enough for 10 teapots". The accounting talents trained up by universities are simply unable to cope with market demand. Some proprietors of small and medium accounting firms have repeatedly complained to me, very bitterly, that they are unable to recruit any accounting graduates. They grumble that due to manpower shortage, they sometimes do not even dare to accept business offers from clients. Even though there are business opportunities, they are unable to benefit. That is why their feelings are so bitter.

The shortage of manpower has led the four major accounting firms to offer high salaries as a means of hunting for talents from other firms. Very few people are now willing to join small and medium accounting firms as a result. In that case, how can individual certified public accountants manage to find any assistants?

Some may wonder, "Where does the problem lie?" They may think that many tertiary institutions offer associate degree, higher diploma or professional

diploma programmes in accounting, so there should be reinforcement for the accounting sector. But are Members aware that the graduates of all these tertiary education programmes cannot join the accounting sector right away?

Recently, the Nursing Council of Hong Kong has refused to recognize an associate degree in nursing as a professional qualification leading to the status of Registered Nurse. This is a fine example. Similarly, if we check the information provided by various professional accounting bodies, we will realize that not all accounting programmes offered by tertiary institutions are recognized. In many cases, there is still a long way to go before the graduates of such programmes can become professional accountants. Distant water cannot put out a nearby fire, as the saying goes. So, how can the enrolment of all these tertiary education programmes cope with the present shortage of accounting talents?

(THE PRESIDENT resumed the Chair)

After all, however, we must still rely on our universities to nurture a greater number of accounting professionals. Unfortunately, the training of accounting talents has been thwarted by the Government's policy of university funding.

Once when I talked to some certified public accountants teaching in universities, I raised the topic of increasing the intakes of accounting programmes to tackle the shortage of accounting talents. But the accountants simply shook their heads, explaining that while it was not exactly impossible to increase intakes, to do so would definitely lead to internal dissension and even division within universities. They added that the culprit was the Administration.

Why? The reason is that under the Government's existing policy, the number of university places is rigidly fixed. This means that any additional places in any programmes of any universities must be matched by a corresponding reduction of places in other universities or programmes. This is similar to slicing a cake. In that case, Members can well imagine that those purely academic disciplines will be the first to be sacrificed. But the sacrifice of

such disciplines and the subsequent shift of focus onto practical subjects will in effect turn our universities into vocational training schools. Do we really want this to happen to our tertiary education?

Madam President, in Hong Kong, only 18% of the school-age population can enter university. This rate is far lower than those in other countries. If we are to tackle the shortage of talents while retaining the ability of universities to promote academic research, we must increase the number of university places.

When it comes to this, there are just two ways. The first alternative is to encourage the development of private universities. The other is the expansion of subsidized degree places. In regard to the first alternative, very sadly, the Government has never provided any concrete support. Hong Kong Shue Yan University, which went through so many difficulties and problems from its establishment, development to retitling, is a good example. Therefore, if we are to ease the manpower shortage in the short run, we must expand subsidized degree places without any further delay.

I propose that the Government and the various universities should proactively approach those sectors and industries which face an acute shortage of talents, so as to ascertain the number of required additional places. Following this, the Government should assess the financial implications and then work out the number of additional places which can be provided. The universities can then work out how to distribute these places among themselves through co-ordination.

The SAR Government records a huge fiscal surplus this year. It is believed that financial stability will likely continue in the coming few years. That being the case, why does the Government still turn a deaf ear to the demand for additional university places? The spending on education, particularly university education, is an important investment of our society as a whole. Why should we be so mean on this? The important thing is that with enough talents, we will not have to worry about being unable to make any money.

Madam President, I hope that the Government can thoroughly consider the advice we put forward today. I do not wish to hear from my friends in the accounting sector any more bitter complaints about being unable to grasp opportunities of making money. I so submit. Thank you, Madam President.

MR WONG KWOK-HING (in Cantonese): Madam President, ever since associate degree programmes were first offered in Hong Kong, the students of such programmes have all the time been called "graduates trapped in a cul-de-sac", a label that suggests immense misery. Besides telling of the dilemma faced by these students in both employment and the pursuit of further education, such a stigma is also the greatest indictment of the Government's misinterpretation of learning and studies.

The qualification of associate degrees is copied from the system of community colleges in the West. Under Western education systems, the role played by associate degrees is fundamentally different from that of diploma programmes which emphasize practical subjects. Diploma or higher diploma programmes require students to acquire sector-specific skills of application and emphasize convergence with the vocational skills needed in society. On the other hand, associate degree programmes are designed for the pursuit of further education in degree programmes, with the aim of upgrading the overall intellectual level of society. However, in the context of Hong Kong, the entry salary points for associate degree holders and Secondary Seven school-leavers are almost the same. And, only fewer than a thousand places a year are available to those associate degree holders who wish to read for a local bachelor's degree. There is no proper recognition both in employment and further education, so associate degrees are literally neither fish nor fowl.

In a desperate attempt to increase the proportion of tertiary graduates in the appropriate age group of our population, the Government has been condoning the offering of substandard associate degree programmes, with the result that the number of graduates has soared to 25 000 a year over a short span of just a few years. The Report on Phase 2 Review of the Post-secondary Education Sector, which is about sub-degree education, was submitted to the Executive Council for discussion yesterday and will be released tomorrow. It is widely circulated that the Government plans to introduce as many as nine measures, such as the allocation of \$500 million to \$1 billion for aligning the eligibility criteria for sub-degree students to apply for government grant and loans with those for university students, and relaxing the relevant requirement to allow sub-degree graduates pursuing self-financing degree or top-up degree programmes to apply for means-tested loans. The immediate result of these measures is that the professional and continuing education schools of The Hong Kong Polytechnic University, the City University of Hong Kong and the University of Hong Kong have all started to explore the possibility of establishing a private university or

transforming themselves into a private university, so as to provide top-up degree programmes for sub-degree graduates.

All these measures which are being circulated can provide immediate relief to the problems faced by associate degree students. However, as many as 20 institutions in Hong Kong are now providing associate degree programmes, and the number of places offered annually already exceeds 30 000. So, there is already excessive supply. In order to compete for a share in this huge market, many institutions have sought to enrol students ahead of others, offer rebate of tuition fees as an incentive for early bird applications and admit students with no passes in Chinese and English in the Hong Kong Certificate of Education Examination. In the 2006-2007 academic year, 290 out of the 8 400 students admitted to self-financed sub-degree programmes were unable to fulfil the common descriptors. It is stated in the Report that the Education Bureau will enhance the quality control over sub-degree programmes. But it should be noted that the acceptance of such programmes can be established only if we can conduct a comprehensive review of their positioning, admission policies, teachers' qualifications, number of top-up degree places, qualifications recognition and employment prospects. If not, cases similar to the non-recognition of the associate degree in nursing offered by the Hong Kong Institute of Technology will only continue to occur.

In November last year, Secretary for Education Mr Michael SUEN disclosed in the Legislative Council that the Government intended to increase the number of Year Two university places for sub-degree graduates two years ahead of schedule. It was said that starting from the 2008-2009 academic year, such places would be increased from 967 to 1 927 in stages. However, it is now circulated that in view of the drastic increase in the number of secondary school-leavers and the resultant severe competition for university places under the "3-3-4" academic structure, the report does not recommend any increase in top-up degree places for sub-degree graduates. This means that after months of expectation, sub-degree students will not get what they want, and some 2 000 top-up places will just be a drop in the bucket for the 25 000 sub-degree graduates every year. The rationale behind the offering of sub-degree programmes is to promote lifelong learning, so that young people, the middle-aged and even the elderly can all pursue studies if they want to. However, the ceiling of 14 500 university intake places has remained unchanged since the Government expanded the rate of tertiary education admission to 18% of all senior secondary school-leavers in 1989. The opportunities of further studies for the middle-aged and the elderly are still very limited.

What is more, except for a handful of lucky sub-degree graduates, the rest can only continue to enrol in the top-up degree programmes run by local private universities. However, several years later when they graduated from private universities, these students will discover that the degrees they hold are inferior to the degrees held by the graduates of the eight subsidized universities. When this happens, these "graduates trapped in a cul-de-sac" will become university graduates who continue to be trapped in a cul-de-sac. This will certainly make the problem more difficult to tackle, right?

Madam President, the property market has started to recover gradually, and the "85 000 housing unit" problem has gradually subsided. However, when it comes to the "85 000" problem of the education sector, that is, the problem of sub-degrees, the authorities concerned have all the time adopted a piecemeal approach, trying to get away simply by handing out various benefits. If the Government maintains this mindset of turning these sub-degree graduates trapped in a cul-de-sac into university graduates who continue to be caught in a dilemma, and delay tackling the non-recognition of sub-degrees until it turns into the non-recognition of private university degrees, it will only be even more difficult to work out a solution.

As a matter of fact, the Government has been adhering to the ceiling of 14 500 university intake places for nearly 20 years. If it still does not increase the number of top-up degree places and incorporate sub-degrees into the mainstream system, it will never succeed in correcting the social misinterpretation of associate degrees and realizing the aim of lifelong learning.

Madam President, with these remarks, I support the original motion and the amendments.

MR ANDREW LEUNG (in Cantonese): Madam President, we have always emphasized that in order to cope with the development of Hong Kong as a knowledge-based economy, the Government must provide the young generations with more opportunities to receive tertiary education. We also emphasize that the nurturing more talents with tertiary education is the only way to upgrade the quality of our population, thereby enabling us to compete with neighbouring cities in the course of globalization. An integral part of our tertiary education system, sub-degree programmes have indeed nurtured many talents for Hong Kong. However, in recent years, there has been problem with the articulation of sub-degree holders to university programmes, a problem that has led to

discussions on whether the supply of first-degree places in Hong Kong is inadequate, with the result that many fresh graduates of sub-degree programmes are plunged into desperation by the lack of opportunities to pursue further education. In the following part of my speech, I shall comment mainly on the point about "providing more opportunities for sub-degree holders with outstanding academic results to pursue higher studies" as stated in the original motion.

Madam President, I must first declare that I am the Chairman of the Vocational Training Council (VTC), the largest provider of sub-degree programmes in Hong Kong, which offers a wide range of higher diploma courses. I also wish to take this opportunity to clarify the definition of sub-degree. This evening, we have repeatedly referred to sub-degree and associate degree. Actually, the sub-degree qualification is a generic term covering both associate degree and higher diploma. Many of the current problems are connected with associate degree, so sub-degree is not where the greatest problem lies.

As a provider of sub-degree programmes, we in the VTC are all very concerned about the prospects for sub-degree graduates. When it comes to those sub-degree graduates who wish to pursue further education, the VTC, the Liberal Party and Members of this Council all agree that more opportunities should be given to sub-degree holders with outstanding academic results to pursue studies in the second year or even third year of publicly-funded first-degree programmes, so as to cope the development of the knowledge-based economy.

Most people in society will ask, "Why is your support limited to the use of public money to subsidize the university education of students with outstanding academic results? How about other students?" Our answer is, "Publicly-funded programmes are not their only avenue." I have explained before that a sub-degree is not part of a bachelor degree. Quite the contrary, sub-degrees are qualifications with government recognition. Apart from furthering their studies, sub-degree holders can also choose to secure employment. Besides publicly-funded first-degree programmes, a sub-degree holder who wants to further his education still has many other choices, such as the self-financing first-degree programmes run by local universities, the 1 200 first-degree places offered by The Open University of Hong Kong and the Hong Kong Shue Yan University every year and also the top-up degree programmes

organized by overseas universities or by local institutions in collaboration with universities abroad. The VTC, for example, also offers 1 500 top-up degree places a year in collaboration with overseas universities. In addition, over the past one year, some education institutions have already sounded out their decision to apply for government permission to establish private universities. All this can show that many choices are in fact open to sub-degree holders who want to receive university education.

University entrance is not the only avenue for sub-degree holders. As long as people can adopt a broader perspective, they will realize that the prospects for sub-degree holders are not at all bad. For instance, higher diploma programmes, which have a development history of several decades, do have quite a strong "appeal" in the present-day job market. The rates of employment and admission to programmes of further education for the sub-degree holders trained up by the VTC, for example, are close to 100%. Some of the graduates choose to enter university in order to further equip themselves for the future. And, more of them choose to join the labour market in order to gain practical experience in society. After working for some time in society and ascertaining their directions of development, many graduates will choose to receive part-time continuing education, with a view to upgrading their competitiveness. In some cases, they may also choose to enrol in local first-degree programmes. For this reason, I agree that the Government must increase the number of publicly-funded top-up degree places, so that sub-degree holders can be admitted to the second or third year of full-time first-degree programmes.

In regard to associate degree programmes, which have a history of less than 10 years, I can well appreciate their graduates' anxieties. But I must say that I agree even more to the comment made by Secretary Michael SUEN in the Finance Committee last Wednesday. He remarked, "Associate degree programmes are not a stepping stone to first-degree programmes." I believe that since higher diploma programmes, being also part of the sub-degree system, can ensure employment and further education prospects for their graduates, the other part of the sub-degree system, that is, associate degree programmes, should also be able to ensure good prospects for their graduates. In order to increase the public acceptance of associate degree programmes and other sub-degree programmes, the Government must put in place corresponding measures to enhance programme quality and conduct regular reviews, with a view to ensuring that all such programmes can keep abreast of the needs in the labour market.

Madam President, I have always supported continuing education. And, in recent years, the Government has also launched various schemes to encourage people from different social strata and age groups to receive further education and enrich their knowledge. I hope that the Secretary can respond positively to the demand of sub-degree holders for publicly-funded first-degree programmes by increasing the number of places. That way, more students with ability can realize their ambition of further education.

Madam President, I so submit.

MS AUDREY EU (in Cantonese): President, over the past three years of Legislative Council's current term, the same motion topic has in fact been debated for four times (this debate not included). There has always been unanimous agreement among Members on this issue. I believe that both the original motion and the amendments this time around will all be passed today. But why does the Government always refuse to squarely address this very important problem that not only involves education and manpower demand but also affects the economic development of Hong Kong?

President, in the recent special meeting of the Finance Committee, I put forward to the Secretary a written question on the 14 000 first-year first-degree places, the tertiary education admission rate and a comparison with other places. I myself have also managed to obtain some information, and I learned that the quota of 14 000 places was set around 1994 and 1995. Owing to the decline of the student population, the rate of 18% was not attained for most of the time during the past 10 years. The quota of 14 500 was set down years back, as it was 18% of the students from the appropriate age group of 17 to 20. But most of the time, this rate was never attained. As for comparison with other places, according to the information and reply given by the Secretary, the rate is 23.5% in Singapore, 41% in Japan, 64% in the United States and 51% in the United Kingdom. Hong Kong is lagging far behind indeed.

In his speech just now, Dr Joseph LEE requested the Secretary to tell us why the quota of 14 500 had remained unchanged for more than a decade. President, I can remember that when I raised this question Actually, I did raise this question before and my memory of it is still vivid because the reply I got was very shocking and made me very uncomfortable. The Permanent Secretary for Education and Manpower of the time, Mrs Fanny LAW, remarked that all was because not many could be picked and chosen from our students. I can still remember her reply. Actually, Secretary Michael SUEN also once

made a similar remark, but he fell short of using these words. He said that the quota was sufficient because it was roughly the same as the number of students who passed the Hong Kong Advanced Level Examination and managed to enter university. I always suspect the standards required by the Hong Kong Advanced Level Examination are actually set with the quota of 14 000 places in mind. President, this is very unfair to our students. My daughter has also reached this stage in her education. Members will now understand why students must study abroad. The reason is that the Advanced Level Examinations in other countries are easier than the one in Hong Kong. I think this is very unfair to Hong Kong students. And, if they think that not many could be picked and chosen from Hong Kong students, then why does the Government still adopt the policy of encouraging the establishment of private universities? Is this not contradictory? There are many contradictions here. The Government often talks about turning Hong Kong into an education hub. If the Government's ambition is really so lofty and great, then how can this limited number of places enable us to become an education hub?

There are still many more contradictions. President, I am a member of the subgroup on attracting talents under the Commission on Strategic Development. The Government claims on the one hand that since there is a shortage of talents, it is necessary to work out ways of attracting talents to Hong Kong. Members can thus see that the criteria under the admission of talents scheme have been relaxed. It is explained that since Hong Kong must compete with the rest of the world and it has been unable to attract talents, the threshold must be lowered, to the extent that all those who hold university degrees from other places can already qualify. Mr CHEUNG Man-kwong should remember our discussions on this issue. When Mr Fred LI spoke just now, he remarked that according to statistics, there was a shortage of 80 000 first-degree holders in Hong Kong. But I find it very puzzling that instead of nurturing the required talents locally, the Government simply wants to attract talents from overseas. Why does our Government adopt such an approach? President, the truth is that it all boils down to money. The Government wants quality people, but it does not want to spend any money. So, it is unwilling to increase the number of subsidized first-degree places.

There is still one more problem, President. This problem is about the distribution of resources. Members can notice that in the case of the 14 000 places, the amount of subsidy amounts to some 80%, and students need to pay 18% of the costs only. In contrast, associate degree programmes in the market are self-financing, meaning that students must pay the tuition fees all by

themselves. As mentioned by Mr CHEUNG Man-kwong just now, and also by all of us many times before, the Government does not provide any lands for the institutions offering associate degree programmes. As a result, one third of the tuition fees paid by associate degree students is for repaying the mortgage loans taken out by institutions. In this way, the Government has practically turned associated degree students into second-class students, second-class citizens. This is simply "one place, two systems". The distribution of resources is unfair. The unfairness is reflected in the provision of library facilities, hostels and loans. Many of the terms and conditions are very unfair.

President, it seemed that the Secretary had something to say but somehow withheld it. He just said it was best to discuss the matter one or two weeks later. I do not know whether there will be any good news one or two weeks later, good news that can rectify the unfairness a little bit. The comprehensive review is very important. On the one hand, the Government encourages all people to pursue lifelong learning and enrich their knowledge frequently on the basis of market needs. But on the other hand, its distribution of resources to associate degree programmes is so unfair. Therefore, President, I agree with Mr Jasper TSANG, who remarked just now that if the Government really wanted to encourage the development of private universities, it must give them concrete support. President, in addition to injecting more resources, the Government must at the same time ensure that the distribution of resources can enable more people to strive for better and higher education.

President, Mr Jasper TSANG said a moment ago that at that time, the Civic Party had not yet come into existence. Fortunately, President, now that the Civic Party has emerged. Before we put forward any proposals, we will always do some computations first. According to our computations, assuming that the quota of 14 000 places is 18% of the students belonging to the appropriate age group, an increase of the rate to 35% will mean an additional annual expenditure of \$8 billion. President, we will do similar computations every time. For instance, we have already made computations on the required expenditure before requesting the implementation of small-class teaching. Our request for additional first-degree places was also preceded by computations on the required additional expenditure. The additional expenditure will just be \$8 billion a year, but as at February, the fiscal surplus this financial year already amounted to \$123.5 billion. The Government may of course argue that the amount of surplus will vary from time to time. But, President, it must still be pointed out that generally speaking, we do have enough money for the purpose now.

MS LI FUNG-YING (in Cantonese): Madam President, the budget debate will be held next week. Despite the huge surplus recorded in the budget, the Financial Secretary has not allocated any additional resources to expand publicly-funded degree programmes and increase the subsidy for associate degree programmes. Many Members, including me, are very disappointed.

I have always been very sceptical of the SAR Government's tertiary education policy. My greatest scepticism is that while it adheres to the overall participation rate of the relevant age group in tertiary education at 18% and refuses to expand the current annual quota of 14 500 publicly-funded first-degree places, it at the same time lays stress on turning Hong Kong into an international hub of education, encourages tertiary institutions to raise their admission quotas for non-local students, and even regards this as the main policy of optimizing the demographic structure.

The Government's reason for encouraging tertiary institutions to admit non-local students is very grand and lofty. In the policy address of 2005, it is stated, "We have traditionally deployed our first-class education resources to nurture talent for the entire Asia-Pacific region and to attract high quality students to study in Hong Kong." In the policy address last year, it is also said, "Attracting more outstanding students to study in Hong Kong will enlarge our pool of talent and enhance the quality of our population. It will also help create a diversified cultural and learning environment, and broaden the horizons of our students." But what lie behind all these lofty ambitions and rosy visions are local students' keen demand for first-degree places and the very fact that the participation rate of local students in tertiary education is lower than those in our neighbouring places. I think the Government must tell us why it does not first seek to increase the participation rate for local students and nurture students brought up locally as a means of enlarging our pool of talent and enhancing the quality of our population, and why it instead seeks to achieve its aim of optimizing the demographic structure by admitting non-local students at the expense of local students' opportunities to enter university.

Madam President, having looked at the information I have, I note that in Malaysia, the tertiary participation rate will be increased from 36% in 2006 to 50% in 2020; in Pakistan, they plan to increase the rate from 21% to 30% between 2007 and 2016; and, in Vietnam, the long-term goal of its education reform is to establish 25 to 30 research universities. These neighbouring countries are not as economically advanced as Hong Kong, but their education

policies all aim to nurture their own talents, so that they can compete in the game of globalization. I fail to see why the prime concern in the development of our tertiary education should not be an increase in the participation rate of local students. I am not saying that I oppose the very grand education visions of the SAR Government. I only think that as the most important precondition for the implementation of all these ambitions, local students' opportunities to enter university must not be compromised.

In *Hong Kong 2006*, the section on Review of Post-secondary Education Sector reads, "To improve the competitiveness of Hong Kong's workforce and upgrade the quality of its manpower in a knowledge-based economy, the Chief Executive announced in the 2000 Policy Address that within 10 years, 60 per cent of Hong Kong's senior secondary school leavers would have access to post-secondary education. This objective was achieved five years ahead of schedule: the post-secondary education participation rate increased from about 33 per cent in the 2000-01 school year to over 60 per cent in the 2005-06 school year. The development has brought about not just more learning opportunities but also more diversified progression pathways for our younger generation."

I think such self-glorification is the greatest indictment of the policy on associate degree programmes. Recently, it has come to our attention that the associate degree in nursing offered by one institution has failed to pass the professional accreditation of the Nursing Council of Hong Kong. Nearly a hundred students have studied hard for three years and each paid a tuition fee of more than a hundred thousand dollars, but in the end, their dream of pursuing a professional career is shattered. I do not intend to talk about culpability here, but I must still say that the students are innocent victims. Earlier on, the Secretary for Education admitted publicly to the effect that many associate degree students would get nothing in return for their studies; this is actually the truth which lies behind the claim that the objective of increasing the post-secondary participation rate to 60% within 10 years has been achieved five years ahead of schedule.

Madam President, the most heartrending of all government policy blunders are education policy blunders. The reason is that such blunders will not only waste social resources but will also waste young people's golden years of learning. The fates of whole generations of people will be adversely affected, so such blunders are irreparable. At the special meeting of the Finance Committee, Secretary Michael SUEN refused to increase the

Government's financial commitment to associate degree programmes, saying that the proposal was unrealistic. But the Government is the one who decided to launch associate degree programmes, the one who initiated the over-ambitious and unrealistic attempt to attain the target within five years. Can the Government deny all responsibility simply by dismissing the proposal as unrealistic?

Associate degree students have wasted their youthful years and arduous studies, but they only become heavily indebted for nothing in return. Is their request for more commitment from the Government really unrealistic?

Madam President, I so submit.

MR SIN CHUNG-KAI (in Cantonese): Madam President, children are the future pillars of our society, and education is a form of investment in our future. It is a pity that the SAR Government's investment in our future is extremely limited. For 20 years, it has not reviewed the number of first-degree places to cope with the shortage of talents in Hong Kong. Even students who can enrol in first-degree or sub-degree programmes must still bear a very heavy burden, the burden of exorbitant tuition fees.

The tuition fees for tertiary education are by no means modest. In the case of publicly-funded first-degree programmes, the annual tuition fee is as high as \$42,000. And, the annual tuition fee may even be as high as \$50,000 for private degree programmes or sub-degree programmes. This explains why the Government now provides students from grass-roots families with means-tested grants and low-interest loans to ensure that no one is deprived of tertiary education due to lack of means. However, the means test is so strict that a student from a household with a monthly income of more than \$25,000 will not be given even one single cent of grant or low-interest loan. Many students must therefore apply for non-means tested loans at very high interest rates in order to pay their tuition fees.

Since the non-means tested loan scheme operates on the principle of "no-gain-no-loss", the interest rate charged to students "not in need" is much higher. The Government however, also claims that such interests are still lower than market interest rates. But it must be pointed out that the interest rate charged under this loan scheme is currently as high as 4.882%, which is nearly

2% higher than the mortgage interest rate (the prime rate minus 2.5%) charged by a certain local bank. Why is it that the interest rate of student loans is higher than mortgage interest rates? The reason is that the interest rate under the non-means tested loan scheme is computed by adding a risk rate of 1.5% to the interest rate applicable to the civil service housing loan scheme.

Why should a risk rate of 1.5% be charged? In 1998, when the Government launched the non-means tested loan scheme, it assumed that the default rate would be high, so it charged additional interest as a kind of compensation for possible bad debts. The Student Financial Assistance Agency claims that the default of student loans has been serious, but according to government statistics, the numbers of default cases relating to the non-means tested loan schemes for first-degree and sub-degree students are respectively 1 970 and 1 020 only. This shows that most first-degree and sub-degree graduates are punctual in their repayment of loans. Since the increase in default cases has very little to do with the majority of first-degree and sub-degree students, the Government should implement appropriate measures to deal with different types of default cases, instead of imposing "collective responsibility", because the imposition of 1.5% across the board is totally unfair to university and sub-degree students.

Besides, default in repayment is not necessarily equal to write-off of a loan. The Student Financial Assistance Agency will write off a loan only when the borrower is dead. Even if default cases are included, the numbers of write-off cases under the non-means tested loan schemes for first-degree and sub-degree students are just one and two respectively. The write-off rates in the case of first-degree and sub-degree students are very low, so the 1.5% of risk rate is totally unwarranted. Even if a rate is to be set, it must not be as high as 1.5%. Many university students are rendered unable to receive any grants and low-interest loans due to the harsh means test. The situation of associate degree students is even worse because they are not entitled to any government subsidy. They even have to pay for the mortgages of their campus buildings. Sub-degree graduates with outstanding academic results wishing to pursue self-financing first-degree programmes can only continue to apply for high-interest loans under the non-means tested loan scheme. University students, associate degree students and those associate degree graduates studying in first-degree programmes are all "soft touches" at the mercy of the Government, the "loan shark", which charges them a risk rate of 1.5%.

In regard to default cases, besides paying up the amounts in default, the borrower must also pay the administrative charges involved and also the interest on the amounts in arrears. Students involved in default cases must pay the resultant penalties. And, the Government will not suffer any financial losses as a result of their default. If the Government continues to charge the 1.5% of risk rate to university and associate degree students, it will be no different from a "loan shark".

If the Government abolishes this risk rate, its relevant revenue will only be reduced by \$19 million a year. But the annual repayment of a graduate will go down by \$2,000 to \$3,000. This is a very substantial amount for a graduate who earns only \$8,000 to \$10,000 a month. In 1997, a government representative said to the effect that the pursuit of tertiary education was in principle a form of personal investment. I do not think that such a remark is sensible. The Government must provide people of the appropriate age group with opportunities to receive tertiary education. This should cover the provision of more top-up degree programmes for associate degree graduates and increasing the subsidy for tertiary education to provide sufficient grants and loans, so as to ensure that students have both the ability and means to receive tertiary education. The Democratic Party agrees that our public money must be appropriately used, and that students must also share the costs of their decision to pursue further education. But tertiary education is much more than a form of personal investment. Rather, it is also a form of social investment in the future. If the authorities want to develop Hong Kong into a regional education hub, it must first commit itself to the nurturing of local talents.

Madam President, I entered university in 1979 and graduated in 1982. After graduation, I was also up to the neck in debt, and I had to repay the loans for five whole years. I can remember that I had borrowed as much as I could under the loan schemes, so it took me five whole years to repay them all. But the student loans at that time were interest-free. Twenty-five years have passed, and it seems that we are back to the past. In the 1980s, presumably, the Government never had \$500 billion in fiscal reserves. And, it never had \$1,000 billion in Exchange Fund either. The Government now seems to be wealthier. But why is it so mean to students? Secretary, we have handed out as much as \$40 billion already, so can we actually do something for our students? I so submit.

MR LEUNG YIU-CHUNG (in Cantonese): President, the main purpose of the motion proposed by Mr Fred LI is to request the Government to raise the limit of university places for publicly-funded degree programmes. This objective is very clear and specific. It is hoped that more students at the appropriate age are given the opportunity to pursue tertiary programmes, especially university programmes. Personally, I very much agree with this. Many Honourable colleagues have also proposed in their amendments that these students must be given the opportunity to pursue university programmes. What they mean is that not only should more university places be provided, students should also be given an opportunity financially. It is, therefore, hoped that government subsidy can be offered as well. I very much agree with this point because, despite Hong Kong's apparent robust economy, the income of many grass-roots families is still very low. The financial pressure on families with children who can attend tertiary institutions is indeed enormous. Therefore, their opportunity of pursuing tertiary education will be enhanced should more publicly-funded places be provided to ease the burden on both the students and their family members. I strongly agree with this. Furthermore, I hope the Government will not do it in the form of loans, as opposed by Mr SIN Chung-kai, by providing students with high-interest loans. This is because in doing so, students will become heavily indebted upon graduation, and their pressure will be aggravated.

At the same time, we note that some students keep taking up moonlighting jobs when attending universities. On the surface of it, they are studying but actually, they are not. They consider studying merely as a part-time undertaking. That would be pointless, because the goal of learning simply cannot be achieved. This is why I all the more agree with the provision of subsidy.

Nevertheless, I hold a slightly different view on the amendments proposed by a number of colleagues, particularly on the comment by Mr Fred LI (as echoed by many colleagues) that more places should be provided to match the development of a knowledge-based economy in Hong Kong. In other words, more places should be provided to match Hong Kong's economic development. I am not entirely against this point, President, because knowledge is the pre-requisite of economic development. Actually, our society will be going nowhere without economic development. How can economic development be neglected? Do we not have to feed ourselves? However, is economic development the sole objective of university education? This is the most important point. As Members are aware, whole-man education is the kernel of

education. Education does not simply serve the purpose of matching economic development. It is hoped that one can pursue life-wide development. It is also hoped that through university education, one knows how to judge right and wrong in society and not to simply echo the views of others. This is the most important point. Today, we see that a lot of young people are unconcerned with and ignorant of what is happening in society. Nor do they know how to make analysis of and distinguish between right and wrong, good and bad, and so on. Actually, we ought to provide them with more education opportunities to enable them to, besides acquiring knowledge, understand how to deal with social issues. Most importantly, education helps us establish a positive outlook on life and the world, and teaches us proper ways to deal with things and get along with people. This is most important.

It is a great pity that, during our chats with people in foreign places, we would find that our students or Hong Kong society were often criticized for being extremely utilitarian and realistic. Why? This is because if we persistently emphasize that our acquisition of knowledge is for the sake of economic development, Hong Kong will become a utilitarian and realistic society. I hope this is not the only path our society will take. While we need to pursue economic and technological development, every person in society should also know how to get along with others and face their own society, country and race.

When I was young, I very much hoped to study in university because I saw that university students during the May Fourth period could know clearly about their race, their era, their country, the world, their outlook on life and the world, and they could understand all these things. When they saw their own country being invaded by foreign powers, they knew how to show their concern and take part in fighting against external enemies. Hence, I find all these very important.

I did not totally agree with some colleagues who said earlier that our acquisition of knowledge was for the sake of market development. Of course, I agree that the market requires knowledge. However, knowledge is required not purely for the market development. The pursuit of knowledge should serve a wide range of purposes. Besides market development, there are a lot of other things. However, nowadays, education in our society does serve utilitarian purposes. We can tell from the way university students make their course selections. How many students will choose literature, history and philosophy? Very few students will do so because of the utilitarian nature of our society. What do we expect ourselves to do? We expect ourselves to acquire knowledge

for career development. Many Honourable colleagues made the same comment just now that students had to pursue higher education for the sake of their careers. Hence, pursuing a career requires a higher education. Studying and pursuing careers are like a cycle. However, I believe one should not study purely for the sake of his or her career. If this is really the case, they will be going against the purpose and goals of tertiary institutions.

As everyone knows, what the Great Learning teaches is "to illustrate illustrious virtue; to renovate the people; and to rest in the highest excellence."¹ What does it mean? It means that the Great Learning seeks to nurture an enquiring mind. And what does that mean? It means that we must distinguish between what is right and wrong, and understand the origin and the beginning and end of things. This is the most important point. It is precisely because such education is lacking in society today that the number of university places has to be raised to provide more people with more opportunities of understanding things and pursuing knowledge. This is ultimately the most important point. This is why I very much agree with the theme today that more publicly-funded university places should be provided to give more young people the opportunity to pursue knowledge and enhance their understanding of things around them. This is the most important purpose, not purely for the sake of economic development. I note that many Honourable colleagues emphasize in their amendments the need to match social development. While I agree on this point, I think that it would be over-simplistic and biased if "matching social development" purely refers to the market and economy, for this is not in line with the holistic and original vision of education.

President, I hope the Secretary can grasp the essence and steer the development of education towards a comprehensive direction, so that more people in our society can acquire more knowledge to help themselves distinguish between right and wrong and approach issues with good sense.

President, I so submit.

MR RONNY TONG (in Cantonese): President, Hong Kong has successfully transformed itself into a knowledge-based economy. In the face of rapid changes and competition in, the international community, we all know that one cannot catch up with social development by relying solely on one single

¹ *The Four Books*, Hunan Publishing House, April 1996

qualification. President, the SAR Government seems to understand that lifelong learning and popularization of university education are inevitable nowadays. After nearly a decade of publicity efforts on the part of the Government and support from various education institutions, an atmosphere of lifelong learning has taken shape in Hong Kong society. However, after making so much effort and such a long period of time, has the Government truly achieved the expected results? Can our target be met by relying solely on the Government's slogans and publicity?

Let us first examine some figures. According to the statistics compiled by the Hong Kong Examinations and Assessment Authority (HKEAA), of the 102 837 Hong Kong Certificate of Education Examination (HKCEE) candidates in 2007, only 40%, or 41 357 candidates, meet the requirements for the 2009 Hong Kong Advanced Level Examination (HKALE). As the number of Secondary Six places now falls short of 30 000, this means that at least 10 000-odd candidates who cannot go to Secondary Six have to pursue further studies through other channels. As regards the HKALE, competition is obviously very keen as only 17 176 candidates, out of the 35 929 candidates, in 2007 meet the general requirements for admission to first-degree programmes. This shows that years of arduous studies may not necessarily be rewarded. If we calculate on the basis that only 14 500 first-year first-degree programme places are available per annum, we will find out that there are only around 17% of students who have passed the two cruel tests after the HKCEE and met the requirements for admission to universities. In other words, nearly 3 000 students a year cannot enter universities because of a shortage of university places. Why is this so?

President, many people have made some controversial comments that this is the result of mother-tongue teaching. However, there are two points we must address: First, the physical reality; and second, the socio-economic reality. Let me start by discussing the physical reality. President, many people (particularly male students) are actually "late-bloomers". If given the chance to attend universities, they might make great achievements in the future. However, given that male students reach maturity later than female students, and subsequent to the Government's defeat in a lawsuit concerning students' gender several years ago, we find that the gender ratio of university students is now 7:3, while that in the faculty of law is even 8:2. I have often joked to my son that if he wishes to look for a girlfriend, he should become a law student in the University of Hong Kong (the HKU), for every two male students will be chased by eight female students.

The fact that male students are "late-bloomers" does not imply that they cannot study in university. President, I am an excellent example. Frankly speaking, my secondary school results were really just fair, and I just managed to meet the minimum requirement for admission to university. Had there not been certain exceptional circumstances, I would not have been admitted to university. However, the achievements I have made since my graduation from university are evident.

The second point concerns the economic reality. President, the economic reality is that in many local universities, especially the more prestigious one, many places are given to students from the Mainland and other countries. Let me cite the legal profession in Hong Kong as an example. Of the 200 places offered by the Faculty of Law of the HKU, 50 are reserved for Hong Kong students while the remaining 150 are for foreign students, and I repeat, 150 places. Why? Because these students pay higher tuition fees, meaning a higher revenue for the university. Why can Hong Kong students not be admitted to local universities? Of course, well-off families can send their children to such places as Britain, the United States and Canada for studying. But what about those who do not have money? Their children would have no chance to study in university. Actually, this is a patent example of wastage of talents.

Indeed, investment is indispensable if we are to upgrade the academic quality of Hong Kong people and to excel in a knowledge-based economy. Investment must be made for the next generation. As the saying goes, as a man sows, so he shall reap; otherwise, he is soon to breathe his last. However, what substantial effort has the Government made on this front? As pointed out by Mr SIN Chung-kai earlier in the meeting, we could take out interest-free loans when we were university students. I did borrow an interest-free loan when I was in university. I was penniless at that time, and all my tuition fees were paid by taking out loans from the Government without having to pay any interest. Repayment of the loan was made to the Government by instalment within four to five years after my graduation. However, university students nowadays have to pay interest for loans of this sort. The Government has even sold these interest-bearing loans to the so-called money-lending companies. Borrowers failing to repay loans might be splashed with red paint. Can the Government be treated as truly investing for our next generation by doing so?

Besides, there is indeed a shortage of university places in Hong Kong. There are now eight major tertiary institutions in Hong Kong, but only the Hong

Kong Shue Yan University and The Open University of Hong Kong operate on a self-financing basis. At present, many different educational bodies do have the will and ability to establish private universities. Why can the Government not offer support in its policies by, among other things, providing land, expediting the land allocation procedure, or providing funding to finance the construction costs to enable more universities to provide local students with additional places? However, the Government has chosen not to do so. Instead, it prefers introducing associate degree places. However, the result of these associate degree places is there for all to see.

Actually, government investment must be strengthened in order to resolve the problem with associate degree places, so that our students can have more opportunities to realize their potentials when studying in universities. As I pointed out earlier, some overseas cases show that many students cannot realize their potentials until they attend university. When they complete Secondary Six or Seven — we were required to complete Secondary Seven years ago, but students nowadays are required to complete Secondary Six only, for Secondary Seven will cease to exist — if the Government said to them upon their completion of Secondary Six, "Sorry, you cannot go to university because you cannot attain the required level. You can either go elsewhere or seek employment." Should this be the case, we might lose many university students who are likely to become the pride of Hong Kong, and many talents with potentials might also be wasted. Why does the Government act in such a short sighted manner and refuse to look farther ahead by making more investment in university education? President, I still cannot figure out the reasons why.

MS EMILY LAU (in Cantonese): President, I rise to speak in support of Mr Fred LI's original motion and other Members' amendments.

I agree with Mr LEUNG Yiu-chung, who remarked just now that education was not meant only to serve economic development. But I must add that he must be as innocent as a baby born just yesterday — he is not in the Chamber right now. Why do I say so? The reason is that he even asked the Secretary to assist in the comprehensive development Would the Secretary please remove that object, so that I can have eye contact with him (though I am addressing the President)? Mr LEUNG Yiu-chung even asked the Secretary to assist in the comprehensive development of education, in the development of whole-man education.

President, you will probably remember what Mr TUNG Chee-hwa said when he assumed office. He said that he wanted to depoliticize Hong Kong. According to him, Hong Kong is just an economic city. In fact, the British held the same view, with the exception of Chris PATTEN during the last few years of colonial rule. All policies were intended to make people pursue economic development. Nowadays, people have started to talk about politics, but huge financial resources are spent on tempting them away from politics.

Mr LEUNG was therefore correct in saying that all policies, education policies and others alike, are meant to facilitate money-making, financial investments, and so on. People are encouraged to do so, to forget about everything else. The Government is in authority, so how can it allow our participation? I therefore cannot understand why Mr LEUNG Yiu-chung said something like this. It does not make any sense for us to ask a bonze to lend us a hair-brush, President.

President, speaking of education, I must talk about the infamous records of the British once again. I have in fact chided the British many times before. Many Members also mentioned this just now. When did we start to provide 14 000 first-degree places? It was as late as 1994-1995, just three years before the transfer of sovereignty. President, you will also remember the situation at that time. Were they really so well-intentioned? Actually, they were forced by various circumstances to do so. There were an emigration tide and a serious confidence crisis, compounded by the 4 June Massacre. They therefore put forward the Rose Garden Project and decided to establish more universities. Therefore, it was as late as 1994-1995, right before the British withdrew, that they decided to provide some 14 000 first-degree places. But even in 2008, the number of places is still exactly the same.

As also mentioned by some Members just now, the reserves during the time of British administration were not even as large as what we have now. Our Exchange Fund and fiscal reserves currently stand at \$500 billion, and the sum will even be greater when accumulated surpluses are counted. When all this money is added up, as once disclosed by Joseph YAM, we now have more than \$1,000 billion with no liabilities attached. That being the case, why do we not do something more? Is that because like CHEN Zuor, they also think that the car will crash if more investments are made?

Just now, many Members Actually most political parties and groupings in this legislature hold the same view on this Members do not think that the authorities have spent enough resources on education. This evening, all we say will probably fall on deaf ears because all our views will not be heeded. But Members, and the general public for that matter, cannot understand why so many of us must still despite the \$1,000 billion we have. I saw how Ms LI Fung-ying delivered her speech just now. I seldom saw such agitation on her part, though she fell short of punching the bench.

However, the Secretary has simply replied that there is no room for any negotiation, and he can do nothing to help. He has even talked about the waste of time of sub-degree programmes. Is that what he really means? Or, has he been misunderstood? After asking people to pursue these programmes, how can he say that it is a waste of time for them to do so? If this is indeed his attitude, he will be very irresponsible. I hope the Secretary can offer an explanation. President, to sum up, we very much hope to see the expansion of first-degree programmes.

Members have also remarked that our demand for management personnel is so large, and many vacancies cannot be filled. But the authorities still allow non-local students to come. Why do the authorities not try to nurture local students for filling all these vacancies? Miss TAM Heung-man has described the difficulty faced by the accounting sector. This is actually no new situation. Several years ago, President, some accountants already told me this. They said that they wanted to recruit new staff. The most senior partners were all present during the recruitment interviews, and students were interviewed one by one. When the interviews were all over, the partners looked at one another in dismay. They all wondered, "Are these students already the elites of Hong Kong? How can this be possible?" Then, one of the partners asked the partner next to him, "Where do your children study?" In the end, it was discovered that the children of all the partners studied overseas. This is really absurd! The children of many senior government officials not all senior government officials, though and many very wealthy people study abroad. I have never said that a law must be enacted to force their children to study in Hong Kong. But we must all ask, "They cannot feel the pain first hand, right?" These people will only say, "You are having a very hard time, right? You want to be a guinea pig? Our sons are studying in the United States, the United Kingdom and France. They are doing just fine." How can all these people still face the public without any shame? President, if the authorities still do not spend more

resources on upgrading the quality of education, how are they going to explain the whole thing to the public?

In times of financial adversities, the Government said that it had no money. But when it now has such huge reserves, it does not want to spend the money. Just now, the Secretary remarked that the problem of quantity had been solved, and that only the problem of quality remained. But we all think that the problem of quantity has not yet been solved. Otherwise, this motion would not have been put forward. The Secretary said that more efforts should be made to improve quality. But university education is not the only area where more efforts are required. If there is really "nothing to pick and choose at all" as claimed by Fanny LAW, if the quality of primary and secondary students is so very poor, how can they possibly go to university? Why is the quality of our primary and secondary students so poor? Mother tongue teaching has been practised for so many years. But the Secretary now says that something must be done, and that while mother tongue teaching must not be abandoned, the standard of English must at the same time be brushed up.

Alas, Hong Kong people are very miserable. But anyway, we in the Legislative Council have already done what we can. We have been discussing this issue for a very long time. But the Legislative Council has no power to change the decisions of the executive authorities, so the education standards of hundreds and thousands of young men and young women in Hong Kong are inevitably sacrificed by this irresponsible government.

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

DR FERNANDO CHEUNG (in Cantonese): I also teach in university, which is why I welcome Mr Fred LI's motion and other Members' amendments. We have actually been discussing this issue for a very long time. President, in 1994-1995, they set Ms Emily LAU said that in a bid to do something good before their withdrawal, the British sought to make people's elitist attitude towards education less elitist. But what the British set down more than a decade ago has remained unchanged ever since. The elitist attitude is still here, and this, coupled with the combination of extreme economic and political conservatism, has led our Government to lose any interest in expanding first-degree places.

President, you may still remember that several years ago, there was a very significant report on university or higher education, the Sutherland Report. Members may remember that the Government and the leaders of the time all held the view that there were too many universities in Hong Kong (There were not yet eight universities, but they already thought that there were too many). They also thought that the unit cost of university education was too high. As a matter of fact, university tuition fees are by no means modest. The tuition fee for a higher diploma programme is more than \$100,000 a year. And, the unit cost of a first-degree place is even as high as some \$200,000. Tuition fees are by no means modest. A sum of \$200,000 or so will be a fortune to an ordinary worker.

However, there was indeed a general belief at the time that the consequences would be very serious if there was any further expansion of higher education. Some people simply questioned the wisdom of providing further subsidy. Besides, many in the labour market also complained very loudly about the poor quality of university graduates, not only in skills but also in Chinese and English. They further complained that in order to take on these graduates, the market must first provide them with fresh training. So, it was argued that since the market must still provide university graduates with fresh training after the Government has spent so much money on them, the Government should really forget about the whole thing. It was believed that there was no need to spend too much on university education, that the costs should be reduced, that students only needed to learn Chinese, English and Mathematics well, and that universities should just concentrate on improving university students' standards in these subjects instead of doing anything else. I believe that many people held such views at that time. And, I also believe that such views are still prevalent even nowadays.

I must explain clearly that the topic under discussion today is the expansion of first-degree programmes. As a matter of fact, over the past decade, we have axed the resources for higher education very drastically. Although the overall investments in education have gone up instead of going down, our investments in higher education have still seen decreases. A statistical survey Actually, it is impossible to obtain any official statistics from the Government. But from universities and their teaching staff I can remember that in 2005, we put forward the "00X" scheme. At that time, it was proposed that the funding could remain unchanged for the first two years in the triennium from the 2005-2006 financial year to the 2007-2008 financial year.

And, in the last year, there could be a reduction of 5%. Actually, there was already a reduction of 10% in the overall education expenditure in 2003-2004. And, there was also a reduction of 20% during the period from 2001-2002 to 2003-2004. All this did not include the drastic reduction of the funding for sub-degree, higher diploma and diploma programmes. Basically, there has been a reduction of about 70% or 80% so far.

President, the academic department I work for, the Department of Applied Social Sciences of The Hong Kong Polytechnic University, used to offer nine UGC-funded programmes. Over the past few years, however, five of these programmes have been abolished. Today, we are talking about the expansion of first-degree places, but, well, it will already be very good if the funding can remain unchanged, if there is no further reduction. We of course know that in the end, the "00X" scheme has eventually become the "000" scheme. We have not heard of any further reduction over the past few years. But still, it is a great pity that due to financial pressure, our universities have turned over-cautious in their financial management. There have been many instances of pay cuts and delinking. Staff morale during the period of "00X" has been very poor.

The economy has recently improved, and the different salary scales put in place since then have all failed to work, thus resulting in confusion. It is already too late to recruit staff now, and even if we start to do so, it is simply impossible to recruit any new staff at all. Therefore, apart from inadequate degree places, we are also battered by chaotic funding and higher education policies. Many institutions are now in a state of confusion. Our education is of very questionable quality. Frankly speaking, if university teachers cannot have any long-term prospects, if the education environment is not stable In my case, for example, I have been teaching in The Hong Kong Polytechnic University for 11 years, President, but I am still employed on a two-year agreement. No one will probably believe this. If I am to supervise a doctoral candidate, I must stay in the University for more than three years. That is why I do not dare to accept any doctoral candidates. Even in the case of master of philosophy candidate, the duration of supervision will be two years. Therefore, how can there be quality education at all?

The number of places aside, what exactly are we supposed to teach? Are we supposed to do nothing else except training up graduates to take up employment in society? Have we forgotten all about the purpose of university education? As rightly pointed out by Mr LEUNG Yiu-chung, whole-man

education should be about the nurturing of young men and women as people with commitment, social aspirations and ambitions. But we have forgotten all about such aims.

We must not aim to copy others' examples only. I have brought along a book today. Let me briefly introduce this book to Members. It is authored by a professor who has been teaching at Harvard for 30 years. The name of the book is *Excellence Without A Soul*. In this book, he says that Harvard has been employing Presidents of CEO calibre, but he at the same time questions the outcome. According to him, the University has succeeded in achieving excellence, but it is just all about excellence without a soul. As a result, he does not know what types of students will eventually be nurtured. Therefore, while asking for the expansion of university education, we must also lay stress on education quality and re-instil a spirit of education in our universities. This is extremely important.

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

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

MR LEUNG KWOK-HUNG (in Cantonese): Here I see Secretary Michael SUEN. All will be very fine if he can handle education in very much the same way as he handled housing. The reason is that he first capped rents, and then enacted legislation and demolished the housing units in order to boost rents. The way in which he now handles education is totally opposite. He wants reduction. Of course, he is not the one who first introduced the reduction. He inherited it from his predecessors.

Hong Kong and Singapore are often called the "Two Cities", right? But still, they must compete with each other. Let us therefore make a comparison of them. The population of Singapore stands at 3.5 million, and there are about 7 million people in Hong Kong. There are 210 000 secondary students in Singapore, and our corresponding figure is 410 000. In Singapore, the number of publicly-funded first-degree places is 436 000, and ours is just 50 000. When it comes to the participation rate of secondary students in degree programmes, the rate is 21 % in Singapore and merely 12 % in Hong Kong. The

statistics are just this simple. What they mean is that we are lagging far behind Singapore.

What accounts for this situation? Well, speaking of this, we must "thank" people like TUNG Chee-hwa and Antony LEUNG. They advocated funding reduction. The reduction of funding for universities actually started in 1998-1999. How much funding had been axed up to 2006? As much as more than \$10 billion, or \$12.6 billion, to be precise. And, the reduction is still going on even now. In contrast, university funding in Singapore increased from some \$2.9 billion to \$9.4 billion during the same period. We did just the opposite, as we axed our funding by \$12.6 billion, or 22%, while Singapore increased its funding by 31.4%.

Singapore also experienced an economic crisis. But even during the crisis I can remember that during our economic crisis, "Ah Chung" — I am sorry, President. I am talking about Antony LEUNG, the Financial Secretary at that time — said, "Hey, the knowledge-based economy has already emerged. You must learn how to catch fish by upgrading your knowledge." His words were so high-sounding, but it was precisely in 1998-1999 that the Government started to axe university funding. What made things even worse was that TUNG Chee-hwa really wanted to make Hong Kong one of the "Two Cities". Seeing that the rate of participation in tertiary education was 60% in Singapore, he wanted to achieve the same rate in Hong Kong. He therefore came up with the idea of introducing associate degree programmes. Such programmes would require financial investments, however. But the Government did not want to incur any expenditure, so it asked institutions offering associate degree programmes to build their own campuses. For this reason, such institutions had no alternative but to turn themselves into business-like education institutions, requiring students to help them pay the mortgage loans for their campuses and buildings.

Have Members ever heard of anything as absurd as this, as absurd as students having to pay up mortgages for their schools? I have heard of stories about children having to pay up mortgages for their parents. This is just filial piety. But now, due to the shortage of funds for campus construction, institutions must increase tuition fees. Then, students have no alternative but to borrow money from the Government. The Government subsequently outsourced the loans to banks for interest earnings, while banks in turn charge high interests. In this way, interests are charged again and again by various

sides, and the 60% target set down by TUNG Chee-hwa and his Administration is accomplished. A good part of the places that makes up this rate of 60% is, however, not "genuine goods". They are just associate degree places. And, cases of associate degree graduates being able to proceed to publicly-funded universities are very, very rare, as difficult as aiming at the bull's eye from far away. What an absurd system!

This can actually illustrate the point I made here this morning — the Government is simply like someone trying to get benefits by holding a banquet in the name of his elderly father starting to grow a beard. He says, "My father now starts to keep a beard, and I must do some celebration for him. See, I am so nice to him." They, I mean, Secretary Michael SUEN and Chief Executive Donald TSANG will tell others, "We have not let anybody down. We have managed to clean up the 'mess' left behind by TUNG Chee-hwa. The mission is nearly accomplished."

Statistics can always tell the truth, right? In 1998, 1999, seeing that manpower was of very great importance, the Singapore Government started to increase education funding. Hong Kong is now about to implement the "3-3-4" academic structure. They are so thirsty of achievement, and they want to implement 12-year free education. But there is just very little increase in education funding. The Government is just like a very bad husband who wants his wife to prepare four dishes, four delicious dishes, by using the \$20 he gives her. It is frankly impossible to prepare a pot of soup and three dishes with this little sum of money. The wife must make do with the money available, preparing dishes that are not eatable at all, dishes that are either with too much or too little salt, for example. Everything is just out of balance.

All problems are caused by the Government's policy imbalance and inadequate commitment to education. Members may wonder why its commitment is inadequate. As pointed out by Ms Emily LAU just now, the Government is in possession of \$1,000 billion. Even Joseph YAM admits this. But it does not want to spend this money. As I once remarked, if the Government wants financial stability, it should increase taxes and make people like LI Ka-shing pay more. But the Government does not want to do so either. That is why it must frequently play with statistics. The budgets in past years seem to suggest that our education funding is close to world standards. But if our GNP is taken into account, we have actually been lagging far behind, the reason being that we do not have a progressive tax regime.

Secretary, your children can study overseas. But the children of my neighbours cannot do so. This means that they must continue to put up with the situation in Hong Kong. Therefore, the Secretary must tell us whether he is prepared to make any improvement. Will he follow the Singapore Government's example and increase investments in the education of our students? The right approach is not the implementation of 12-year free education. He must not let the sore continue to fester after implementing the "3-3-4" academic structure. I hope the Secretary can pluck up his courage and lift the cap all in one go, in very much the same way as he dealt with the capped rents, to let out everything inside so that university education in Hong Kong can ascend like balloons and the rising sun.

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, Mr Fred LI, you may now speak on the amendments. You have up to five minutes to speak.

MR FRED LI (in Cantonese): President, I am going to give a very brief speech. Today, I have to thank Ms Miriam LAU, Mr CHEUNG Man-kwong and Mr Jasper TSANG — all of them are not here in the Chamber, except Dr Joseph LEE and Dr YEUNG Sum — for proposing their amendments and amendment to amendment.

Having conducted detailed studies, the Democratic Party fully agrees with the proposals raised by them for inclusion in the original motion. Having said that, I must briefly respond to Ms Miriam LAU and Mr Jasper TSANG in relation to their views on private universities. In this respect, we certainly have no objection to their views, and we support their proposals. However, private universities should not be used as another excuse. The Government cannot use this excuse to neglect our demand for increasing the number of publicly-funded university places.

Furthermore, insofar as associate degrees are concerned, though there is still a week or so to go, and we still have no idea about the contents of the report, certain parts of the report has been revealed by newspapers. I hope the Secretary, in his response later, can disclose more information relating to the requests made by a number of Members in the original motion and amendments. I hope the Government can implement the proposals, instead of repeating its previous undertakings. I so submit.

SECRETARY FOR EDUCATION (in Cantonese): President, I have listened carefully to the speeches of Members. To begin with, I must extend my heartfelt gratitude to them for their valuable advice and suggestions. In the following part of my speech, I shall give a concrete reply to their views.

As I have just mentioned, our internal procedures do not allow me to disclose any specific details this evening. I do hope that I can disclose them as soon as possible, but in the meantime, I shall focus on broad directions only.

With the development of Hong Kong into a knowledge-based economy, we must nurture a greater number of quality talents in order to maintain Hong Kong's competitiveness. Higher education must aim at providing students with cross-disciplinary learning experience, so as to equip them with broad-based knowledge and visions, and the capabilities and versatilities to act in times of difficulties and charges. This coincides exactly with several Members' view that in addition to imparting book knowledge, education must also aim to cultivate a positive attitude towards life among our students. As I pointed out in my speech at the beginning of this debate, publicly-funded first-year first-degree places are only one of the many higher education opportunities available to students. There are many other avenues, such as publicly-funded top-up degree programmes and self-financing tertiary courses. Depending on their own abilities and needs, students may choose different modes and channels of studies. And, depending on their own strengths and expertise, tertiary institutions may also provide different kinds of programmes. By encouraging the provision of a diversified range of programmes and introducing the participation of different social sectors, we can make the higher education system in Hong Kong more flexible and pluralistic.

Some Members have also discussed the concept of "lifelong learning". This is one of our policy objectives, and our aim is "lifelong learning and

whole-man development". We hope that depending on their individual circumstances and needs, students can choose to enrol in, temporarily withdraw from or continue with higher education programmes at different stages of their life. To this end, we have put in place a seven-tier qualifications framework covering academic, vocational and continuing education qualifications, so that students can receive appropriate recognition for the relevant courses of studies that they pursue in the future. For instance, under the qualifications framework, a bachelor degree is a Level 5 qualification; an associate degree or a higher diploma is a Level 4 qualification; and, matriculation is a Level 3 qualification. There is no specified timeframe for moving from any lower levels to any higher levels in the qualifications framework. Students can therefore choose any timeframes of studies suited to their own wishes and abilities, instead of always hastening to take courses leading to another level after attaining a lower level.

We will also continue to encourage tertiary institutions to adopt a credit unit system, whereby students may accrue credit units and choose to upgrade their qualifications at different stages of their life. In the United States and Canada, for example, associate degree graduates may choose to gain working experience before pursuing any further studies. And, the credit units obtained under associate degree programmes are recognized by universities for the purposes of credit unit exemption and transfer.

Let me now turn to the topic of programme quality assurance, a major concern of Members. All along, the programmes of studies offered by the eight self-accrediting universities must be approved by their internal quality assurance mechanisms. For the further improvement of programme quality, the University Grants Committee (UGC) set up the Quality Assurance Council (QAC) in 2006. Members of the QAC are all famous personalities from the academia and other social sectors. The QAC aims to promote quality assurance in the Hong Kong tertiary education sector, so as to maintain and upgrade the academic and education quality of the first-degree and postgraduate programmes offered by UGC-funded institutions and ensure their competitiveness in the world. The QAC has also started to review and audit the quality assurance mechanisms and programme quality of individual UGC-funded institutions.

What I have just mentioned are UGC-funded institutions. As for those institutions which do not have self-accrediting status, all their learning

programmes must be evaluated by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ), and programme evaluation is subject to a specific timeframe. Institutions must complete the process of programme validation before the expiry of the evaluation period, or they may lose their eligibility to evaluation. For programme validation, institutions must provide the HKCAAVQ with evidence that their admission requirements and the standards of their graduates are in accordance with the required evaluation standards.

Several Members have cited some cases of irregularities. Some of these cases are rather glaring ones indeed. We do admit that there were such cases. But I hope that Members will not make any over-generalizations, and that they will not use these glaring cases as a basis of dismissing our entire system. I do not think that this is fair at all. As for the adequacy of publicly-funded degree places, it must be pointed out that if publicly-funded top-up degree places and self-financing programmes are also included, the total number of first-degree places available in Hong Kong in the 2007-2008 academic year should be some 21 000, which accounts for 25% of the 17-20 age bracket. I hope Members can realize that the rate is higher than 18%. The rate is 18% if we look only at the first-year intake of publicly-funded programmes. If the places offered by other institutions are also counted, the rate should be 25%.

As also mentioned by some Members just now, the statistics about the 2007 Advanced Level Examination show that some 17 000 candidates were able to satisfy the entrance requirements of UGC-funded first-degree programmes. This means that the current number of publicly-funded first-year first-degree places is already sufficient to satisfy the demand of most of the students who can meet the entrance requirements of publicly-funded first-degree programmes. I am simply reflecting the truth, instead of making any criticism or suggesting anything else.

Some Members criticize that Hong Kong's rate of participation in university education is markedly lower than the rates of participation in first-degree programmes in other places. I note that when individual Members refer to Hong Kong's rates of participation in university and tertiary education, they tend to mix up the two rates rather than distinguishing between them. One moment, they talk about university education, but the next moment, they refer to tertiary education. I am not trying to split hairs, of course. But I must still say that university education is one thing, and tertiary education is quite another.

When we talk about university education, the participation rate is 18%. When we talk about tertiary education, the participation rate is higher than 65%. When making any comparison with other places, we must note what rates we should be comparing. Many Members did not say clearly what rates they were comparing when referring to the rates in other places. For instance, as rightly pointed out by Mr Andrew LEUNG and Mr Jasper TSANG, the rates pertaining to other places often take private universities into account. Therefore, when comparing all such rates, we must consider the fact that the economic conditions, education policies, manpower demand and development needs of different places are all different. Therefore, any conclusion based on a simplistic comparison of the tertiary education participation rates computed in different ways in different countries is bound to be wide of the mark.

Any further expansion of publicly-funded first-degree programmes will lead to huge public expenditure. When exploring this issue, we must carefully examine the extra expenditure to be incurred by the relevant proposals. By extra expenditure, I do not mean the expenditure on learning programmes. Rather, I mean all the non-programme related expenditure, such as the expenses on the provision of additional teaching and hostel facilities. And, we must at the same time consider many other factors, such as the effects on teacher and student quality. We must in addition note the very unique situation Hong Kong is currently faced with. At present, all UGC-funded institutions are busy making various preparations for the implementation of the new four-year first-degree structure in 2012, such as curriculum development and the construction of additional campus buildings and hostels. Therefore, tertiary institutions will face a very great problem if they are now required to massively expand their first-year first-degree programmes.

The Government's annual spending on education now stands at more than \$50 billion, which accounts for one quarter of its annual recurrent expenditure. And, more than \$10 billion of this sum is devoted to meeting the recurrent expenditure of UGC-funded institutions. As public resources and the capacities of tertiary institutions are both limited, we cannot possibly rely solely on publicly-funded programmes as a means of meeting the social demand for first-degree places. As far as our understanding goes, in many different places, the self-financing education sector invariably plays a very significant role in the provision of higher education. Many Members have in fact mentioned this point already. In the case of Japan and South Korea, for example, the student enrolment of private higher education institutions accounts for more than 70% of

the local tertiary student population. In the United States, the enrolment of private universities also accounts for more than 30% of the total university student population there. Many of the private universities in the United States are ranked among the top universities in the whole world. At present, there are roughly 57 000 first-degree students in Hong Kong, and only less than 10% of these students are enrolled in self-financing institutions. For this reason, there is still much room for developing the self-financing sector as a provider of higher education in Hong Kong, as a means of enabling different social sectors to devote their resources and strength to the promotion of higher education and hence benefit more students.

The amendments of Ms Miriam LAU and Mr Jasper TSANG both propose to encourage the development of private universities. We agree that the development of the self-financing education sector can make Hong Kong's higher education system more pluralistic and provide more higher education opportunities to both local and non-local students. Hong Kong Shue Yan University became the first private university in Hong Kong after its upgrading to university status in 2006. Public responses have been very positive, indicating that our society really accepts the development of private university education and holds the view that such development can add diversity to our system of higher education. The Government will continue to implement the necessary support measures. For instance, it will consider the granting of campus sites at nominal premium and the provision of one-off campus construction loans, so as to support the sustainable development of the self-financing sector. However, the Government will also closely monitor the development of this sector, in the hope of ensuring that while more places are provided, there is also quality assurance.

Let me now turn to the prospects of further education for associate degree holders. Regarding this issue, my colleagues and I have emphasized time and again, on various occasions, including the meetings of this Council, that an associate degree is a valuable qualification in its own right. An associate degree holder may choose to work as junior management personnel and professional assistants. We should not consider university education the only avenue for associate degree holders. We do understand that many associate degree students and their parents hope that after graduation, they can be admitted to top-up degree programmes, especially those operated by local universities. As I said at the beginning of this debate, the UGC will provide as many as 1 927 Year Two top-up degree places in the 2008-2009 academic year.

Apart from publicly-funded places, there are also about 1 900 top-up degree places provided by the self-financing sector. Besides, many associate degree holders will choose to enrol in non-local degree programmes operated in Hong Kong. At present, there are 380 such programmes. And, about 130 of them are top-up programmes. In 2006, more than 21 000 students were enrolled in non-local first-degree programmes. As can be expected, a small number of associate degree holders will choose to further their studies abroad and enrol in the top-up programmes run by overseas universities.

Mr CHEUNG Man-kwong's amendment proposes to increase the direct subsidy for sub-degree places. In the Report on Phase 2 Review of the Post-secondary Education Sector, we will give a detailed reply to the proposals of various social sectors on increasing such subsidy.

In regard to other proposals found in Members' amendments, I would like to reply as follows:

Ms Miriam LAU's amendment advises the Government to endeavour to upgrade the quality of university education, correspondingly increase the support facilities such as university hostel places, and provide opportunities for more non-local students to attend universities in Hong Kong, so as to support the development of Hong Kong as an education hub in the region. In October last year, the Chief Executive announced a package of measure in his policy address, with the aim of further developing Hong Kong into a regional education hub. These measures include phasing in the relaxation of the admission quotas for non-local students to publicly-funded programmes (from 10% to 20% of the approved student number targets). We will also establish funds for the provision of scholarships to students with outstanding academic results and relax the restrictions on non-local students seeking employment and the conditions of their stay in Hong Kong after graduation. These measures will be put in place in or before the 2008-2009 academic year. We believe that they will help induce a greater number of high quality non-local students to study in the tertiary institutions of Hong Kong and stay behind for work after graduation, thus injecting new blood into our pool of talents.

When it comes to this issue, some Members criticized just now that despite the low rate of participation in university education in Hong Kong itself, the Government had still decided to increase the quotas for non-local students. They therefore thought that the Government had turned a blind eye to the needs of local students. I wish to point out that from the broad perspectives of

economic and manpower development, to encourage outstanding non-local students to study in Hong Kong will only bring benefits to both local students and Hong Kong as a whole. The presence of non-local students can help create a pluralistic linguistic and cultural environment in our institutions. Apart from widening local students' horizons, this can also enhance their understanding and tolerance of different cultures. The new ways of thinking and perspectives brought here by non-local students can at the same time stimulate local students' creativity and encourage healthy competition. In the long run, this can enlarge Hong Kong's pool of talents, upgrade the quality of our population, preserve our competitiveness and support our economic development. When formulating the quotas for non-local students, we will definitely consider the study opportunities for local students. One more point is that the quota for non-local students enrolled in publicly-funded programmes is still 4%. The rate has not been changed, and the additional places for non-local students are entirely self-financing, not publicly-funded.

The amendments of Mr Jasper TSANG and Dr YEUNG Sum both propose to provide more effective subsidy to students. There are currently two types of grants and loans for local tertiary students, namely, the Tertiary Student Finance Scheme — Publicly-funded Programmes (TSFS) and the Non-means Tested Loan Scheme. Their aim is to ensure that eligible students will not be deprived of higher education due to financial difficulties. We understand that some Members disapprove of the charging of interests under the TSFS and the inclusion of the risk-adjusted factor in the Non-means Tested Loan Scheme.

Speaking of the provision of interest-free loans, I suppose Members can surely remember the historical background. In 1985, the then Director of Audit published a report, in which it was recommended that in order to utilize resources more effectively, the Government had the duty to require borrowers under the relevant loan schemes to pay interests. The Government then conducted studies on the effects of different interest rates and repayment tenures on students. Following the studies, approval was given for the charging of interest at an annual rate of 2.5%. This annual interest rate subsequently took effect in the 1987-1988 academic year following the Finance Committee's approval. As for the risk-adjusted factor, it should be noted that the existing Non-means Tested Loan Scheme and the Non-means Tested Loan Scheme for Post-secondary Students are designed to operate on the basis of "no-gain-no-loss" and full costs recovery. The charging of interests arising from the risk-adjusted factor is meant to make up for the losses resulting from the

Government's failure to recover loans and the related interests. Some Members questioned whether it is now time to conduct a review. We will reconsider the need to review the risk-adjusted factor in the light of the latest default situation.

Dr Joseph LEE's amendment proposes to particularly increase the funding for the places for first-year first-degree programmes in nursing. Actually, as Members know, the Government will not normally specify how the UGC should prescribe the distribution of places among the institutions under its ambit in the light of the manpower demand of any individual discipline or profession. Universities should be allowed to make decisions. However, if the graduates of a certain discipline or professional programme are mainly employed by public-sector organizations, or if the Government needs to ensure an adequate supply of manpower in a certain discipline (such as teaching), the Administration will put forward its advice to the UGC.

In general, the UGC follows a triennial planning cycle for the publicly-funded tertiary education sector. When formulating plans of academic development, UGC-funded institutions will make reference to the Administrations' manpower projections relating to individual sectors, market demand, their own capacities, their unique roles and development needs, their available academic staff, intake results and the requirements of other academic departments. Places are allocated to individual disciplines on this basis. Owing to resource constraint, institutions must carefully balance the needs of different sectors, so that the manpower needs of all can be satisfied as much as possible.

President, finally, I must once again thank Members and the general public for their concern about young people's education. I strongly agree that upgrading the education levels of young people will help foster the development of a knowledge-based economy in Hong Kong. The Administration will continue to closely monitor the development of the higher education sector. It will also review the number of publicly-funded first-year first-degree places from time to time, so as to ensure that the higher education sector can satisfy students' learning needs and Hong Kong's manpower demand. We will also explore various appropriate measures to provide continued support for the self-financing sector, with a view to providing students with more opportunities to receive quality tertiary education.

Thank you, President.

PRESIDENT (in Cantonese): I now call upon Ms Miriam LAU to move her amendment to the motion.

MS MIRIAM LAU (in Cantonese): President, I move that Mr Fred LI's motion be amended.

Ms Miriam LAU moved the following amendment: (Translation)

"To delete "as" after "That," and substitute with "talents are the foundation of society, and to keep in tune with the social development, Hong Kong must strive to enhance the integrated competitiveness of its population, but"; to add "other big international cities and" after "lower than those of"; to add "encourage the provision of more private university places," after "first-year first-degree programmes,"; to add "and that the Government should also endeavour to upgrade the quality of university education, correspondingly increase the support facilities such as university hostel places, and provide opportunities for more non-local students to attend universities in Hong Kong," after "higher studies,"; and to add "and its development as an education hub in the region, thereby training more talents in various sectors such as finance, trade, logistics, tourism and culture for Hong Kong" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Ms Miriam LAU to Mr Fred LI'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 CHEUNG Man-kwong, as Ms Miriam LAU'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. You may now move your revised amendment.

MR CHEUNG MAN-KWONG (in Cantonese): President, I move that Mr Fred LI's motion as amended by Ms Miriam LAU be further amended by my revised amendment.

Mr CHEUNG Man-kwong's further amendment to the motion as amended by Ms Miriam LAU: (Translation)

"To add "; this Council also urges the Government to increase the direct subsidy for sub-degree places" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr CHEUNG Man-kwong's amendment to Mr Fred LI's motion as amended by Ms Miriam LAU 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 Jasper TSANG, as the amendments by Ms Miriam LAU and Mr CHEUNG Man-kwong have 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. You may now move your revised amendment.

MR JASPER TSANG (in Cantonese): President, I move that Mr Fred LI's motion as amended by Ms Miriam LAU and Mr CHEUNG Man-kwong be further amended by my revised amendment.

Mr Jasper TSANG's further amendment to the motion as amended by Ms Miriam LAU and Mr CHEUNG Man-kwong: (Translation)

"To add ", and provide more effective subsidy to students taking degree programmes with a view to alleviating their financial burden" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Jasper TSANG's amendment to Mr Fred LI's motion as amended by Ms Miriam LAU and Mr CHEUNG Man-kwong be passed.

PRESIDENT (in Cantonese): I now call upon Dr YEUNG Sum to move his amendment to Mr Jasper TSANG's amendment.

DR YEUNG SUM (in Cantonese): President, I move that Mr Jasper TSANG's amendment be amended.

Dr YEUNG Sum's amendment to Mr Jasper TSANG's amendment: (Translation)

"To add ", such as interest-free loans," after "effective subsidy"; and to add "and sub-degree" after "taking degree"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr YEUNG Sum to Mr Jasper TSANG's amendment, 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): I now put the question to you and that is: That Mr Jasper TSANG's amendment, as amended by Dr YEUNG Sum, to Mr Fred LI's motion which has been amended by Ms Miriam LAU and Mr CHEUNG Man-kwong, 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 amendment passed.

PRESIDENT (in Cantonese): Dr Joseph LEE, as the amendments by Ms Miriam LAU, Mr CHEUNG Man-kwong, Mr Jasper TSANG and Dr YEUNG Sum have 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. You may now move your revised amendment.

DR JOSEPH LEE (in Cantonese): I move that Mr Fred LI's motion as amended by Ms Miriam LAU, Mr CHEUNG Man-kwong, Mr Jasper TSANG and Dr YEUNG Sum be further amended by my revised amendment.

President, actually, my amendment is complementary to those of other Members. I do not have anything to add in particular. Thank you.

Dr Joseph LEE's further amendment to the motion as amended by Ms Miriam LAU, Mr CHEUNG Man-kwong, Mr Jasper TSANG and Dr YEUNG Sum: (Translation)

"To add ", and increase the funding for the places for first-year first-degree programmes in nursing to meet the nursing manpower demand of the community, public and private hospitals and residential care homes for the elderly in the future" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Dr Joseph LEE's amendment to Mr Fred LI's motion as amended by Ms Miriam LAU, Mr CHEUNG Man-kwong, Mr Jasper TSANG and Dr YEUNG Sum, 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 Fred LI, you may now reply and you have three minutes 38 seconds.

MR FRED LI (in Cantonese): President, I have to thank the 15 Members for speaking on my motion. I have listened attentively to the first and second responses given by the Secretary, which last for more than half an hour. I would like to raise one more point. The Secretary said earlier that associate degree is an independent and valuable qualification. Indeed, the Secretary has repeated this point many times. However, the precondition is that the quality must be guaranteed. If the quality is not assured, its independence would mean nothing and its value will be undermined significantly. If the quality is not assured, graduates will only have stronger desire to complete a degree course and will not give up unless they can do so. Therefore, the crux of the problem is quality assurance. It has been proven that if no subsidies are provided, there will be vicious competition among associate degree holders for university places. Coupled with the problems that have emerged, the current arrangement is unfair to all associate degree students.

The Democratic Party has all along been fighting for the interest of associate degree holders. Our support, unlike that for private universities, is not only verbal commitment. I heard the Secretary mentioning land allocation and other relevant issues earlier, and we look forward to the early completion of the relevant review. The Panel on Education of the Legislative Council will surely make an all-out effort to study the issue and we welcome review by the Government. I hope that it is a genuine and open review.

A number of colleagues of the Legislative Council have proposed several amendments today. All the amendments, including the original motion, have been passed unanimously. I believe this is our consensus. Secretary, please follow this up. We heard you say earlier that the number of students concerned is 21 000, not 14 500, but the number is not the only focus of our discussion. According to the survey conducted by the Democratic Party, quite a number of

parents hope that the Government will provide subsidy for first-year first-degree places. This is the aspiration of the public and has now been expressed in the Legislative Council by the Democratic Party. I hope the Secretary can hear this. I have to thank my colleagues for supporting the motion. I so submit.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Fred LI, as amended by Ms Miriam LAU, Mr CHEUNG Man-kwong, Mr Jasper TSANG, Dr YEUNG Sum and Dr Joseph LEE, 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 am on Wednesday, 16 April 2008.

Adjourned accordingly at five minutes past Ten o'clock.

Annex I

PNEUMOCONIOSIS (COMPENSATION) (AMENDMENT) BILL 2008

COMMITTEE STAGE

Amendments to be moved by the Secretary for Labour and Welfare

<u>Clause</u>	<u>Amendment Proposed</u>
Long title	By deleting "malignant".
2	By deleting "malignant".
3	By deleting "Malignant".
4(1)	By deleting "Malignant".
4(6)	In the proposed definition of "mesothelioma", by deleting "malignant mesothelioma which is".
24	By deleting "Malignant".
29(2)	By deleting "Malignant".
31	By deleting " MALIGNANT ".
32	By deleting "Malignant".
33	By deleting " MALIGNANT ".

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- 34 By deleting "Malignant".
- 35(1)(a) By deleting "P.M.M.C.A." and substituting "P.M.C.A.".
- 35(1)(b) By deleting "Malignant".
- 35(2)(a) By deleting "P.M.M.C.A." and substituting "P.M.C.A.".
- 35(2)(b) By deleting "Malignant".
- 36 By deleting "Malignant".
- 37 By deleting "Malignant".
- 38 By deleting "Malignant".
- 39 By deleting "Malignant".
- 40 By deleting "Malignant".
- 41 By deleting "Malignant".
- 42 By deleting "Malignant".
- 43 In the proposed paragraph 2(7)(a)(ii), by deleting "Malignant".

- 44(1) By deleting "Malignant".
- 44(2) By deleting "Malignant".
- 45 In the proposed section 36(2)(a), by deleting "Malignant".
- 46 By deleting "Malignant".
- 47 By deleting "Malignant".
- 48 In the proposed paragraph 7(a)(ii), by deleting "Malignant".
- 49 In the proposed paragraph 6(b)(ii), by deleting "Malignant".
- 50(1) By deleting "Malignant".
- 50(2) By deleting "Malignant".
- 51(1) By deleting "Malignant".
- 51(2) By deleting "Malignant".
- 52 By deleting "Malignant".
- 53 By deleting "MALIGNANT".

54

By deleting "Malignant".

Appendix 1**REQUEST FOR POST-MEETING AMENDMENTS**

The Secretary for Transport and Housing requested the following post-meeting amendment

Line 2, last paragraph, page 184 of the Confirmed version

To amend "..... the average waiting time for elderly applicants is 1.3 years" as "..... the average waiting time for elderly applicants is 1.1 years" (Translation)

(Please refer to lines 3 and 4, second paragraph, page 5793 of this Translated version)

Appendix 2**REQUEST FOR POST-MEETING AMENDMENTS**

The Secretary for Education requested the following post-meeting amendment

Lines 3 and 4, last paragraph, page 213 of the Confirmed version

To amend "..... exceeds 6% of the average number of people in the relevant age cohort" as "..... exceeds 60% of the average number of people in the relevant age cohort" (Translation)

(Please refer to lines 5 and 6, second last paragraph, page 5837 of this Translated version)

Appendix I

WRITTEN ANSWER

Written answer by the Secretary for Commerce and Economic Development to Mr Howard YOUNG's supplementary question to Question 1

As regards whether it was feasible for a digital terrestrial television (DTT) decoder to be installed by a pay TV operator for shared use by all households within a multi-storey building to facilitate the reception of DTT, for multi-storey buildings, DTT signals are, alongside with analogue broadcasting signals, picked up by the antenna at the rooftop of the building, and are then processed and amplified at the In-Building Coaxial Cable Distribution System (IBCCDS) headend for onward transmission to individual households through the IBCCDS. DTT signals are in compressed format and a decoder is therefore required for individual households to decode the audiovisual data for analogue output on television sets.

If decoders are installed at the rooftop (that is, decoding is carried out at the IBCCDS headend), the DTT signals will be decompressed into analogue format before distributing through the IBCCDS to individual households. Technically, this mode of distribution cannot deliver to individual households the high-definition picture quality and other digital programme features (for example, closed-caption, electronic programme guide, surround sound, datacasting and interactive services) of DTT programmes. The transmission of a large number of decompressed television channels (up to 13 now being provided by the two free-to-air broadcasters for the time being) via the IBCCDS will also substantially occupy the remaining capacity of the IBCCDS which should be used to cater for future broadcasting and/or other value-added communications services. All these would defeat the original object of the introduction of DTT.

Furthermore, the pay TV operator will need to consider its position under the Copyright Ordinance in putting in place the proposed arrangement. Under the Ordinance, the inclusion of a broadcast in a cable programme service is an act restricted by the copyright in the broadcast. In other words, if a broadcast is re-transmitted without the prior permission of the owner of the copyright in the broadcast, there may be an infringement of the copyright, unless one of the exceptions under the Copyright Ordinance applies. In this connection, sections

WRITTEN ANSWER — *Continued*

82(1) and 82(2) of the Copyright Ordinance provide for an exception which allows, *inter alia*, providers of cable programme service and operators of communal aerial broadcast distribution systems, under specific circumstances, to receive and immediately re-transmit, without any alteration, broadcast signals without infringing copyright in the broadcast. However, as noted in the above, the digital-to-analogue conversion process at the IBCCDS headend may involve an alteration to the original broadcast and hence the proposed arrangement may not fall within any exception provided under the Copyright Ordinance.