

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 8 June 2011

The Council met at Eleven o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

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

DR THE HONOURABLE MARGARET NG

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

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

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

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

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

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

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

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

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

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

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 KAM NAI-WAI, M.H.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING, J.P.

DR THE HONOURABLE LAM TAI-FAI, B.B.S., J.P.

THE HONOURABLE CHAN HAK-KAN

THE HONOURABLE PAUL CHAN MO-PO, M.H., J.P.

THE HONOURABLE CHAN KIN-POR, J.P.

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

THE HONOURABLE WONG KWOK-KIN, B.B.S.

THE HONOURABLE IP WAI-MING, M.H.

THE HONOURABLE IP KWOK-HIM, G.B.S., J.P.

THE HONOURABLE MRS REGINA IP LAU SUK-YEE, G.B.S., J.P.

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN

DR THE HONOURABLE SAMSON TAM WAI-HO, J.P.

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

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE TANYA CHAN

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE WONG YUK-MAN

MEMBERS ABSENT:

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

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

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

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE HENRY TANG YING-YEN, G.B.M., G.B.S., J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE JOHN TSANG CHUN-WAH, G.B.M., J.P.
THE FINANCIAL SECRETARY

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

MS JULIA LEUNG FUNG-YEE, J.P.
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

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

DR KITTY POON KIT, J.P.
SECRETARY FOR THE ENVIRONMENT

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

MR GREGORY SO KAM-LEUNG, J.P.
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

MR YAU SHING-MU, J.P.
UNDER SECRETARY FOR TRANSPORT AND HOUSING

CLERKS IN ATTENDANCE:

MS PAULINE NG MAN-WAH, SECRETARY GENERAL

MRS CONSTANCE LI TSOI YEUK-LIN, ASSISTANT SECRETARY
GENERAL

MISS ODELIA LEUNG HING-YEE, ASSISTANT SECRETARY GENERAL

MRS PERCY MA, ASSISTANT SECRETARY GENERAL

PRESIDENT (in Cantonese): There are less than 20 Members in the Chamber. Clerk, please ring the bell to summon Members to the Chamber.

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

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Assumption of Responsibility for Markets Notification 2011	99/2011
Mutual Legal Assistance in Criminal Matters (India) Order (Commencement) Notice	100/2011

Other Papers

No. 96 — Securities and Futures Commission Annual Report
2010-11

Report No. 24/10-11 of the House Committee on Consideration of
Subsidiary Legislation and Other Instruments

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): First question. As Mr WONG Yuk-man who is going to raise this question is absent and Chairman of the House Committee has not yet attended the meeting, I now call upon Mr Fred LI, Deputy Chairman of the House Committee, to raise this oral question on his behalf.

Handling of Illicit Cigarettes Forfeited by the Government

1. **MR FRED LI** (in Cantonese): *President, on 8 April this year, when the Panel on Security of this Council discussed at its special meeting the item of "Enforcement against the smuggling and sale of illicit cigarettes", the authorities indicated that the Government had disposed of illicit cigarettes forfeited by auction or destruction. In this connection, will the Government inform this Council:*

- (a) *when the authorities formulated the policy of disposing of forfeited illicit cigarettes by auction, and what the justifications were; according to the authorities' estimation, whether the general public are aware of that policy; whether the authorities had carried out any consultation or made any announcement in formulating such a policy;*
- (b) *how the authorities ensure that the illicit cigarettes disposed of by auction are of good quality, and that law-breakers did not add to those illicit cigarettes any substance which is hazardous to health; of the respective market values of the illicit cigarettes forfeited from 2000 to 2007; among the illicit cigarettes forfeited by the authorities in the past 10 years, of the respective quantities of those being disposed of by auction and the proceeds generated, and the quantities of those destroyed; the places where the auctioned illicit cigarettes were shipped to, and the percentages of the illicit cigarettes shipped to the various places in the total quantity of illicit cigarettes being disposed of by auction in that year; whether the authorities have assessed if the auction of forfeited illicit cigarettes is ethical, if it encourages smoking and if it deviates from the policy of anti-smoking and tobacco control over the years; if they have assessed, of the outcome; and*
- (c) *how the authorities destroyed illicit cigarettes in the past 10 years; given that some experts have pointed out that as illicit cigarettes contain heavy metal and carcinogenic substances, incineration is not appropriate, and have therefore suggested that the authorities should dispose of the illicit cigarettes by landfilling, what measures*

the authorities have to ensure that the destruction of illicit cigarettes is safe and will not affect environmental hygiene?

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

- (a) According to the Dutiable Commodities Ordinance (Cap. 109), seized illicit cigarettes will be forfeited by the Customs and Excise Department (C&ED) after an order of forfeiture is granted by the Court or on the condition that no legal claim is made. To increase government revenue, it has been the government policy to sell confiscated items with resale value by auction or tender. However, certain categories of confiscated items are not suitable for resale due to their special nature. The Government will therefore destroy such items, including prohibited items, perishable goods, controlled chemicals, and so on.

In the 1990s, taking into consideration the increasing number of seized illicit cigarettes and that cigarettes were not prohibited, the Government had disposed of confiscated cigarettes by limited auctions with the condition that all the auctioned illicit cigarettes had to be used for export only. Subsequently, as most of the seized illicit cigarettes are of unknown ingredients and from unknown sources, coupled with the possibility that the conditions of the illicit cigarettes have changed either in the course of smuggling and confiscation or before the completion of legal proceedings, the Government has not sold confiscated illicit cigarettes since 1999 based on consideration of health risks. All illicit cigarettes are destroyed after completion of relevant procedures for the cases concerned.

- (b) The quantities and market values of illicit cigarettes forfeited from 2002 to 2007 are set out below:

<i>Year*</i>	<i>Number of illicit cigarettes forfeited</i>	<i>Market values</i>
2002	176 million sticks	\$265 million
2003	143 million sticks	\$215 million

<i>Year*</i>	<i>Number of illicit cigarettes forfeited</i>	<i>Market values</i>
2004	153 million sticks	\$229 million
2005	90 million sticks	\$137 million
2006	69 million sticks	\$105 million
2007	108 million sticks	\$161 million

Note:

* Computer records of the C&ED can only show the relevant figures after 2002.

Between 2002 and April 2011, the C&ED has forfeited approximately a total of 993 million sticks of illicit cigarettes, of which 85% have been destroyed without any auctions. The rest will also be destroyed after completion of relevant procedures for the cases concerned.

- (c) According to the disposal procedures, after obtaining necessary approval from the Environmental Protection Department, the C&ED will dispose of the forfeited illicit cigarettes at designated landfills. The responsible officers have to ensure that the illicit cigarettes are completely destroyed and cannot be retrieved for reuse.

MR LEUNG KWOK-HUNG (in Cantonese): *President, in part (b) of the main reply, it is just mentioned that, between 2002 and April 2011, the C&ED has forfeited approximately a total of 993 million sticks of illicit cigarettes but the number of illicit cigarettes seized after 2007 is not mentioned. What are the reasons? I believe it is because an increasing number of illicit cigarettes have been seized. Can the Secretary tell me whether an increasing number of illicit cigarettes have been seized after 2007? The relevant figures are not set out in the above table. If that is the case, why has the Secretary not mentioned it?*

PRESIDENT (in Cantonese): The Secretary will answer the questions asked by Members. Since part (b) of the main question is just about the market values of the illicit cigarettes forfeited from 2000 to 2007, the Government has thus set out the relevant figures in a table in the main reply.

MR LEUNG KWOK-HUNG (in Cantonese): *That is even visible to a blind man; but I would like to follow up the issue further. I am a Member of this Council and I would like to follow up the issue. I am a Member of this Council, right? Since I am a Member of this Council, I have the right to do so.*

PRESIDENT (in Cantonese): Do you want to ask the Secretary to provide the relevant figures after 2007?

MR LEUNG KWOK-HUNG (in Cantonese): *Yes, can he tell us the total number of illicit cigarettes that have been seized yearly after 2007?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, we have kept the relevant figures and we are very pleased to provide these figures to the Member. Seventy-three million sticks of illicit cigarettes were seized in 2008 and their market values were \$107 million; 59 million sticks of illicit cigarettes were seized in 2009 and their market values were \$106 million; 75 million sticks of illicit cigarettes were seized in 2010 and their market values were \$138 million; and the latest number of illicit cigarettes seized between January and April 2011 was 48 million sticks, and their market values were \$110 million.

PRESIDENT (in Cantonese): Mr LEUNG, do you wish to ask a follow-up question?

MR LEUNG KWOK-HUNG (in Cantonese): *Since the authorities have already seized 48 million illicit cigarettes within the first four months in 2011, does this indicate that the illicit cigarette activities in 2011 have become more active than before?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, the number of illicit cigarette forfeited by the authorities each year varies. As to whether the number of illicit cigarettes has increased

after the authorities have announced an increase in tobacco tax, illicit cigarette activities have apparently become more active in the initial stage of a tax increase but the situation has come under control after combat actions have been taken by the C&ED.

MR LEUNG KWOK-HUNG (in Cantonese): *President, the answer is incorrect. Nobody knows what will happen in the future; it is a fact that the number has increased, who knows what will happen in the future? Can we do anything like that this Council?*

PRESIDENT (in Cantonese): Mr LEUNG, you can just ask a supplementary question. The Secretary has already answered the question, if you disagree with the Secretary's answer, you can follow up the issue through other channels.

Second question.

Regulation of Unauthorized Building Works

2. **MR PAUL TSE** (in Cantonese): *President, there have been comments that although the Government had legislation and relevant systems providing clear instructions on the demolition of unauthorized building works (UBWs) in the past, the lax enforcement of the laws over the years had resulted in the proliferation of UBWs, making it difficult to rectify the situation. In this connection, will the Administration inform this Council:*

- (a) *whether it has estimated the time needed by the Buildings Department (BD) to properly handle the problem of UBWs with its existing resources; apart from the cases of UBWs recorded by the BD at present, whether it has estimated the current number of suspected unauthorized building structures;*
- (b) *whether it has studied if in the past the procedures and formalities for applying for alterations of building structures even as simple as changes in the positions of drying racks and supporting frames for air-conditioners were very complicated, and the processing time for*

such applications was too long, causing much nuisance to the public, and as a result members of the public would rather erect UBWs because they were tired of the bureaucratic procedures; if the results of such a study are in the affirmative, and on the basis of the minor works policy reform, of the means to further simplify the application procedures and shorten the processing time for applications and appeals; if no study has been carried out, whether it can conduct the study immediately; and

- (c) *whether it has considered following the practice of the former Squatter Control Unit (commonly known as "hut division") in dealing with UBWs many years ago by specifying a cut-off date and exempting UBWs already existed before such a date from demolition, but requesting owners of the buildings concerned to engage qualified persons to verify the compliance of such UBWs with safety standards and pay additional premium or Government rent to the Government, and new UBWs erected after the specified cut-off date have to be demolished mandatorily; if it has, of the details; if not, whether it can consider as soon as possible; and whether it has any plan to comprehensively tackle or "rationalize" the serious proliferation of UBWs in buildings?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I would like to thank Mr Paul TSE for raising this oral question today. It allows me to elaborate once more the Government's enforcement policy necessary for ensuring building safety. The BD, empowered by the Buildings Ordinance (Cap. 123) (BO), is responsible for controlling building works on private land. Except for building works exempted by the BO or other legislation, and those designated as minor works under the Minor Works Control System (MWCS) which was implemented on 31 December last year, parties concerned must first obtain the approval of plans and consent to the commencement of works from the Building Authority (BA) before commencing any building works; otherwise those works will become unauthorized building works or unauthorized structures (collectively known as UBWs). As regards those works that are carried out in private buildings and do not involve the structure of the building, they are exempted works. However, these works will become UBWs if they contravene any of the building regulations. On the first point, the main focus on the statute has been

clearly on whether such works "do not involve the structure of the building". As for the second point, the meaning is that even though works that do not involve the structure of a building are exempted works, such works are unauthorized if they cause a building to contravene the building designs stipulated in the regulations (for example, fire safety specifications, loading, natural lighting and ventilation, and so on). On the other hand, it is not necessary for the BA to approve the exempted nature of exempted works.

Building safety is a matter of serious concern to the Legislative Council. Since the building collapse incident in Ma Tau Wai Road in January last year, I have attended three motion debates of the Legislative Council and replied to 16 oral and written questions. These replies of the Government have sufficiently illustrated our focus on building safety and have listed out the achievements of the BD's enforcement action over the years. In accordance with the enforcement policy on demolition of UBWs formulated in 2001, the BD had dealt with the problem of UBWs by prioritizing its work and in an orderly manner. The Department accorded high priority to clearing those UBWs constituting obvious or imminent danger to life or property, newly erected UBWs and UBWs constituting a serious health hazard or a serious environmental nuisance.

The hundreds of front-line staff members of the BD had been handling UBWs in accordance with clear enforcement policy and guidelines. Regarding the more serious cases or cases that had been accorded high priority for clearance, the BD would issue orders under section 24(1) of the BO requiring the owners to remove or rectify the UBWs concerned. If the owners failed to comply with the orders by the specified dates, the BD would generally instigate prosecution action under section 40(1BA) of the BO in order to urge the owners to remove their UBWs voluntarily, except for those UBWs with obvious danger which would have to be removed by Government contractors. While this approach had been quite effective in the past, it involved an inevitably long prosecution procedure.

Regarding the UBWs which had not been accorded high priority for clearance, the BD would, depending on the situation, serve advisory letters or warning notices requesting the owners to remove the UBWs voluntarily. If an owner failed to remove the UBWs specified in the warning notice by the deadline, the BD would register the warning notice at the Land Registry (commonly known as "imposing an encumbrance"). If only an advisory letter was served, no further follow-up actions would be taken in general.

Over the past 10 years, the BD had conducted sustained enforcement actions against UBWs and had succeeded in removing over 400 000 UBWs. The large number of iron cages and projections affixing to the exterior of buildings have largely disappeared as well, reducing the threat to pedestrians walking on the streets. As such, I can hardly agree with the comment in the question that "the lax enforcement of the laws over the years had resulted in the proliferation of UBWs and made it difficult to rectify the situation".

In view of the completion of this 10-year UBWs demolition programme in March this year, and the fact that the Members and the public are still paying close attention to building safety, in particular the requests expressed by the councillors from districts to the Administration over the years for further clearing those UBWs not constituting imminent danger, the Development Bureau and the BD have conducted a comprehensive review on the strategy to enhance building safety. We will enhance further the building safety of Hong Kong through the four major aspects of legislation, enforcement, support and assistance to owners as well as public education. For legislation, apart from the full implementation of the MWCS by the end of 2010, we will work closely with the Legislative Council on its scrutiny of the bill for the Mandatory Building and Window Inspection Schemes, the second reading of which will be resumed later this month. As for enforcement, it is considered that the scope of actionable UBWs should be extended and the enforcement actions should be stepped up. Meanwhile, resources will be consolidated to help owners carry out building repair works and rectify irregularities voluntarily. Moreover, major publicity and public education campaigns will be launched to encourage public participation in monitoring building safety, thereby promoting a culture for building safety. Since its announcement by the Chief Executive in his Policy Address last year, this four-pronged approach has received wide support from the Legislative Council, the District Councils and the society.

My reply to Mr TSE's three-part question is as follows:

- (a) Although the number of existing UBWs in Hong Kong has been significantly reduced by more than 400 000, in view of the extensiveness and complexity of the problem of UBWs, it is not possible to get a quick fix of the problem solely by having the BD, with its limited resources, serve removal orders, instigate prosecutions against owners or remove UBWs on behalf of owners.

Nonetheless, the BD, as a professional team, will endeavour to deal with the problem of UBWs in accordance with the law and the policy; the Development Bureau will also provide the necessary support.

To have a more comprehensive understanding of the current number and overall situation of UBWs, the BD has awarded contracts to a number of consultant companies for conducting a stock-taking exercise on those UBWs on the exterior of some 41 000 private buildings in Hong Kong in the coming year. This will enable the BD to set up a comprehensive database, with records on the types and number of UBWs on the exterior of private buildings, in order to make appropriate arrangements for prioritizing its enforcement actions and conducting various large scale operations. The cost for the whole exercise is estimated at around \$27 million.

The above large-scale stock-taking exercise will give us a clearer picture of the number of UBWs to be handled as well as the corresponding enforcement strategy. However, I would like to appeal to the Members for their understanding that there is a need for us to continuously carry out our work in maintaining building safety. As such, the Administration has provided the BD with new resources in this financial year, including 177 permanent civil service posts. This is different from our practice of relying on time-limited non-civil-service-contract staff in the past decade.

- (b) Part (b) of the question has pointed out a situation which required substantial improvement under the earlier versions of the BO that all building works, regardless of their scales and complexity, were governed by the same building control regime. Before commencing any building works, one must obtain from the BA his approval on the building plans prepared by authorized persons, and his consent to the commencement of works. This system did not distinguish works for the construction of new buildings from minor building works, which were of a simple nature, carried out in existing buildings. Thus, quite a number of minor works had been carried out without complying with the law, and hence became UBWs. Although "erecting UBWs because one was tired of the

bureaucratic procedures", as Mr TSE has mentioned, is not approved or encouraged by the society, the Administration agrees that more convenient arrangements should be made.

With years of incubation, over three years of scrutiny by the Legislative Council and 12 months of preparation by the BD, the MWCS was fully implemented at the end of last year. This system has simplified the relevant procedures, providing a lawful, simple, safe and convenient means for owners to carry out a total of 118 minor work items. When carrying out these minor works, owners will no longer need to hire authorized persons for submitting plans and obtaining the prior approval of plans and consent to the commencement of works from the BD. Through the simplified requirements, an owner can hire prescribed building professionals and/or registered contractors to carry out minor works. As it is no longer necessary to wait for the BA's approval under the statutory procedures, the time for carrying out such works can be substantially shortened for up to three months, together with a corresponding reduction in the costs involved.

Taking into consideration the needs of the public in their daily lives, a Household Minor Works Validation Scheme (Validation Scheme) has also been established under the MWCS, allowing owners to retain and continue to use, after safety inspections and validations, three types of household minor works items, namely air-conditioner supporting frames, drying racks and small canopies, already installed without obtaining the prior approval and consent to the commencement of works from the BA. Enforcement actions will not be taken by the BD against these validated, yet still unauthorized, minor building works items unless there is a change in the safety conditions. We are proposing the introduction of a similar validation scheme for existing unauthorized signboards.

The MWCS, launched for nearly half a year, has been well received by the community. Until the end of May, 7 800 minor works contractors have been successfully registered. The BD has also received nearly 7 000 submissions of various types in carrying out minor works. While we will closely monitor the progress of the

implementation of the MWCS, we will also continue to step up the public education and publicity work to encourage owners to adopt the MWCS to carry out minor works.

- (c) On the issue of handling the problem of UBWs, the Administration will take a pragmatic stance, handling the issue in accordance to the priorities and by categories. From according priority to those UBWs constituting obvious or imminent danger to life and property in the past decade, to the extension of the scope of clearance action (to include specified types of existing UBWs without imminent danger) in April this year, our policies have been formulated under the same philosophy. Any policy adopted by the Administration must observe two very important principles: firstly, building safety must come first; and secondly, there will be no compromise on the integrity of the BO.

It is proposed in part (c) of the question that UBWs in existence before a specified date be exempted from demolition if the safety standards can be ascertained and the "land premium or Government rent" have been paid. In fact, similar proposal has been put forth in the community recently. Once again, I would like to reiterate that any building works carried out or any structures completed not in compliance with the BO are unauthorized and will not be possible to become legalized through any administrative measures. The BA, in accordance with the BO, will only consider issues related to building safety, hence the proposal of exempting UBWs from regulation under the BO upon payment of a land premium is neither feasible nor reasonable. Members should ask themselves: If owners with financial means can retain their UBWs by a payment, then is it fair to those owners without financial means? And is it fair to those owners whose UBWs were cleared under the policy or those who had voluntarily removed their UBWs after receiving advisory letters in the past decade?

In line with our pragmatic stance, we have made legislative amendments to include in the Validation Scheme certain existing minor unauthorized items not posing a serious hazard to building safety, such as air-conditioner supporting frames, drying racks, small

canopies and unauthorized signboards (which is being proposed). Since not every type of unauthorized structures can be validated to ensure their safety solely by post-checking, there would be some difficulties to extend the aforementioned Validation Scheme to cover other existing UBWs of a more complicated nature and a comparatively higher level of risk.

In fact, even after extending the scope of actionable UBWs, the BD will only be clearing those UBWs on the exterior of buildings. The Department has also formulated internal guidelines for dealing with these UBWs. As those UBWs newly treated as actionable will not constitute an imminent danger and will not result in a serious nuisance to the public, we will allow sufficient time to the owner to arrange for the demolition works and the BD will provide one-stop assistance to owners through the "building co-ordinators" upon the reorganization of the Department, and so on. I trust that adopting this package of measures will fit better with our principle of acting in accordance with the law and fair treatment than any arrangement of "amnesty", "rationalization" or "exemptions from demolition". It can also handle the problem of UBWs in Hong Kong in a more effective manner.

MR PAUL TSE (in Cantonese): *President, before I raise a supplementary question, please allow me to make a declaration. While my apartment has a problem which is being dealt with, the one displaying a signboard with the words "superman lawyer" as reported by some magazines is not where I live.*

President, new cases will continue to increase while old cases remain unresolved. I was drawn particularly to a point mentioned in the Secretary's main reply, that is, all interior UBWs would not be dealt with. Under this circumstance, the Secretary considered it unfair if the issue is handled with a pragmatic stance, because it is not reasonable to allow rich people to retain their UBWs. It is also unfair to owners who had voluntarily removed their UBWs.

Nonetheless, this is precisely the approach adopted by the present Validation Scheme, except that the scope and extent are different. If the Secretary considered this unfair, how is she going to deal with the unfair

situation between New Territories village houses and urban buildings? If the Secretary considered the pragmatic approach infeasible, what will she do to rationalize the problem? Is there any concrete proposal to rationalize the problem in the short run without causing much nuisance to the public?

SECRETARY FOR DEVELOPMENT (in Cantonese): First of all, as I said in the main reply, the problem of UBWs is pretty extensive and serious in Hong Kong, and it is not possible to get a quick fix to it. We have spent more than 10 years to deal with UBWs constituting imminent danger in a step-by-step manner.

The concern of Mr TSE is: Will there be new UBWs while the old ones have been demolished? In fact, the problem is now under control. I dare not say that it has been resolved, but is now under control. This is because the policy introduced 10 years ago to accord high priority to UBWs for clearance covers both newly erected buildings and those under construction. Members must be very familiar with the term "WIP" (meaning "works in progress"), and they are works that have been accorded high priority.

As stated in the last paragraph of my main reply, I think that the adoption of a package of measures will fit better with our principle of acting in accordance with the law than any arrangement of "rationalization", "amnesty" or "exemptions from demolition". Therefore, I do not use the term "rationalization" very often.

Mr TSE also mentioned the so-called pragmatic approach. We do have a Validation Scheme to allow owners to retain and continue to use buildings that exist but are unauthorized. Three commonly found household works items have been chosen to be included in the Validation Scheme, namely air-conditioner supporting frames, drying racks and small canopies.

When I dealt with the large number of unauthorized advertising signboards, the same pragmatic approach has been adopted and only signboards proved to be unsafe will be removed. We think the impact would be too great if we require the small and medium enterprises to remove all their advertising signboards and re-erect them subsequently.

However, as I said in the main reply, there would be some difficulties to extend the coverage of the Validation Scheme to other minor works. While I

said there would be some difficulties, I do not mean that no consideration would be given at all. On completion of the one-year stock-taking exercise and after discussing with members of the trade, in case there is still one or two common building works items that can easily be proved to be not health hazardous by validation, we will adopt an open mind. And yet, exemption should be granted through legislation instead of administrative means by the executive authorities.

PRESIDENT (in Cantonese): Has your supplementary question not been answered?

MR PAUL TSE (in Cantonese): *President, the Secretary has not mentioned buildings with interior UBWs at all. I hope that she will answer this part of the question.*

SECRETARY FOR DEVELOPMENT (in Cantonese): Mr TSE is a lawyer and what he asked is a question of the legal provisions. If the UBWs are inside a building and do not involve the structure of the building which I mentioned earlier, they are treated as exempted works.

MR PAUL TSE (in Cantonese): *Why did the Government not take any enforcement action? Why is the problem not being dealt with?*

PRESIDENT (in Cantonese): Mr TSE, the Secretary has already replied.

PROF PATRICK LAU (in Cantonese): *President, the Secretary just now answered a very important question about unauthorized buildings. The Secretary said that if UBWs do not involve the structure of the building, they are exempted works.*

I think members of the public do not have a clear understanding of this concept. May I ask the Secretary how to educate the people of the meaning of "do not involve the structure of the building"? Since many people do not have a

good understanding of this, and cases of this kind have been reported time and again, I therefore hope that the Secretary can clearly explain the concept. So that the public can have a clear understanding.

SECRETARY FOR DEVELOPMENT (in Cantonese): First of all, I am very grateful to Prof LAU as he has always reminded us the importance of public education during our discussion on building safety over the past year. Pamphlets on this topic have been printed in large quantity and I have brought some with me today.

After all, the interpretation of the BO is a professional task. Therefore, owners are often encouraged to engage professionals to determine if a certain works is subject to the BO.

If the general public is able to gain a deeper understanding through education, I am willing to work harder with BD staff to step up public education so that people will not be too complacent as to think that they are experts.

PRESIDENT (in Cantonese): Has your supplementary question not been answered?

PROF PATRICK LAU (in Cantonese): *I asked what the Secretary has done to enable the public to have a clear understanding of what is meant by "do not involve the structure of the building". At present, members of the public do not understand this issue very well.*

PRESIDENT (in Cantonese): Your supplementary question is very clear. Secretary, do you have anything to add?

SECRETARY FOR DEVELOPMENT (in Cantonese): What I would like to add is that we have launched a series of public education campaign. Apart from uploading information onto the Internet, we have many leaflets. Information is also disseminated through schools with the provision of teaching kits.

Furthermore, Members can also see the broadcast of announcements in the public interest on television and advertisements painted on buses. A lot of work has been done. If Members can suggest other ways to enhance people's understanding of the BO, we would be pleased to look into them.

MR LEE WING-TAT (in Cantonese): *President, regarding education, perhaps the Chief Executive, Secretaries of Departments and Directors of Bureaux should first be educated such that they would refrain from saying in public that the installation of glass panels on a balcony is not unauthorized. This is misleading.*

President, first of all, I would like to praise the BD for removing 400 000 UBWs in the urban area over the past 10 years. Although not many people have commended their work, I have to do so as this is not an easy task. According to this pace, it is very likely that all major UBWs in the urban area will disappear 10 to 15 years later.

A couple of weeks ago, I raised a question about the UBWs in village houses in the New Territories. However, no official information has been received from the Government so far. May I ask the Secretary how many UBWs are there? Given that the Secretary has stated her stance so clearly in the main reply, does she have a timetable setting out the number of UBWs in New Territories village houses that would be demolished in the coming five or 10 years? I do not wish to see that the Secretary acting timidly in the face of the powerful people in the New Territories.

SECRETARY FOR DEVELOPMENT (in Cantonese): Once again, I would like to reiterate that fair treatment is the spirit of law enforcement. Nonetheless, as I said in reply to Mr LEE, New Territories village houses and urban buildings are governed by different legal frameworks, thus the problems arising will also be different. Notwithstanding, as I said earlier, with regard to the law-enforcement action relating to the village houses in the New Territories, all newly erected UBWs will be dealt with. As for the actionable UBWs in the existing village houses, a detailed account will be made later this month, that is, on 28 June.

Regarding Mr LEE's question on the timetable, it would be difficult to set a timetable regarding either the demolition of UBWs in New Territories village houses or urban buildings, as the problem cannot be completely solved. We may have a chance to see the destination or get to the so-called end game only if Hong Kong people heighten their awareness of the building safety culture and stop arbitrarily installing UBWs.

For this reason, I am smarter this time. As I have just said in the main reply, we no longer engage time-limited staff to handle this endless and ongoing task. With Government support, the BD's newly created posts are permanent civil service posts. We will continue to conscientiously work on this.

As for the information requested by the Member, we should have a better understanding of the present situation upon completion of the stock-taking exercise on some 41 000 buildings in the urban area. The stock-taking exercise of the New Territories village houses is much more complicated and extensive, and entry into certain areas for stock-taking is rather difficult. Yet, we are willing to follow up on the matter.

PRESIDENT (in Cantonese): This Council has spent nearly 25 minutes on this question. However, since the Secretary has spent much time on giving the main reply, I will now allow one more Member to raise a supplementary question.

MR TAM YIU-CHUNG (in Cantonese): *President, the new enforcement policy on UBWs has officially come into effect on 1 April. May I ask the number of complaints and removal notices that the Government has received or issued so far? How many owners have completed their clearance actions? Does the Secretary have the relevant data?*

SECRETARY FOR DEVELOPMENT (in Cantonese): As we have reiterated time and again, although enforcement action has been extended to cover actionable UBWs on rooftops, flat roofs, lanes and yards of buildings in April this year, actions will be taken in accordance with their priority in an orderly manner.

In the main reply, I stated that internal guidelines have been formulated to set out how complaints would be handled in an orderly manner upon receipt. Although this is intended to be an internal guideline, in order to enhance public understanding and Members' confidence in our work and our strict compliance with the principle of fair treatment, I plan to brief Members on the internal guideline on the special meeting of the Panel on Development to be held on 20 June.

In fact, from April up to now, we have not issued a large number of removal orders in a hurry. Rather, as a result of an extensive coverage of the matter, strenuous efforts have been made to tackle the problem in these two weeks.

I would like to take this opportunity to address public concern. It is not our wish to issue UBWs removal orders to all relevant owners in Hong Kong, Kowloon and the New Territories within a very short period of time. Contrarily, we will provide assistance to owners in handling their UBWs in a step-by-step and orderly manner.

PRESIDENT (in Cantonese): Third question.

MTR Services and Fares

3. **MR CHEUNG HOK-MING** (in Cantonese): *President, some members of the public have relayed to me that recently there have been frequent MTR failure incidents, and even the Disneyland Resort Line, which carries fewer passengers and was completed only about five years ago, has experienced two failure incidents in less than two months. They express grave dissatisfaction that the MTR Corporation Limited (MTRCL) has not made obvious improvement to its services and a huge surplus has been recorded, but it still insists on increasing its fares by 2.2% as scheduled in June this year according to the fare adjustment mechanism under which fares may be increased or reduced (FAM), and has triggered off a wave of fare increases. In this connection, will the Government inform this Council:*

- (a) *what measures the SAR Government, as the largest shareholder of the MTRCL, has at present to motivate the MTRCL to improve its services, so as to render value-for-money services to the public;*
- (b) *whether it will examine the implementation of a marking scheme for railway incidents so that MTR's FAM is linked to its standard of service, with a view to motivating the MTRCL to improve its services and reducing the frequency of failure incidents; if so, of the details; if not, the reasons for that; and*
- (c) *whether it will reconsider establishing a fare stabilization fund covering various modes of public transport including MTR, buses and ferries, and so on, so as to make up for the inadequacies of FAM in actual operation during times of continuous inflation?*

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

- (a) and (b)

The Government requires and expects the MTRCL to provide safe and reliable railway services at all times. The Transport and Housing Bureau is responsible for overseeing the overall policy on monitoring railway safety and regulating railway services. The Transport Department (TD) and the Electrical and Mechanical Services Department (EMSD) are responsible for monitoring the service and safety performance aspects of railway services provided by the MTRCL respectively.

The TD is responsible for monitoring the service performance of the various railway lines of the MTRCL. In this regard, the MTRCL is required to comply with the service standards stipulated by the Government. There are currently three major criteria for measuring railway service performance, namely, train service delivery (that is, actual train trips), train punctuality (that is, the percentage of trains completing their journeys on time) and passenger journeys on time (that is, the percentage of the total number of passengers arriving at

their destinations on time and without experiencing a delay of more than five minutes). These service standards are commonly adopted internationally. Other performance indicators include reliability of add value machine, reliability of ticket gate, reliability of escalator and reliability of passenger lift. The TD oversees whether the MTRCL meets the requirements of the above service standards by examining the returns regularly submitted by the MTRCL on its service performance, and investigates complaints received about railway service in order to monitor railway services. If the MTRCL fails to meet any requirement, the TD will require the MTRCL to take remedial measures immediately.

The EMSD monitors the safety of the railway systems and ensures that the MTRCL has met all safety requirements in the design, construction, operation and maintenance of the railway systems. It is the responsibility of the MTRCL to demonstrate to the satisfaction of the EMSD that its railway systems are safe for use and their design standards are not only in line with industry standards internationally, but also appropriate for the situation in Hong Kong. The MTRCL conducts risk assessment in their design process to reduce the risk factor. Currently, the design standards and safety management system of the MTRCL is compatible with international standards. The EMSD also monitors the safety of operating railways including conducting inspections of the railway systems to ensure that they are operating well; investigation of railway incidents as well as assessment and following up on the improvement measures adopted by the MTRCL.

In case of railway incidents, the TD and the EMSD will follow up and request for an incident report from the MTRCL. They will conduct investigations, provide advice to the MTRCL on the preliminary identification of the cause of the incident and the immediate actions required. The TD and the EMSD will monitor the progress made by the MTRCL in identifying the cause and implementing improvement measures.

We are of the view that the most important thing to do after an incident occurs is to identify the cause of the incident as soon as

possible, and make improvements based on the cause and the contingency measures adopted when handling the incident. The EMSD will also review and verify the investigation reports submitted by the MTRCL in respect of railway safety incidents to ascertain the causes of the incident and to monitor whether incident trends have been formed.

As to whether "incident point deduction mechanism" should be implemented as suggested by Members, we are of the view that we have to consider whether such arrangement would compromise railway safety inspection and recovery work as this would impose great pressure on front-line staff as they may wish to avoid deduction of points but are constrained by time when they carry out recovery work. On the other hand, we should consider whether only counting the number of incidents is a comprehensive and objective measurement of the overall performance of the MTRCL. As the operation time of the railway network in Hong Kong is long, with high usage, coupled with the very many factors involved in railway operation, including tracks, trains, signalling system and manual operation, it is very difficult to achieve "zero incident" in practice. That said, we require that the MTRCL should put safety first under all circumstances and this should never be compromised.

In fact, according to the information provided by the MTRCL, since the rail merger (that is, from 2008 to 2010), the MTRCL has invested \$4 billion each year in the maintenance, repair and renewal of railway assets in order to maintain high quality railway service and enhance facility performance. Apart from ongoing maintenance and asset replacement capital projects, the MTRCL has purchased 10 new trains to enhance train frequency on existing lines, with a view to catering for the ongoing patronage growth of the Island Line, Kwun Tong Line, Tsuen Wan Line and Tseung Kwan O Line. The MTRCL has also completed the installation of wide gates at all stations of the East Rail Line except Racecourse Station to improve accessibility for wheelchair users. Moreover, the MTRCL has completed different levels of renovation works at Mei Foo, Jordan, Sheung Shui, Mong Kok East, Kam Sheung Road and Tin Shui Wai Stations. Renovations at Fan Ling Station have been

underway. Installation of external lifts at Tai Wo Hau, Wong Tai Sin, Sham Shui Po and Jordan Stations, as well as installation of automatic platform gates at the eight aboveground stations on the Island Line, Kwun Tong Line and Tsuen Wan Line have also commenced.

Furthermore, the MTRCL announced recently that service on the West Rail Line, Tsuen Wan Line and Kwun Tong Line would be enhanced to bring more convenience to passengers.

- (c) One of the outcomes of the rail merger was the adoption of an objective and transparent FAM. The mechanism, which was formulated after extensive discussion in the community and by the Legislative Council, has replaced the fare autonomy of the MTRCL.

Upon the rail merger in December 2007, the MTRCL made a commitment not to increase fares on or before 30 June 2009. Fare reduction was also implemented immediately after the rail merger, with 2.8 million passengers benefiting from different levels of fare reduction, varying from 5% to 20%, at the time. After 30 June 2009, MTRCL's fares are to be adjusted according to a FAM which is objective and transparent. Under the mechanism, the overall fare adjustments will be made in accordance with a direct-drive formula linked to changes in the Composite Consumer Price Index (CCPI), Nominal Wage Index (Transportation Section) (Wage Index) and a productivity factor.

The FAM takes into account the year-on-year percentage change in CCPI in December of the previous year which has reflected the macroeconomic environment and public affordability to a certain extent. The year-on-year percentage change in Wage Index in December of the previous year has reflected staff cost. As such, it can be said that the economy and wage precedes the activation of any fare adjustment.

To ensure our public transport services are efficient and is of high service quality, it is the Government's established policy that public transport services should be run by the private sector in accordance

with commercial principles. The Government has also established mechanisms to regulate fares of major public transport services to ensure that the fare levels are reasonable, taking into consideration public acceptability and affordability.

When considering the proposal to set up a "public transport fare stabilization fund", the Government is mindful. We have to ensure the proper use of public money. We should also consider carefully various factors including the objective of the proposal, target beneficiaries, expected outcome and impact, and so on. We are of the view that public money should be used to provide targeted assistance to the needy. The Government has been providing assistance to the needy through targeted measures. For example, the Government provides subsidy on transport expenses in travelling to and from school for students in financial need, and will implement a Work Incentive Transport Subsidy Scheme to reduce the burden of home-to-work travelling expenses of the employed members of low-income families.

As regards public transport apart from railways, the Government also has to avoid providing wrong incentives that undermines the operators' efforts in cost saving and enhancement of efficiency. Furthermore, if taxpayers are to bear in full the increase in the expenditure of public transport services, it may invite unnecessary fare increase applications and be perceived as the Government offering direct subsidy to the public transport operators in contradiction to the established policy.

In fact, the Government has all along been actively encouraging all public transport operators to offer more fare concessions. Recently, the MTRCL has announced that it would introduce a series of promotional schemes to reduce travelling expenses of the public. We will continue to encourage public transport operators, including the MTRCL, to offer concessions having regard to their respective operating conditions in order to benefit the public.

MR CHEUNG HOK-MING (in Cantonese): *Although the present fare increase is implemented by the MTRCL according to the FAM, it is seemingly beyond the affordability of the public. President, I want to follow up on my question because in her reply just now, the Secretary was obviously saying that the "incident point deduction mechanism" would not be adopted. By next year, the FAM will have been implemented for five years and it is the right time for a review. On the assumption that the "incident point deduction mechanism" is not adopted at this stage, will the Administration consider incorporating the mechanism, as well as public affordability in the review of the FAM?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, as I have explained just now, the current mechanism has, to a certain extent, reflected the macroeconomic environment. Under the mechanism, reference will be made equally to changes in the CCPI and Wage Index (that is, the wage situation of various fields of the transportation section) which also reflects cost. The basic idea is that changes in the economy and wage must precede the activation of the mechanism. As to how the mechanism can better reflect the economic situation or public affordability as suggested by the Member, we can of course consider how this factor can be effectively reflected when a review is to be conducted at the next stage. However, at this stage, the existing mechanism has reflected changes in the economy and wage to a certain extent.

Separately, regarding the question of whether we will consider the implementation of the "incident point deduction mechanism" in the review, I must say the factors I just mentioned are very important. If the "incident point deduction mechanism" is implemented — even though front-line staff are not actually affected because it is not about deducting the points of these staff — they would invariably feel certain pressure when carrying out recovery work on the spot. As far as we know, other countries or territories which had initially implemented a similar point deduction mechanism have it abolished exactly because of this consideration. If a point deduction mechanism is adopted, will the staff carrying out checks and recovery work be affected because they are pressed for time? I think we must consider this point very carefully. Hence, we have no plan to introduce such a mechanism at this stage. Of course, we will continue to listen to Members' views and see how this matter can be better reviewed.

MR ANDREW CHENG (in Cantonese): *President, the focus of the main question lies in part (a), that is, whether the Government has convinced the public that MTR services are value-for-money. Notwithstanding, the Secretary merely pointed out towards the end of the reply to parts (a) and (b) of the question that the MTRCL had commenced installation of automatic platform gates at eight aboveground stations on the Island Line, Kwun Tong Line and Tsuen Wan Line, but he has not mentioned anything about the installation of platform screen doors (PSDs) at stations along the East Rail Line and Ma On Shan Line (that is, the former KCR lines).*

President, I would like to ask the Secretary: The MTRCL, with the Government being the major shareholder, has in the past decade earned a net profit exceeding \$80 billion, yet it still increased its fare despite the profits, and its services were frequently disrupted, why does the Government fail to mention in the main reply about the pledged installation of PSDs, a request made by us a long time ago? Has the Government, as the major shareholder, played a pivotal monitoring role in the Board of the MTRCL so as to convince the public that MTR services are value-for-money and its service standard can be maintained? Regarding this particular point, I would like to ask the Secretary whether she feels ashamed and that she has failed the people?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): *President, the crux of the question is about the service standards attained by the MTRCL and whether there is a need for adopting the "incident point deduction mechanism". In respect of the installation of PSDs, various suggestions have been made by many Members at the Subcommittee on Matters Relating to Railways or other committees. In fact, this is a matter we are also concerned about. We have even conducted site visits to inspect the effectiveness of trial schemes. We have been actively taking forward the trial to install PSDs at the East Rail Line and the existing railway lines. However, Members must also understand that the installation of PSDs is not as simple as installing an iron gate at residential flats. The PSDs must work in co-ordination with the entire signalling system, that is, when the trains approach the platform, the stopping position must be very accurate. In addition to linkage with the entire signalling system, a series of works must also be carried out including civil works at the stations. After we had provided an explanation to Members earlier, many Members came to understand that the matter was not simply about the installation*

of PSDs as the entire signalling system must also be upgraded. Hence, the construction of the Shatin to Central Link presents a very good opportunity for us to upgrade the entire signalling system in tandem because the East Rail Line, instead of terminating at Hung Hom, will be extended through to the Hong Kong Island in future. That presents an opportunity to upgrade the system. While it is not impossible to upgrade the system now, many PSDs would have to be dismantled almost immediately after installation. Hence, Members should take note of the overall situation and the impact.

Regarding MTR services as a whole, I have already explained in the main reply just now that there are criteria for measuring various aspects of railway service performance. In respect of railway incidents, the TD and EMSD will monitor whether these incidents will become a trend, and so on. We have been monitoring various aspects of the MTRCL including its service standard and the railway incidents constantly, and we consider the situation stable since the merger of the two railway corporations. We will pay close attention to these matters as the responsible Policy Bureau and in the Board of the MTRCL, and we will supervise the MTRCL to achieve better performance.

MR CHAN HAK-KAN (in Cantonese): *President, many citizens in fact support linking the "incident point deduction mechanism" to the FAM. As we can see, the MTRCL proposes fare increases whenever its interests are undermined by inflation as well as rising wages and material costs, yet the repeated occurrence of railway incidents has resulted in economic and time losses on the part of the travelling public, as well as economic loss for the community as a whole. In this regard, has any compensation been made by the MTRCL? I do not understand why the Government cannot, in addition to requesting the MTRCL to enhance its service standard, impose some sort of punitive fare on the MTRCL so as to compensate for the inconvenience caused by railway incidents to the travelling public?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the existing adjustment mechanism is not activated by profit level, that is, it is unrelated to the profits made by the MTRCL because under the mechanism, reference will be made equally to changes in the CCPI and Wage Index. As I have clearly explained in the main reply, this mechanism is not

activated by profit status. The basis of activating the adjustment mechanism is changes in macroeconomic situation or wages. We believe there is still room for discussion as to whether this mechanism will continue to apply in the next five years.

As to whether a point deduction mechanism should be imposed, I have already explained just now that we must consider this matter carefully. If such a mechanism is imposed and an incident occurs, front-line staff would become most anxious about the passage of time as points would be deducted after a specific time limit. Will this create additional pressure on front-line staff and compromise emergency repair works and railway safety inspection work? This is a factor of consideration that we cannot ignore. Hence, I hope Members can understand the problem in this respect. In fact, it would be most important to identify the cause of railway incidents, resume service and maintain a certain standard of normal service. I think these are the things the public wants to see most. Regardless of the outcome of any future review, I hope there is still room for discussion on this matter.

DR RAYMOND HO (in Cantonese): *President, the Secretary talked about assessing MTR services including the provision of escalators and passenger lifts in part (a) of the main reply. I have mentioned time and again in this Council the dire need of persons with disabilities, elders or even gout patients with impaired mobility for escalators and passenger lifts. However, the Secretary had invariably replied in the past that the MTR Corporation — that is, the existing MTRCL — considered it adequate to provide one set of escalators in each station. However, there are in fact many exits in one station and we consider it highly unfair that these persons must find out for themselves which exit is provided with such service. Will the Secretary please tell us whether the Administration has any plans to urge the MTRCL to install additional facilities such as escalators, passenger lifts, and so on, to facilitate these persons?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, in respect of service provision, facilities as just mentioned by Dr Raymond HO should duly be provided. I trust that the MTRCL will continue to do so under feasible circumstances. As Dr HO said, the provision of one set of escalators in each station may not be adequate, and the MTRCL should continue

to identify additional space to install such facilities. As I have mentioned in the main reply, there are ongoing works to install external lifts at Tai Wo Hau, Wong Tai Sin, Sham Shui Po and Jordan Stations. If Members have other suggestions, we can reflect them to the MTRCL.

Very often, especially in the case of old stations, not that we are unwilling to provide additional facilities, but that there is a lack of adequate space. Hence, we must conduct more studies and discussion with the professionals to see whether space is available for the installation of such additional facilities. We will continue to consider this matter, and the MTRCL is constantly carrying out renovation works and installation of additional facilities.

MR WONG SING-CHI (in Cantonese): *President, the Secretary has just responded to Members' questions about the repeated occurrence of MTR service disruptions. In her reply to my written question today, the Secretary has also responded to the issue of service disruptions. As she pointed out, the number of service disruptions in 2010 had not been reduced when compared to those in 2009, with the occurrence of 12 or 13 incidents in both years. In fact, notwithstanding the many measures adopted by the MTRCL, the occurrence of service disruptions with delays more than 30 minutes remains equally serious.*

Unfortunately, while fares may be increased or reduced under the existing adjustment mechanism, there is only a mechanism of upward adjustment for the salary of management staff who caused such disruptions, and they continue to receive handsome bonus and remuneration. I have raised this issue in my written question today, but the Secretary has given no reply. I would like to follow up on this issue here: Faced with so many service disruptions, whether she will consider establishing a mechanism which allows both upward and downward adjustments for the salary of management staff of the MTRCL? In the event of serious service disruptions — the current number of service disruptions has not gone down — whether consideration will be given to deducting the bonus or even remuneration of the management staff, that is, their bonus will be deducted correspondingly in case there are too many service disruptions so that they can truly be responsible for properly managing the MTR which is so heavily relied upon by the travelling public?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, we have been monitoring service performance and incidents of the MTR carefully. As we can see, the statistics in relation to both railway service and railway safety have been quite stable in the past few years, with no sign of worsening. Of course, Members should understand that as the railway network is extremely busy with heavy patronage day in and day out, it is difficult to achieve "zero incident" — which is of course the ideal situation we would like to see. Nonetheless, in practice, we have to understand the difficulties involved and most importantly, strive to maintain the overall standard of MTR services.

Regarding the Member's question on the policy for determining remuneration, this will of course depend on the overall performance of the Corporation, personal responsibilities, job scope and performance. We will also make reference to the general practice adopted by companies in the relevant markets. A Remuneration Committee has been set up under the Board of the MTRCL, which is responsible for scrutinizing the remuneration policy and making recommendations to the Board. The various factors that I just mentioned will also be considered.

MR LEE CHEUK-YAN (in Cantonese): *President, I would like to ask a question about fare. I consider the Secretary's reply partly misleading and partly untrue. What is misleading? She said, "The Government has also established mechanisms to regulate fares of major public transport services to ensure that the fare levels are reasonable, taking into consideration public acceptability and affordability." As I see it, firstly, this is misleading as the Secretary must admit that public acceptability and affordability are entirely not taken into consideration under the MTR's FAM. After privatization, MTR fares are increased automatically. Under the FAM, public acceptability has never been considered by the Government and the Board of the MTRCL because this is an automatic fare increase mechanism. I would like the Secretary to clarify whether she is admitting that public acceptability and affordability have not been taken into consideration in MTR fare?*

The untrue part is that in respect of franchised buses, the existing level of fare increase is 3.6%. I would like to ask the Secretary whether 3.6% is a level considered to be acceptable and affordable by the public. In fact, 3.6% will

create an enormous impact on inflation and the Government has neither the evidence nor sincere intention to ensure that such a level of fare increase is indeed affordable to the public.

PRESIDENT (in Cantonese): Secretary, please reply in relation to public acceptability and affordability.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, in respect of franchised buses, the percentage of fare increases is lower than the accumulated rate of inflation since the last fare hike. When considering applications for fare increases by franchised bus companies, we have carefully balanced various factors and public affordability is one of the factors for consideration.

Separately, the Member mentioned the existing MTR fare adjustment mechanism. As I have explained just now, under the mechanism, reference will be made equally to changes in the CCPI and Wage Index of the transportation sector. If there is no change in the CCPI or Wage Index, the mechanism will not be activated. The mechanism has already taken into account factors including the macroeconomic situation and wage increases. There must be changes in the CCPI or Wage Index of the transportation sector before the mechanism can be activated. Hence, our saying is that the economy and wage must precede the activation of the adjustment mechanism. That is why there is a time lag.

MR LEE CHEUK-YAN (in Cantonese): *President, the Secretary has not answered the question about the MTRCL giving no consideration to public acceptability and affordability. I ask her to clarify and admit this matter, and she should directly say and admit that there is entirely no consideration about public affordability.*

PRESIDENT (in Cantonese): Mr LEE, the Secretary has already replied.

This Council has already spent more than 25 minutes on this question. Fourth question.

Tender Selection of Internet Learning Support Programme

4. **MS EMILY LAU** (in Cantonese): *President, the Finance Committee allocated \$220 million last year to help needy families acquire Internet access service and computers, and such programme changed from the original plan of a single tender to separate implementation by the Hong Kong Council of Social Service (HKCSS) and the eInclusion Foundation Limited (eInclusion). In reply to a question about the programme from a Member of this Council on 25 May this year, the Acting Secretary for Commerce and Economic Development indicated that the former Government Chief Information Officer, Mr Jeremy GODFREY, had concluded that it would be in the best interests of low-income families if the programme could be executed so as to incorporate the best elements of the proposals submitted by such two organizations respectively. As such, the Bureau engaged the two organizations in discussions but there was difficulty reaching agreement on a collaboration model to co-found an implementation agent, and the Government decided to engage HKCSS and eInclusion to implement the programme in two geographical zones. On 26 May, Mr GODFREY made a submission to this Council pointing out that during the tender process, it was made clear to him that there was a political requirement to select a particular implementer, but he considered that this would not be in the best interests of low-income families, and he was also given unconvincing reasons for instructing him to formally terminate the original selection process and subsequently for pursuing the dual-implementer approach; he considered it more likely that these decisions had been influenced by political considerations and it might make him party to misleading the Legislative Council, he therefore decided to resign. In this connection, will the executive authorities inform this Council:*

- (a) *whether formal investigation has been conducted to find out if it was implied to Mr GODFREY during the tender process that he was to select a particular organization and if such a practice violated the tender procedures;*
- (b) *whether investigation has been conducted to find out if Mr GODFREY was instructed to terminate the selection process, and the reasons for that; and*

- (c) *during the selection process, whether the executive authorities were aware that the Internet Professional Association, which formed the eInclusion, has political party background; and whether they had considered that selecting such an organization would make the public perceive that the Government was in favour of a particular political party?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, the Office of the Government Chief Information Officer (OGCIO) launched an open Request for Proposal (RFP) exercise between 18 May and 5 July 2010 for the Internet Learning Support Programme (ILSP). The RFP aimed at identifying the best implementation proposal and implementer. The RFP document set out the mandatory requirements (covering business skills, knowledge of the learning needs of students from low-income families, capability of managing a business start-up and experience of managing a project involving substantial public funding). The proponents were required to propose the detailed implementation arrangements. The Evaluation Panel conducted the assessment according to the published process and criteria. Upon selection, the proponent would submit a detailed funding and operation plan to OGCIO for approval and then enter into a legally binding Funding and Operation Agreement with the Government. Although the selection process is different from the tendering procedures for procurement of goods and services, the principles of fairness, openness and competitive bidding still apply.

Upon completion of the evaluation of the five proposals received and a procedural review, two leading proposals, from the HKCSS and the eInclusion, emerged. The former Government Chief Information Officer concluded that it would be in the best interests of low-income families if ILSP could be executed so as to incorporate the best elements of these two leading proposals. Upon conclusion of the RFP, the Government invited HKCSS and eInclusion to explore the possibility of collaboration by jointly establishing a non-profit organization to implement ILSP. The Government engaged HKCSS and eInclusion in intensive discussions between October and December 2010 to explore possible collaboration arrangements. Nonetheless, they were unable to reach agreement on a collaboration model to co-found an implementation agent to take it forward. The Government therefore reviewed various fallback options carefully, including forming a Financial Secretary Incorporated company, OGCIO acting as

implementer, single tendering/retendering, and dual-implementer approach with HKCSS and eInclusion as Implementers in separate geographical zones. Having regard to procedural concerns, accountability, speed of securing stakeholders' agreement and finalizing implementation details, and resource implications, and so on, the Government decided that engaging HKCSS and eInclusion to implement the programme in two geographical zones would be the fallback in the event that co-founding one implementation agent could not materialize. In early January 2011, when it became evident that attempts to invite HKCSS and eInclusion to co-found a single implementer failed, the Commerce and Economic Development Bureau offered, and HKCSS and eInclusion accepted, a dual-implementer approach.

Mr GODFREY's memorandum submitted to the Panel on Information Technology and Broadcasting on 25 May 2011 suggested that there was "a political assignment". This is untrue. In fact, both the former and the incumbent Permanent Secretary for Commerce and Economic Development (Communications & Technology) ("the Permanent Secretary") have repeatedly reminded him that the Government should run an open and fair selection process having regard to the interests of the low-income families. The contents of the RFP document, the evaluation criteria and the evaluation framework were set by OGCIO. Assessment of the proposals was conducted by the Evaluation Panel led by Mr GODFREY. The Commerce and Economic Development Bureau was not involved. The decision to explore collaboration between the two leading proponents was advocated by Mr GODFREY, who has confirmed in his memorandum that he made the decision in the interests of the low-income families and that there was no impropriety. The Government has all along stood by this decision with a view to securing the best delivery entity for ILSP. The decision to pursue a dual-implementer approach was a collective one made at senior levels after thorough consideration of all factors. Mr GODFREY had a different opinion on this approach. But differences of opinion should not be attributed to political consideration.

I reiterate that the ILSP selection process, from the RFP stage, evaluation of proposals to the adoption of the dual-implementation approach, was conducted in a fair and unbiased manner and guided only by what was best for the project in overall terms. There is absolutely no political interference.

My reply to Ms Emily LAU's three-part question is as follows:

- (a) Mr GODFREY's allegation is unfounded. Mr GODFREY confirmed that he had conducted the evaluation in a fair manner. He also said both his former and current superiors had clearly advised him that the Government had to run an open and fair process having regard to the interests of the low income families. Mr GODFREY has confirmed this in his memorandum. We will not undertake any investigation on the basis of an unfounded allegation.
- (b) The proposals were assessed by the Evaluation Panel led by Mr GODFREY. Upon completion of the evaluation, the Evaluation Panel submitted the outcome to the Controlling Officer, who was Mr GODFREY himself. In August 2010, Mr GODFREY presented an update to the Permanent Secretary, reporting that despite the lack of consensus on the overall assessment, there was general agreement about the strengths and weaknesses of the two leading proposals submitted by HKCSS and eInclusion. Mr GODFREY considered that it would be in the best interests of the low income families if the Government could cherry pick the best aspects from each of the proposals. He proposed to invite the proponents of these two leading proposals to collaborate and consulted the Permanent Secretary on this matter.

Noting the substantial amount of public funding involved but there was an absence of checks and balances, and observing that the evaluation process was not prudent and rigorous enough, the Permanent Secretary sought the consent of the Secretary for Commerce and Economic Development to establish a review committee to review the assessment process and outcome of the Evaluation Panel to ensure that the recommendations and selection Mr GODFREY made were in full compliance with proper procedures and fair principles.

The review committee met twice in September 2010. It was agreed that the selection process was by and large fair and had managed to produce two strong proposals with very high scores. Since collaboration between proponents was not envisaged within the framework of the RFP, the review committee advised Mr

GODFREY that if collaboration was to be pursued, it should be treated as an exercise separate from the RFP lest the excluded bidders would accuse the Government of moving the goal post in the middle of the RFP exercise. Having regard to procedural concerns, the circumstances of the case, Mr GODFREY's advice that it would be in the best interests of the low-income families to seek a collaborative approach, and the fact that the Government was not bound to select any proposal submitted under the RFP, the review committee had no objection to Mr GODFREY concluding the RFP exercise by not selecting any proposal submitted and pursuing the collaborative approach as a separate exercise. In October 2010, Mr GODFREY concluded the RFP exercise and commenced exploratory discussions about the collaborative approach between the two leading proponents.

Mr GODFREY has indicated in internal documents that it was his personal decision to conclude the RFP exercise so as to pursue the collaborative approach with the two leading proponents as advocated by him, with a view to achieving the best delivery of the programme for the greatest benefit of low-income families.

- (c) The evaluation was conducted in accordance with the published process and criteria, focusing on the merits and feasibility of the proposals as well as the relevant experience and capability of the Implementer in ensuring successful delivery of the programme. The relationship between the Implementer and other bodies or organizations, or the background of the members of the organizations concerned, is not a factor for consideration. The Evaluation Panel had not taken into consideration these irrelevant factors. I reiterate that the selection process was conducted in a fair manner. The Government has carefully considered the effectiveness and timeliness of the various options in overall terms before making the decision. There is no political interference.

MS EMILY LAU (in Cantonese): *President, in part (a) of the main question, I asked whether the Government had investigated if it was implied to Mr GODFREY during the tender process that he was to select a particular*

organization. But the Secretary replied that the Government would not undertake any investigation on the basis of an unfounded allegation.

President, I think you noted that the relevant Panel held a meeting yesterday, at which Mr GODFREY attended and spoke. He pointed out in his speech under oath that he encountered interference four times. He said that the first time was in January. He was told by a civil servant of his Bureau that the Financial Secretary stated explicitly (via a representative or the Financial Secretary himself) that the organization relating to the Internet Professional Association (iProA) must be given the opportunity to implement the programme. The second time occurred after the Evaluation Panel chaired by him had commenced work. A civil servant in his department told him that the Financial Secretary's Office had called to confirm if he already known of the request of the Financial Secretary. The third time was when he reported to Secretary Rita LAU. The Secretary pointed out a political requirement that the iProA must be given the opportunity to knock on the doors of low-income families. The fourth time was during the many discussions he had with the Permanent Secretary Elizabeth TSE. The Permanent Secretary had mentioned the eInclusion and said this was a political assignment to award the tender to it.

President, the assertion is very clear. Why did the Government regard this as an "unfounded allegation" and did not carry out investigation? Why did the authorities fail to understand that many members of society would like to know whether political inference is involved? With regard to the tender system, it has been commended by Mainland officials for its comprehensiveness, stating that the Mainland should learn from the system. Should the authorities tell them that the system is defective?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, at the meeting of the relevant panel yesterday, we stated very clearly the position of the Government that it would fully support the work of the Panel. The allegation of Mr GODFREY is factually groundless, which can be said to be untrue. Regarding the four incidents of interference mentioned by him yesterday, he did not provide the identities of the two civil servants involved. As for the public officers he named, including the former Secretary and the Permanent Secretary, he clarified definitely that no political interference was involved. Under this circumstance, I believe Members understand that the

Government has fully supported the work of the Panel in terms of documentation and the civil service team, and forceful response had been made in respect of the allegation. In our view, the incident lacks any factual basis, and there is no supporting evidence. Hence, we will not undertake any investigation on these unfounded allegations.

MR WONG YUNG-KAN (in Cantonese): *President, at the Panel meeting yesterday, the discussion was extremely heated. No matter how, I would like to ask the Government one point. Since the eInclusion and the Boys' and Girls' Club Association (BGCA) responsible for the implementation of the programme have indicated that they will share the door-to-door liaison work, will the authorities confirm the division of work between the eInclusion and the BGCA? At which stage did the authorities know about the detailed allocation of work and the working condition?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): *President, the authorities have set out certain arrangements on the division of work in the proposal submitted. Actually, at the Panel meeting yesterday, arrangements concerning the division of work of the relevant organization had been clearly stated. According to our understanding and the information provided at the Panel meeting yesterday, the iProA will be responsible for making necessary arrangements and liaising with Internet service providers, whereas the BGCA will be responsible for door-to-door service.*

MS CYD HO (in Cantonese): *President, the Government claimed that it did not want to move the goal post in the middle of the RTP exercises, which adopted a scoring system. The scoring system is a plain and clear approach. Yesterday, we made enquiries about this. We learnt that the Evaluation Panel had obviously given extremely high scores to the HKCSS, whereas Mr GODFREY was the only one giving relatively high scores to the eInclusion, and there was only a difference of 0.5 mark between the two organizations. Since the scoring result was so conspicuous and the review committee considered the selection process was by and large fair, why did the authorities not process the exercise according to the scoring result, but adopted another approach proposed by the review committee and changed the rules of the game?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, we have explained a number of times that the review committee must submit the report to the controlling officer upon the completion of its work, and in this case, the controlling officer was Mr GODFREY. Mr GODFREY was also the Chairman of the selection team, and after reading the report, he considered that it would be in the best interest of low-income families if the authorities could cherry pick the best aspects from each of the two outstanding organizations. At the Panel meeting yesterday, he had given a very clear explanation of this point.

However, the above proposal differed with the initial intention of the RFP, for the RFP procedures allowed us to select the best organization or not selecting any organization. Hence, the Permanent Secretary considered that there were inadequacies in terms of procedures. Besides, the request of Mr GODFREY differed with normal arrangement. The Permanent Secretary then sought the advice of the former Secretary for Commerce and Economic Development and considered it necessary to set up a review committee to offer advice to Mr GODFREY on procedural matters.

The review committee considered that the overall arrangement was, by and large fair and had managed to identify the two most outstanding organizations. However, a conclusion could hardly be made on which of the two organizations was better. Hence, based on the proposal of the controlling officer at the time, that is, Mr GODFREY, we agreed that he might arrange the two organizations to explore the feasibility of a collaborative approach. Yet, as a matter of procedure, the RFP procedure must first be ended before entering into discussion with the two organizations on the collaborative approach. It is a fair and just practice in terms of procedures.

PRESIDENT (in Cantonese): Has your supplementary question not been answered?

MS CYD HO (in Cantonese): *No, it has not. There should only be one organization being the best, why would there be two? As I pointed out in the supplementary question earlier, the selection process was considered by and large fair. Though there were blunders like duplication of candidates, and so*

on, the Government had given a thorough explanation. Since the scoring system was fair, why did the review committee not follow the original rules of the game and grant the programme to the tenderer with the highest scores?

PRESIDENT (in Cantonese): The Secretary has already answered. Secretary, do you have anything to add?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, I have nothing to add.

MR ANDREW CHENG (in Cantonese): *President, the focus of the Secretary's main reply as a whole is to repeat over and over that there was no political interference in the incident. Political interference is always hard to prove. More often than not, statements made by witnesses under oath are relied as proof. It is rarely possible to find concrete written evidence to prove that the Chief Executive and the Financial Secretary had explicitly indicated in writing that the programme must be granted to a particular organization with certain political party background. Hence, I would like to ask the Secretary, if the Government would like to remove public worries and settle this Rashomon affair; and if the Government was innocent and being wronged, as the Permanent Secretary said yesterday, should it not take the initiative to investigate the case, or even support the Legislative Council to invoke the legislation on powers and privileges to summon senior government officials, and even the Chief Executive, to state under oath that there was no political interference? If not, will the Government not give people the impression that there is a skeleton in its cupboard?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, in respect of this incident, the Government has done a lot for the sake of public interest and removing public worries. First, in my reply to a question from Mr Fred LI at the previous meeting of the Legislative Council on whether permission would be granted for Mr GODFREY to express his personal views, I agreed with the request on behalf of the Government, and Mr GODFREY was allowed to state his reasons as a special and exceptional case.

At the meeting of the relevant panel yesterday, he stated his allegations clearly. Members would have noticed that he lacked factual evidence to support his argument.

In this connection, the Government has been more than willing to provide the relevant information. It has also given a clear account of the entire process in the document, stating that the authorities have given fair and just consideration to the procedures. Hence, I think the Government has made very adequate and proactive efforts to support the work of the Legislative Council to enable the public to know the truth of the incident.

PRESIDENT (in Cantonese): Has your supplementary question not been answered?

MR ANDREW CHENG (in Cantonese): *President, he has not answered my question, for the focus of the question is the evidence of the Government provided under oath. Now, a former senior official, Mr GODFREY, had made with precision an allegation against the Government, yet the authorities just reiterated that an account of the incident had been made, and declined to provide evidence under oath. The question is whether the Government will support the Legislative Council to set up a select committee to follow up the case, and why the Government does not take the initiative to alleviate the worries of the public?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, I reiterate once again that the Government has made very proactive efforts to support the work of the Legislative Council. Regarding the procedures involved in the incident, we have already given a full account, so that the public would know clearly all the arrangements made by the Government on policies and procedures. I think these allegations are extremely unfair to the civil service team.

PRESIDENT (in Cantonese): This Council has spent more than 24 minutes in this question. Fifth question.

MR KAM NAI-WAI (in Cantonese): *President, before I raise the question, let me first declare interest. With regard to this question, I have a family member who will be 18 years of age by the end of this year, a family member of mine had just passed away.*

Implementation Details of Disbursement of \$6,000 to Hong Kong Permanent Residents

5. **MR KAM NAI-WAI** (in Cantonese): *President, the Government will disburse in this financial year a sum of \$6,000 to each Hong Kong Permanent Identity Card holder at the age of 18 or above. Members of the public are generally concerned about the disbursement timetable, criteria, details and procedures for receiving such sum, but the Government has not yet made any announcement. It has been learnt that some elderly Hong Kong permanent residents who are residing on the Mainland on a long-term basis have to make a special trip to return to Hong Kong to receive the sum, but as they do not have residence in Hong Kong, some of them choose to wait and sleep on the streets. In this connection, will the Government inform this Council:*

- (a) *whether it will determine the order of priority for the disbursement of \$6,000 by age so that priority will be given to senior citizens; how the Government will deal with cases of elderly persons who passed away before receiving the sum; and*
- (b) *of the criteria, details and procedures regarding the disbursement of \$6,000 (including the cut-off date for determining whether a member of the public concerned meets the qualifying condition of "Hong Kong permanent resident who has reached the age of 18"; whether qualified members of the public will need to register in advance; how to avoid the situation where members of the public will not be disbursed the sum because they fail to register; how elderly persons in a confused state of mind, with mobility-handicapped and those living in residential care homes for the elderly on a long-term basis, prisoners and psychiatric in-patients may receive the sum, as well as whether those qualified Hong Kong people who left Hong Kong and are residing on the Mainland or overseas have to return to Hong Kong to receive the sum, and so on); whether the Government will*

disburse the sum through banks; if it will, whether it needs to pay handling fees to the banks?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, on 2 March 2011, the Financial Secretary announced that each Hong Kong Permanent Identity Card holder aged 18 or above would be given a sum of \$6,000. At the Special Meeting of the Finance Committee on 25 March, the Secretary for Financial Services and the Treasury submitted a note to brief Members of the preliminary thinking on the implementation details of the proposal and the issues to be addressed. On that occasion, we indicated that after finalizing the details, we would submit the proposal to the relevant Legislative Council Panel for discussion in accordance with the established procedures before seeking funding approval from the Finance Committee. Our discussions with the relevant departments and organizations have now reached the final stage. Once all the details are confirmed, we hope to obtain funding approval before the Council's summer recess to enable immediate launch of the scheme. I hope Members would understand that, as details of the scheme have yet to be finalized, I am not able to provide specific information on every aspect of the scheme today.

- (a) Regarding part (a) of the question, we are considering two feasible options for making batching arrangements. One option is to group eligible persons into different batches according to a particular digit of their Identity Card numbers (For example the first numerical digit), and invite them to make registration in phases. Another option is to group eligible persons by year of birth with reference to the arrangement adopted in the territory-wide Smart Identity Card Replacement Exercise. If we adopt the latter option, elderly eligible persons would be given priority in registration and payment.

According to our plan under formulation, all persons who complete registration within the specified period and found eligible will receive payment, including those who pass away after registration.

- (b) As mentioned in the note we submitted to the Special Meeting of the Finance Committee held on 25 March, we need to establish a suitable platform to facilitate people's registration.

People are required to register for receiving the payment mainly because of the following considerations. Firstly, there is no existing system in the Government that captures the relevant personal data of all people for establishing eligibility and disbursing the sum. Secondly, even if some of the Government's existing systems do maintain the personal data of some people, in order to protect personal data privacy, we cannot readily use these data for making payment because they have been collected and kept for purposes other than giving out the \$6,000. Thirdly, we would provide people with an option under the scheme. Those who are not in urgent need of the \$6,000 may choose to receive the sum later with a "saving bonus". Operationally, to some extent this may also help achieve a batching effect. Therefore, we must provide ways for eligible persons to exercise their choice.

As the majority of the eligible persons have bank accounts and banks have the infrastructure, systems and experience required for handling personal data and providing deposit and withdrawal services, we are actively discussing with banks to see if we can make use of existing banking network for processing registration as well as handling payment. This should be a more convenient way for the public. For those who do not have a bank account, we are devising appropriate channel to facilitate their registration and collection of payment. We believe that most eligible persons should be covered by these arrangements.

We are now working out the implementation details of the scheme. Our primary consideration in developing the platforms for registration and payment is to make it as convenient as possible for the eligible persons in Hong Kong while ensuring protection of privacy as well as prevention of abuse or fraud. Eligible persons outside Hong Kong may choose the way they find suitable for registration and collection of payment according to their particular circumstances.

We anticipate that some eligible persons, such as people in impaired mental state or with limited mobility and prisoners, may need special assistance. We are working out the detailed arrangements with the

relevant departments with a view to rendering assistance to these persons to register for the scheme and receive the payment. In doing so, we would ensure such arrangements could protect privacy and prevent abuse or fraud.

As I have just said, we are finalizing the implementation details of the scheme including the eligibility date, registration channels and procedures, the resource requirements, and so on. We will consider the views offered by Members today and work out the implementation details of the scheme as soon as practicable.

MR KAM NAI-WAI (in Cantonese): *President, the Secretary said in her main reply that she was not able to provide specific information on every aspect of the scheme today. President, the Secretary really despises the Legislative Council because yesterday, details on how to disburse the \$6,000 was covered by all the media, according to the information from an informed source. It has been reported that the date of registration will be 28 August and banks will open on Sunday for this purpose. Alternatively, people can also make registration on the Internet. For persons without a bank account, they can register at post offices and district offices, and the Government will send the \$6,000 cheque by mail. As regards how to define persons who have reached the age of 18, the source said that the cut-off date will be either 31 December 2011 or 31 March 2012. Moreover, the source further disclosed that persons who choose to receive the payment one year later will be given an additional bonus of \$300 and that the first batch of people can receive the money by mid-November the soonest.*

President, may I ask whether the Administration can confirm the information? In fact, the greatest concern of the public is that the Government has already idled away a few months' time without getting things done. People wish to know whether they can really register on 28 August and receive the money by mid-November?

PRESIDENT (in Cantonese): Please clearly raise your supplementary question.

MR KAM NAI-WAI (in Cantonese): *President, my question is, whether the Administration can confirm what I have just said, that is, whether the details disclosed by the source on the disbursement of the \$6,000, are true? As regards the greatest concern of the public, whether the registration date will be on 28 August and the cash handouts will be disbursed by mid-November?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): *President, the Government cannot confirm all the details reported in the news. With respect to Mr KAM's remark just now, saying that the greatest concern of the public is when they can register and when the cash handouts will be disbursed, as I have just mentioned in my main reply, we are now finalizing the details of the scheme. After the details are confirmed, we will submit the proposal to the Panel on Financial Affairs for discussion and consultation before seeking funding approval from the Finance Committee. We hope that the proposal can be endorsed before the summer recess, after which we will start the publicity work. According to this schedule, we anticipate that the public can make registration in the third quarter of the year.*

DR PRISCILLA LEUNG (in Cantonese): *President, may I ask whether the Administration can actually meet the public aspirations and disburse the money to a certain batch of people first before the summer break? The Government has mentioned many established systems, including taxation, the Comprehensive Social Security Assistance scheme, the students, and so on. Can the money be disbursed to people under these systems so that they do not need to wait until November? People have waited anxiously for the money and they wish to have a happy summer holiday. May I ask the Secretary to answer this supplementary question?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): *President, I am as anxious as the public and Members, hoping that the registration exercise can be launched and the cash handouts be made available as soon as possible. However, as I just said, the Government has never launched a similar scheme before. There are 6 million beneficiaries to be considered, many of them, as I just mentioned, fall under different cases, such as people who are mobility handicapped or in prison. The finalized details must be specific*

enough to cover different scenarios and be able to meet the needs of different beneficiaries as far as practicable. Moreover, we have to establish a convenient platform while safeguarding privacy and preventing abuse. It takes time to hammer out all these details. As I just mentioned, we will clearly set out the relevant arrangement before the summer recess and start an extensive publicity programme after we have secured funding for the proposal. Hence, the date is just around the corner.

DR PRISCILLA LEUNG (in Cantonese): *Sorry, President.*

PRESIDENT (in Cantonese): Has your supplementary not been answered?

DR PRISCILLA LEUNG (in Cantonese): *I wish to ask the Secretary to further clarify whether, as I just said in my supplementary question, the authorities can consider adopting an easy-first-difficult-later approach and disburse the \$6,000 to a certain batch of people first, rather than disbursing the sum to all people in one go? Disbursing the money to all people in one go will take a very long time. This is my supplementary question.*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, as I just mentioned, we need to finalize the details in different aspects of the scheme first and Dr LEUNG has proposed an option for us. As I just said, we have come up with two options for the batching arrangement, the first of which is to group the recipients by age. It has also been suggested that the sum should be disbursed to elderly citizens first. Hence, the easy-first-difficult-later approach, which Dr LEUNG just mentioned, is an option that we will consider.

MR FREDERICK FUNG (in Cantonese): *President, I do not know if the Secretary is aware that if she wishes to cover all scenarios The exercise is in fact a double-edged blade, meaning that postponing the payment date will benefit those who will reach the age of 18 at a later date. However postponing the payment date will also lead to another problem I am not sure if the*

Secretary knows that the annual mortality rate in Hong Kong is about 40 000 people; that is, about 4 000 people die every month on average Hence, for every month that the Government postpones the payment date, about 4 000 people will be excluded from the payment list.

In fact, for those who will reach the age of 18 later in time, the Government can retrospectively accept their eligibility, such as any person who would reach the age of 18 in any day from September to December would be eligible for the money as long as they are alive. For the deceased, however, unless the Government would advance the payment date, they could not receive the sum. This is where the contradiction lies. The paper which the Secretary submitted has not addressed the problem which I just mentioned. Indeed, she has considered different scenarios, except the one involving persons who are still alive but are about to die. Hence

PRESIDENT (in Cantonese): Please raise your supplementary question.

MR FREDERICK FUNG (in Cantonese): *Hence, I wish to ask the Secretary whether she will set two dates. The first one is the date when the Financial Secretary delivered the Budget. Citizens are eligible to receive the sum so long as they are alive on that day. Alternatively, she can take the registration date as the eligibility date; if so, I beseech her not to postpone until 28 August to commence the scheme, but rather, she should commence the scheme tomorrow. It is because if tomorrow is the registration date, citizens who die the day after tomorrow will be eligible to receive the money. Moreover, the Secretary has said in her reply that people who die after making the registration will still be eligible for the disbursement. Then, the later the registration date is set*

PRESIDENT (in Cantonese): Mr FUNG, please raise your supplementary question.

MR FREDERICK FUNG (in Cantonese): *..... the larger number of persons will be unable to receive the money. Thus, may I ask the Secretary whether she has considered the issue of a two-edged blade?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, we have considered this issue. As Member has said, we are aware of the numerous proposals. For instance, one such proposal, which concerns the setting of the eligibility date, is the same as what Member has just proposed, that is, using the date (2 March) when the scheme was announced as the eligibility date. Member also suggested whether the registration date Some people also suggested postponing the date to allow more people who are now not yet 18 years old to become eligible because the later the eligibility date, the larger the number of young people will become eligible for the scheme. However, we are also aware of counter proposals, that is, the later the eligibility date is set, the later the payment date will be. We need to consider whether this is in line with the general aspiration of the people who wish to receive the money as soon as possible.

With respect to Member's remark just now, saying that we must consider those who are sick and feeble or those who die before the payment date, we tend to use the registration date as the eligibility date. In other words, as I just said in the main reply, as long as people have made registration, they are eligible for the handouts even if they have unfortunately passed away.

MR FREDERICK FUNG (in Cantonese): *President, the Secretary has not answered my supplementary question.*

PRESIDENT (in Cantonese): Which part of your supplementary question has not been answered?

MR FREDERICK FUNG (in Cantonese): *Part of my supplementary question is about*

PRESIDENT (in Cantonese): Please state clearly the part of the question which has not been answered so that the Secretary can make a reply.

MR FREDERICK FUNG (in Cantonese): *My question is clear, that is, the earlier the registration date is set, the better; and the earliest date is tomorrow. Actually, can the Secretary set the date to be tomorrow?*

PRESIDENT (in Cantonese): Are you asking the Secretary whether the registration can start tomorrow? Secretary, please reply.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): No.

PRESIDENT (in Cantonese): The Secretary has replied.

MR WONG KWOK-KIN (in Cantonese): *President, I reckon that it has been three months since the Budget was endorsed on 13 April, but the Financial Services and the Treasury Bureau has yet to come up with a disbursement proposal. According to yesterday's press reports (provided the news is true), the public will have to wait until the end of November before they can receive the handouts, meaning that they have to wait for over seven months in total. May I ask whether the Financial Services and the Treasury Bureau knows the meaning of "efficiency"? Can the Secretary clearly explain to all people of Hong Kong the justifications for taking as long as seven-odd months to disburse the handouts?*

PRESIDENT (in Cantonese): Do you mean you wish to ask the Secretary how to spell the word "efficiency"? *(Laughter)* Please state clearly your supplementary question.

MR WONG KWOK-KIN (in Cantonese): *Yes, President. May I ask her to explain to all people of Hong Kong why she needs seven-odd months to disburse the handouts?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I wish to reiterate that when the Financial Secretary announced the scheme, we immediately started the preparation. We are as anxious as Mr WONG, hoping that we can expeditiously table the proposal to the Legislative Council for discussion and endorsement.

However, as I just said, there is actually no existing system in the Government that contains the information of all people. Even if we do maintain the data of some people, under the Personal Data (Privacy) Ordinance, we have to specify to them at that time that the information collected was that it would be used for these purposes. Thus, we need the public to make registration again. In addition, we need to design a platform for making registration and find a relatively convenient mechanism for the disbursement as well as designing a computer programme to this end. Hence, we have commissioned a consultant to take charge of testing the safety of the system, so as to ensure that no problems will arise when the system is put into use. We are now working round the clock to take forward different areas of work, in a bid to coming up with a sound, stable and proper platform for registration and disbursement. I hope the above information can answer Member's supplementary information and that Members can understand our situation.

MR FRED LI (in Cantonese): *President, recently when I worked in the district, I was often asked by the public about the \$6,000 handouts as if I owed them the money. The residents often asked, "Mr Fred LI, when can I get the \$6,000?" In fact, they are now a little annoyed. I agree with many Members just now in saying that it has been over three months since the Government announced the \$6,000 handouts on 2 March, but to date, the Government can do no better than saying that it hopes the proposal can be endorsed by the Finance Committee next month, so that they can proceed to disburse the \$6,000 by the end of November or December. President, may I ask why (I really want the Government to give us the reasons) the matter has become so complicated and why handing out money will also be criticized by the public? Why is the Government still unable to provide a concrete proposal to date and why do we still need to rely on the press to disclose more information than what the Secretary has provided today? Why is there such a divergence? Why are newspapers more informative than the reply given by the Secretary today?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): If I have not misinterpreted Mr LI's question, he wishes to ask why the newspapers are able to release more information than the Government has released today. In fact, when we discussed the details with different departments and organizations (including the banks), we have come up with many different proposals and details, many of which were not finalized. In the process, we would often bring up the matter for discussion which might include the media. However, at least the information that we provided today are confirmed. For instance, we hope to finalize the registration date in the third quarter of the year and we have specifically stated that the money will be disbursed through the banks. For eligible persons without a bank account, we will disburse the money by a bearer cheque. We will provide Members with the confirmed details as far as feasible. We also understand that the public wish to know more and we will discuss this subject with Members again after the entire proposal (including the resources needed) has been submitted to the Legislative Council.

PRESIDENT (in Cantonese): Members always seek to address people's pressing needs. There are still seven Members waiting to put questions, but this Council has spent more than 20 minutes on this question. Last supplementary question.

MR IP KWOK-HIM (in Cantonese): *President, after hearing Mr Fred LI's supplementary question, I realized that not only Members of the Democratic Alliance for the Betterment and Progress of Hong Kong but also Mr Fred LI has been asked when the \$6,000 would be disbursed. I very much share his feeling. When I liaised with the residents in my district, particularly the elderly, they often asked me whether they had to wait until they died before they could receive the money. However, even if they have died, it does not necessarily mean that they can receive the money. The present information does not confirm that those who died are eligible to get the money.*

In fact, since the scheme was announced in March, the Bureau has been saying that they are considering the disbursement details. The information announced by the Government and news from unconfirmed government sources both say that the Government will disburse the money through the banks. If so, persons with a bank account can receive the money through the banks and those

without a bank account can receive the money through other channels. How is it possible that the cash handouts cannot be formally disbursed until November? What are the problems at present? Why does it take so long to hammer out the scheme? Is it because the required banking procedures have taken up the extra preparation time? Or is it because of, as pointed out by Mr WONG Kwok-kin, the inefficiency of the Government? This is indeed an example of inefficiency.

PRESIDENT (in Cantonese): This supplementary question is a repetition of a question raised by another Member earlier. Let me see if the Secretary has anything to add.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I can only reiterate that we will get back to Members and announce the details once we have finalized the details of the proposal.

PRESIDENT (in Cantonese): Has your supplementary question not been answered?

MR IP KWOK-HIM (in Cantonese): *President, the Secretary has not answered my supplementary question. What I just asked is, is it because of the banks that have hindered the progress of the disbursement?*

PRESIDENT (in Cantonese): Are you asking whether it is the banks which have stood in the way?

MR IP KWOK-HIM (in Cantonese): *Yes. My supplementary question just now is very clear.*

PRESIDENT (in Cantonese): Secretary, is it because of the banks?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): In fact, it involves many different parties and banks are only one of them. After data collection and registration, we still have to confirm the eligibility of the registered persons. Moreover, consideration has to be given to cases of double or multiple registrations, as these cases have to be excluded. Hence, even if the public have made registration, it is still impossible for us to start the disbursement on the next day. The arrangement takes time. I hope the above can answer Member's supplementary question.

PRESIDENT (in Cantonese): Sixth question.

Judicial Review Case Regarding Environmental Impact Assessment Reports of Hong Kong-Zhuhai-Macao Bridge

6. **DR LAM TAI-FAI** (in Cantonese): *President, some members of the public have complained to me that they are dissatisfied with the acts and practices of certain political parties and politicians as they have not instituted legal proceedings on their own, but have made use of an illiterate elderly recipient of Comprehensive Social Security Assistance (CSSA) to apply for legal aid to initiate a judicial review, thus abusing judicial proceedings, attacking the construction project of the Hong Kong-Zhuhai-Macao Bridge (HKZMB), forcing the project to be halted and seriously undermining the interests of Hong Kong. This has not only procrastinated the progress of the works of the HKZMB Hong Kong section and pushed up the construction costs, but may also affect 78 other projects, thereby seriously hampering the economic development of Hong Kong, pushing up the unemployment rate and leading to immeasurable losses. There are also media reports that the Civic Party has admitted that it assisted a Tung Chung resident to apply for judicial review. In this connection, will the Government inform this Council:*

- (a) *whether the Government has received any complaint or view which alleged that the aforesaid case involved "champerty", "maintenance" or other acts of abusing judicial proceedings; and whether the Government will initiate investigations to ascertain if anyone has manipulated the litigation behind the scene, perverted the course of*

justice and gained benefits in the process; if it will, of the details; if not, the reasons for that; and

- (b) *given that at the Chief Executive's Question and Answer Session on 19 May this year, Mr Alan LEONG of the Civic Party claimed that this Council had been cautioning the Government that it was highly likely that the Government's approach of handling the Environmental Impact Assessment Ordinance would be regarded as breaching the law, while at the special meeting of the House Committee of this Council held on 20 May this year, the Chief Secretary for Administration said that after going through all the records, the Government had not found any record indicating that requests had been made for the Government to conduct the kind of baseline studies requested by the Court in its judgment, whether the Government will take the initiative to find out from Mr LEONG the specific contents of such views and when such views had been given; if it will, of the details; if not, the reasons for that?*

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

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Deputy President, the Environmental Impact Assessment Ordinance (the EIA Ordinance) commenced its operation since 1998 with the objective of protecting the environment by assessing impact of designated projects on the environment. The Environmental Protection Department (EPD) has all along been acting pursuant to the statutory requirements, guidelines and procedures in considering the assessments, reviewing rigorously the Environmental Impact Assessment (EIA) reports (the process also includes consultation with the public and the Advisory Council on the Environment (ACE)), assessing effectively the environmental impact of designated projects, and imposing mitigation measures to be incorporated by the project proponents. On 22 January 2010, a citizen of Hong Kong made an application for judicial review regarding the air quality impact of the EIA in respect of Hong Kong section of the HKZMB project. On 18 April 2011, the Court of First Instance (CFI) handed down the Judgment which rejected six of the seven issues contended by the Applicant. But after considering the purpose of the EIA Ordinance, the CFI ruled that apart from

assessing the cumulative environmental impact caused by the designated project, the EIA report should include a "stand alone" analysis of the project and put forward relevant mitigation measures, so as to allow the authority to consider whether the relevant impacts have been kept to the minimum. The Judgment gives rise to significant legal issues relating to the EIA Ordinance and to its implementation. After seeking legal advice and considering relevant factors thoroughly, the EPD lodged an appeal against the Judgment on 13 May 2011.

In our written reply to the Legislative Council question of Mr Abraham SHEK on 18 May 2011, we pointed out that the EPD had all along been following the contents of the "Technical Memorandum on Environmental Impact Assessment Process" issued under the EIA Ordinance requiring "baseline study" to be carried out in air quality assessment. It should be noted that the baseline study is carried out on existing air quality. Whereas the CFI Judgment held that apart from ensuring the cumulative environmental impacts caused by designated projects would comply with the relevant standards and criteria, the EIA report should also compare the environmental impacts of the scenarios with and without the project in place. That is, to assess the air quality in the future assessment year without the project in place in order to assess the direct impact of the project and relevant mitigation measures, in order to let the EPD consider if the environmental impact has been minimized.

Before responding to Dr LAM's question, Deputy President, I must say that it is not appropriate for us to comment on issues relating to the case as the EPD has lodged an appeal against the CFI Judgment. On Dr LAM's question, I have the following response:

- (a) There is freedom of speech in Hong Kong and the general public are very concerned about public policy and public affairs, and they can express their views through different channels. On the recent judicial review case on Hong Kong section of the HKZMB project, we note that there are different views in the community. They include also the views quoted in Dr LAM's question, but we have not received any complaints providing specific information that required the Administration to undertake follow-up investigation.
- (b) During the public inspection period and consultation with the ACE of the two HKZMB EIA reports, the EPD did not receive any

comments on the baseline study in respect of existing air quality. There was also no request for the analysis of air quality in the future assessment year without the project in place. The Chief Secretary for Administration on 20 May this year at the special meeting of the House Committee of the Legislative Council had responded clearly to the relevant questions. All the documents and discussions of the Legislative Council and its Committees are public information. I shall not repeat in quoting the records.

DR LAM TAI-FAI (in Cantonese): *Deputy President, I have strong feelings about this incident and the reply given by the Government today. There is a Chinese slang which goes, "Rather bully a white-bearded old folk than bully an impoverished young bloke". I think this saying should now be changed more aptly as, "Rather bully CHENG Yu-wah or YAU Tang-wah than bully CHU Yee-wah". It has been reported that this old lady, Madam CHU, is in fact an illiterate who lives on CSSA. Hong Kong is indeed a gifted place blessed with remarkable hidden talents. Who would reckon that an elder has such prolific knowledge about the law and the environment that she does not only have a thorough understanding on such a highly complicated EIA report, but has also identified the loopholes and problems therein through a sound analysis? One can say that she is even smarter than government officials and barristers. As the Government's manpower policy is always merit-based, I suggest this lady be engaged as a government consultant so that she can join the Government in defending the rule of law and developing the economy. I think the people of Hong Kong will surely benefit if she can render some constructive advice to the Government.*

Deputy President, my supplementary question is about the fact that the systems of judicial review and legal aid are established for the purpose of safeguarding the people's right to access justice. Moreover, both Andrew LI and Geoffrey MA have said time and again that the Court is not a place for resolving political, economic and social problems. Going back to the present incident, some members of the public are worried that some people who want to remain behind the scene may make use of other people's identity to apply for legal aid in order to pursue a legal case for achieving other purposes.

Deputy President, my question is very simple. The Airport Authority (AA) has just announced a new proposal to construct a third runway at a cost of \$140 billion. This matter has a huge impact on Hong Kong's future and development, and the project may affect the air quality of areas around Tung Chung and Tuen Mun. Having learnt from the experience and the lamentable lessons of the HKZMB incident, will the Government step up its work in relation to the EIA and consultation on the third runway of the Airport, for example, seeking the advice of Madam CHU or paying more attention to the views of our prophetic colleagues, so as to avoid repeating history or another judicial review which would create havoc on the entire project and make us all losers except the lawyers? Should the same thing happen again, the Government cannot blame others for not giving advice, as if others are trying to set you up. That will be embarrassing.

Let me repeat my question, after learning the lessons from the HKZMB EIA incident, what additional work will be undertaken by the Government when handling the EIA and consultation on the third runway of the Airport?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Deputy President, all along, we have been implementing the EIA Ordinance rigorously. In the review process, we have also consulted the public and the ACE at various stages. In future, we will take forward all construction projects according to this spirit. Regarding the third runway, we have yet to receive the EIA report and hence, Deputy President, I have nothing further to add at this stage.

DR LAM TAI-FAI (in Cantonese): *Deputy President, she has not answered my question. I am asking whether any special measure has been taken by the Government.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Deputy President, first of all, we have yet to conduct any detailed study. According to the estimates at this stage, the project cost of \$130-odd billion is the money-of-the-day prices when the works commence, while it costs about \$80-odd billion in 2010 dollars. Environmental protection is a very important topic and the purpose of our consultation is to finalize in principle the

development of Hong Kong as a city and a leading aviation hub in the next stage. We hope that we can pool our wisdom together and listen to different views. Both the AA and the Government will render full support for this consultation exercise, and we hope that views can be collected through different channels. Hence, we have different channels to collect views, regardless of whether they come from professional bodies, green groups, chambers of commerce, young people or persons of all ages.

In the next stage, an EIA study will be conducted because this is the statutory requirement. Hence, it does not matter if a person's name has the word "Wah" or not, we will highly respect the views expressed by individual members of the public. While the EIA must surely comply with the statutory consultation process, members of the public equally have the right to apply for a judicial review at any stage. That is an important founding stone of Hong Kong, and we must respect this right of the public. As regards whether we can avoid a repeat of history, I must say that we will of course do our work properly. As the project proponent, we must comply with all statutory requirements applicable at that time. That is a pre-requisite. Prior to the Court's Judgment on the HKZMB's EIA, we have of course complied with the then statutory requirements. Given the new Judgment, we have initiated discussions with the EPD to ascertain whether some new procedures are required as a result of the new Judgment. This is a matter we must handle carefully. Therefore, it is most important to do the work at each stage and process properly and listen to more views. That is what we need to do now.

MR LAU WONG-FAT (in Cantonese): *Deputy President, has the Government made any assessment on how many construction workers and relevant professionals whose employment will be affected by the delays caused to the HKZMB and the 70-odd related projects in the course of the appeal; and whether it will push up the unemployment rate?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Deputy President, in fact, the website of the EPD has already listed out the many construction projects at various stages of the EIA process. For some projects, the EIA has been completed pending the issuance of the permit; for some projects, the EIA study is ongoing pending vetting and approval; for some projects, the study brief has been prepared pending the commencement of the EIA. Hence, this large

number of projects will be affected by the Judgment in various degrees. As mentioned by the Secretary for Transport and Housing just now, the Judgment will affect certain ongoing projects, but to various degrees. At this stage, the proponent must review its project against the requirements laid down in the Judgment. The EPD will also notify the proponents, and render assistance, if necessary, for them to understand the requirements of the Judgment. The EPD will handle the EIA process of different construction projects according to our established procedures and the specified time limits.

DEPUTY PRESIDENT (in Cantonese): Mr LAU, which part of your supplementary question has not been answered?

MR LAU WONG-FAT (in Cantonese): *I am asking how many construction workers and professionals will be affected in terms of their employment, and whether this will result in aggravating the situation of unemployment? IT seems that she has not answered the question.*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Thanks to Mr LAU for his supplementary question. In terms of the impact of the Judgment on the construction projects, as Members are aware, there are now 70-odd projects with the EIA process ongoing. Of course, that number may vary according to changing circumstances. Regarding individual projects, it is very difficult to determine categorically the impact, such as in terms of money, time or jobs. Hence, it is difficult for us to make an assessment on the total number.

DR PHILIP WONG (in Cantonese): *Deputy President, as a result of an abuse of judicial proceedings, the HKZMB project has been halted causing economic loss to Hong Kong. The Government has made an assessment on the relevant losses and presented the information to the Council. I would like to ask the Government how confident it is about its assessment. Whether its assessment and the actual losses incurred in future will differ? Moreover, given that the incident has been widely discussed in the community, whether the Government has summed up the lessons learnt? If it has, can it share with Members?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): As I just said when answering Mr LAU's supplementary question, many projects are undergoing the EIA process and the impact on individual projects must be assessed according to their specific circumstances. As I just said, the actual losses incurred on individual projects will vary. Hence, if the question is about the actual losses, it is indeed quite difficult to make an assessment. As far as this judicial review is concerned, we consider that the CFI Judgment has a significant impact on the EIA. Hence, we see the need to clarify certain principles. We have therefore lodged an appeal, hoping that certain important issues of principle will be clarified through the appeal process.

MR LAU KONG-WAH (in Cantonese): *Deputy President, serious allegations were made in Dr LAM Tai-fai's main question, such as some political parties have manipulated the litigation behind the scene, perverted the course of justice and even gained benefits in the process. However, in the Government's reply, in particular its reply to part (b) of the question, it seems that no detailed explanation has been given and the matter is dismissed casually. According to my observation, public sentiment is changing and the people in fact dislike misleading statements or even the use of legal proceedings to achieve political objectives. Hence, should the Government just call a spade a spade? Part (a) of Dr LAM Tai-fai's question asked specifically whether the Government had conducted any investigation, either acting on a complaint or on its own initiative; yet the Government seemingly has not answered that part of the question. After the questions raised by Members and answers given by the Government today, will the Government take the initiative to ascertain the actual meaning of Dr LAM Tai-fai? Should it conduct some due investigation on its own initiative?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): As we have said in the main reply, there is freedom of speech in Hong Kong. Members of the public have different views on public policies, especially on environmental policies. In his question, Dr LAM Tai-fai has referred to some views and asked whether we have received any complaints or specific information. In our reply, we have already indicated that we have neither received any complaints nor specific information that required the Administration to undertake follow-up investigation. We would also like to point out that members of the public are free to express all sorts of views, and judicial independence is the founding stone

of our society. Through judicial reviews, Members of the public can express their opinions or views on government policies, hoping that changes will be made. In this regard, that is indeed the right of the people.

MR LAU KONG-WAH (in Cantonese): *Deputy President, she has not answered my question about whether the Government will approach Dr LAM Tai-fai on its own initiative in order to ascertain the matter.*

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

SECRETARY FOR THE ENVIRONMENT (in Cantonese): As we have not received any complaint, no follow-up action has been taken.

DR PRISCILLA LEUNG (in Cantonese): *Deputy President, when answering part (b) of Dr LAM Tai-fai's question, the Secretary pointed out that after going through all the records, the Government had found nothing about the view mentioned by Mr Alan LEONG. I have also gone through the records of the Legislative Council. At the meeting of the Finance Committee held on 22 May 2009, no discussion had been held on the view mentioned by Mr Alan LEONG about baseline studies. Can the Government make public all the records? Frankly, the people are also gravely concerned about this incident. Where is the record about the view mentioned by Mr Alan LEONG? At the Chief Executive's Question and Answer Session, Mr Alan LEONG clearly said that When did they put forth this view to the Government? The question is, whether they have indeed put forth this view? Can you be more specific? I can find nothing from the records of the Legislative Council.*

DEPUTY PRESIDENT (in Cantonese): Dr LEUNG, please sit down.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Deputy President, as I said in the main reply, we do not have any relevant records. The Chief Secretary for Administration has already provided a clear response at the special

meeting of the House Committee of the Legislative Council held on 20 May. We do not have any records in this respect. As we do not have any records, no record can be made public.

DR PRISCILLA LEUNG (in Cantonese): *Deputy President, I would like to ask clearly*

DEPUTY PRESIDENT (in Cantonese): What aspect do you want to ask about?

DR PRISCILLA LEUNG (in Cantonese): *I would like to ask clearly that, in relation to the baseline studies, has the Government never received the relevant view? Does it have no opportunity at all to respond to such a request? I am talking about the HKZMB, not other projects in general. I mean the HKZMB project. Does the Government never have the opportunity to hold a dialogue with any person about the relevant view, nor receive any letter, nor give any reply? Is there nothing at all?*

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

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Dr Priscilla LEUNG's understanding is correct.

DR MARGARET NG (in Cantonese): *Deputy President, the Bureau has seemingly not grasped the crux of Dr LAM Tai-fai's question. The crux of the question is that the person who applied for judicial review is an illiterate elderly recipient of CSSA. Hence, I would like to ask the Administration, whether it will consider that a particular person needs not be consulted or is not qualified to challenge whether the Government's decisions have breached any rules or laws simply because this person is an illiterate elder who lives on CSSA or must resort to legal aid?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Deputy President, as I just said, we consider judicial independence an important founding stone of the society and systems of Hong Kong. Hence, members of the public can resort to any means, including judicial review, to express their views or take certain actions in relation to government policies. We respect the people's right to express their views or take actions in relation to government policies through this channel. Nonetheless, as the Judgment of the judicial review on the HKZMB project has indeed created substantial impact on the principles of our EIA system, we need to clarify certain issues of principle through lodging an appeal.

DEPUTY PRESIDENT (in Cantonese): This Council has spent nearly 24 minutes on this question. Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS

Assistance to Hong Kong Residents Travelling Abroad

7. **MR RONNY TONG** (in Chinese): *President, it has been reported recently that a Hong Kong resident, who joined a tour to Tibet, was suspected to suffer from acute mountain sickness and died there, and it was only after the repeated efforts of the family members of the deceased that the insurance company eventually arranged to transfer the body of the deceased back to Hong Kong. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of request for assistance received by the SAR Government from Hong Kong residents in distress outside Hong Kong each year since the reunification of Hong Kong in 1997, with a breakdown in table form by type of requests and the assistance rendered by the authorities;*
- (b) *in the case where a Hong Kong resident unfortunately dies outside Hong Kong, whether the SAR Government has any standing mechanism at present to help the family members make after-death arrangements for the deceased and transfer the body back to Hong Kong; if it has, of the details of the mechanism concerned; if not, the reasons for that; and*

- (c) *whether the authorities had educated members of the public or publicized in the past three years how Hong Kong residents should seek assistance from the SAR Government when they are in distress outside Hong Kong; if so, of the measures concerned; if not, the reasons for that?*

SECRETARY FOR SECURITY (in Chinese): President, our reply to the question is as follows:

- (a) The number of assistance requests received by the Immigration Department (ImmD) from Hong Kong residents outside Hong Kong is at Annex. Having regard to the nature of requests and the volition of the assistance seekers, the HKSAR Government will render assistance, including providing information to these residents and liaising with their family members, facilitating the return of these residents, and so on.
- (b) In the unfortunate event that a Hong Kong resident passes away outside Hong Kong, the Assistance to Hong Kong Residents Unit (AHU) of the ImmD will, at the request of the family members of the deceased, liaise with the local Chinese diplomatic or consular mission to render assistance in obtaining the death certificate and repatriating the remains of the deceased to Hong Kong. In accordance with the information provided by the family members of the deceased, the AHU will liaise with the travel agency or insurance company concerned to render all practicable assistance. Moreover, the AHU will assist the relevant family members to obtain emergency visa to the country to attend to funeral matters, as necessary. If the incident happens in the Mainland, the Office of the Government of the HKSAR in Beijing or the Economic and Trade Office of the Government of the HKSAR in Guangdong will contact directly the relevant authorities in the Mainland and provide assistance to the family members of the deceased.
- (c) The ImmD will make use of every opportunity and different channels to remind Hong Kong residents in distress outside Hong

Kong to call its 24-hour hotline "1868" for assistance. Besides, information about the emergency hotline is printed on the back of each HKSAR passport. We also publicize the hotline through "GovHK" and the websites of the Security Bureau and ImmD. Moreover, posters promulgating the hotline are displayed at various immigration control points as well as branch offices of the ImmD.

Since the HKSAR Government launched the Outbound Travel Alert (OTA) System in October 2009, we have reminded the public, through press releases, to seek assistance by calling the hotline as and when we issue or adjust an OTA. Before the peak of outbound travel each year (such as the Easter or Christmas Holidays), we also remind Hong Kong residents through the media to call the hotline "1868" when distressed outside Hong Kong.

The ImmD launched the Registration of Outbound Travel Information Service in last December for members of the public to register their outbound travel itineraries and contact details through "MyGovHK". Every successful registrant for the service will directly receive relevant information on the "1868" hotline.

Annex

Assistance requests from Hong Kong residents outside Hong Kong
received by the ImmD in the past 10 years

	<i>Loss of travel document</i>	<i>Traffic accident</i>	<i>Hospitalization, sickness or death</i>	<i>Others</i>	<i>Total</i>
2001	246	119	45	624	1 034
2002	301	95	44	554	994
2003	869	31	69	501	1 470
2004	2 729	132	77	2 710	5 648 ⁽¹⁾
2005	2 735	103	79	1 284	4 201 ⁽¹⁾
2006	639	173	130	876	1 818

	<i>Loss of travel document</i>	<i>Traffic accident</i>	<i>Hospitalization, sickness or death</i>	<i>Others</i>	<i>Total</i>
2007	490	61	151	772	1 474
2008	440	91	216	1 568	2 315 ⁽²⁾
2009	551	62	253	653	1 519
2010	765	22	260	1 147	2 194 ⁽³⁾
2011 (January to May)	660	43	66	2 262	3 031 ⁽⁴⁾

Notes:

The main reasons for upsurge in the number of requests for assistance are:

- (1) the incident of tsunami in South Asia in December 2004
- (2) the incident of the closure of the international airport in Bangkok, Thailand
- (3) the incidents of snowstorm in Heathrow airport in London and air traffic disruption due to volcanic eruption in Europe
- (4) the incident of Earthquake and nuclear incident in Japan

Import and Export Declaration Charges and Clothing Industry Training Levy

8. **MR VINCENT FANG** (in Chinese): *President, according to the Import and Export (Registration) Regulations (Cap. 60, sub. leg. E), importers and exporters are required to pay "declaration charges" (Charge) according to statutory rates in respect of the articles they import and export, and if the articles exported are Hong Kong-manufactured clothing and footwear items specified in Schedule 1 to the Industrial Training (Clothing Industry) Ordinance (Cap. 318), exporters are required to pay an additional "clothing industry training levy" (Levy) which will be used by the Clothing Industry Training Authority (CITA) for training purposes. Moreover, the Government reached a new funding arrangement with the Hong Kong Trade Development Council (HKTDC) in 2001, under which, the annual subvention to HKTDC from the year 2002-2003 would be based on 60% of the gross yield from the total "Charges" on imports, domestic exports and re-exports; but it has been learnt that the annual subvention*

allocated by the Government to HKTDC since the implementation of the new arrangement has all along been less than 60% of the gross yield from the total "Charges" received by the Government. In this connection, will the Government inform this Council:

- (a) in each of the past five years, of the total amounts of "Charges" and "Levy" received by the Government and the changes in such amounts, the respective total subventions allocated to HKTDC and CITA from the yields from the two levies, and whether it knows the respective percentages of such subventions in the annual revenues and total expenditures of these two organizations (set out in table form); if such subventions were insufficient to fully cover the operation expenses, of the respective avenues through which these two organizations obtained funds to make up for the shortfall, and whether their development and work had been constrained as they needed to solve the problem of insufficient funds on their own;*
- (b) why the Government does not fully allocate the gross yields from the two levies to these two organizations to fund their operations and developments, so as to assist Hong Kong's import and export enterprises in market expansion, promote its economy and trade, and nurture talents for its clothing industry;*
- (c) of the uses of the balances of the gross yields from the two levies after deducting the subventions to these two organizations in the past five years; whether the Government has planned to use such balances for other activities which promote the development of trade and the clothing industry of Hong Kong; if it has, of the details; if not, the reasons for that;*
- (d) given that there is double levying on Hong Kong-manufactured clothing and footwear items which are subject to both "Charges" and "Levy", whether the Government will consider abolishing either one of the levies; and*
- (e) given that Hong Kong is a duty-free port and the yield from import and export "Charges" is not a major source of government revenue, whether the Government will review the rates of the two levies and*

the need to keep them; whether it will consider lowering the rates of or abolishing such two levies?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, the objectives and operation of Charges and Levy are different. Our response to the questions relating to the Charges and the Levy is as follows:

Charges

Under the Import and Export (Registration) Regulations (Cap. 60, sub. leg. E), a person who imports, exports or re-exports any article other than an exempted article is required to lodge with the Commissioner of Customs and Excise an import or export declaration relating to such article within 14 days and pay the Charges. Currently, the subvention to HKTDC is determined having regard to the Government's financial position, HKTDC's funding requirements, new demands for trade-related services, inflation/deflation situation, and by way of reference to a ceiling set at 60% of the total amount of the Charges received in the preceding year.

The amount of the Charges received by the Government, the change in such amount, the annual subvention to HKTDC as well as such subvention as a percentage of HKTDC's total income and total expenditure in the past five years are listed below:

<i>Financial year</i>	<i>Charges (\$ million)</i>	<i>Change in Charges (compared to the previous year)</i>	<i>Subvention to HKTDC (\$ million)</i>	<i>Subvention to HKTDC as a percentage of HKTDC's total income</i>	<i>Subvention to HKTDC as a percentage to HKTDC's total expenditure</i>
2006-2007	1,161	-	341	17.7%	18.9%
2007-2008	1,279	10.16%	350	17.5%	17.9%
2008-2009	1,263	-1.25%	360	18.2%	19.0%
2009-2010	1,236	-2.14%	371	16.6%	16.9%
2010-2011	1,515	22.57%	375	15.7%	16.4%

In addition to government subvention, HKTDC's income sources include operating income (for example, income from trade promotion activities) and investment income, and so on. With the increase in HKTDC's income sources, government subvention to HKTDC as a percentage of HKTDC's total income has been decreasing accordingly. The HKTDC has adequate resources to carry out its various promotion programmes, including helping Hong Kong companies, especially small and medium enterprises, to develop the Mainland and overseas market as well as promoting Hong Kong's products and services. As a matter of fact, there were surpluses in HKTDC's income and expenditure account in the past years.

All Charges will first be credited to the General Revenue Account. The HKTDC will be allocated subvention through the annual estimates of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau as approved by the Legislative Council. Besides subventing the HKTDC, the Government provides resources for trade promotion and other policy areas, including those given to the Trade and Industry Department, overseas Hong Kong Economic and Trade Offices and Invest Hong Kong, to promote Hong Kong's external commercial relations, attract investment and support small and medium enterprises and industries, and so on. The Government will review the level and arrangement of the Charges as when necessary.

Levy

In accordance with the Industrial Training (Clothing Industry) Ordinance (Cap. 318), the Levy is imposed on exporters based on the Free on Board value of their exported clothing items for the purpose of supporting the operation of the Clothing Industry Training Authority (Authority). The Customs and Excise Department is responsible for collecting the Levy, and surrender the net Levy income to the Authority after deducting the costs of collection and enforcement. The operation of the Authority is supported by income from Levy receipts, course fees and investment return, and so on. The Authority does not receive government subvention.

The amount of the Levy collected, the change in such amount as well as the net Levy income as a percentage of the Authority's total income and expenditure in the past five years are listed below:

<i>Financial year</i>	<i>Levy collected (\$)</i>	<i>Change in Levy collected (compared to the previous year)</i>	<i>Net Levy income as a percentage of the Authority's total income</i>	<i>Net Levy income as a percentage of the Authority's total expenditure</i>
2006-2007	14,004,632	-	34.6%	31.4%
2007-2008	11,631,248	-16.9%	30.0%	30.7%
2008-2009	5,654,053	-51.4%	14.0%	18.2%
2009-2010	1,082,747	-80.9%	3.3%	3.1%
2010-2011	1,008,176	-6.9%	3.4%	4.2%

Note:

The net Levy income is derived by deducting the costs of collection and enforcement from the amount of Levy collected.

The Authority plays a pivotal role in providing training courses for the clothing industry, establishing and maintaining industrial training centres for these courses, and assisting in the placement of persons completing training courses. The Levy is an established income source of the Authority. The Government considers it appropriate to continue to collect the Levy at this stage, and will review as when necessary.

Probationary Driving Licence Scheme

9. **MR JEFFREY LAM** (in Chinese): *President, since February 2009, the Probationary Driving Licence Scheme (P Licence Scheme) has been extended from motor cycles and motor tricycles to private cars and light goods vehicles (LGVs). Any person who applies to take and obtains a pass in a private car or LGV driving test is required to apply for a probationary driving licence (P Licence) first and is subject to a number of additional driving restrictions. In this connection, will the Government inform this Council:*

- (a) *since February 2009, of the numbers of holders of P Licence for private cars and LGVs prosecuted each year for not displaying a "P" plate on their vehicles, and speeding offences (which includes driving at a speed in excess of 70 km per hour on roads with speed limit above 70 km per hour), as well as driving on the offside lane of expressways where there are three or more traffic lanes;*

- (b) *of the changes in the numbers of traffic accidents which involved holders of P Licence for private cars and LGVs each year since the Scheme was extended to these two types of vehicles in 2009, and how such numbers compared to the numbers of traffic accidents which involved persons who had obtained a driving licence for these two types of vehicles respectively for less than one year in 2007 and 2008; and*
- (c) *of the effectiveness of the P Licence Scheme for private cars, LGVs and motor cycles since its implementation as assessed by the authorities; whether the authorities have planned to conduct a review; if they have, when they will conduct the review; whether they have planned to make any amendment to the Scheme; if they have, the direction of and the timetable for amendment?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, our reply to the various parts of the question is as follows:

- (a) The figures provided by the police on prosecution of holders of P Licence for private cars or LGVs for not displaying a "P" plate on their vehicles, speeding and driving on the offside lane of expressways with three or more traffic lanes from February 2009 to April 2011 are set out at Annex I.
- (b) Since the extension of the P Licence Scheme to private cars and LGVs in February 2009, the numbers of drivers holding P licence for both types of vehicles involved in traffic accidents have become smaller than the numbers of private car and LGV drivers who had obtained a driving licence for less than one year and were involved in traffic accidents in 2007 and 2008. Detailed figures are set out at Annex II.
- (c) The objective of the P Licence Scheme is to allow inexperienced drivers to accumulate more on-road driving experience. The P Licence Scheme for motorcyclists was introduced in October 2000. The accident involvement rate of novice motorcyclists has dropped since then. From 1996 to 2000, before the Scheme was introduced, the average annual accident involvement rate of novice

motorcyclists who had held a driving licence for less than one year was 72 per 1 000 licensed holders. From 2001 to 2010, following the commencement of the Scheme, the rate dropped to 57. This indicates that the P Licence Scheme has helped reduce accidents involving novice motorcyclists.

Since 9 February 2009, the P Licence Scheme has been extended to private cars and LGVs. From 2007 to 2008, before the Scheme was extended, the average annual accident involvement rates of novice private car and LGV drivers holding a driving licence for less than one year were five and three per 1 000 licensed holders respectively. From February 2009 to end 2010, following the extension of the Scheme, the rates dropped to four and one respectively. This indicates that the Scheme is beginning to take effect in reducing accidents involving novice private car and LGV drivers.

Since the P Licence Scheme has been implemented for just over two years, we need to allow a longer period and collect more data before more detailed analysis on the effectiveness of the Scheme could be made. We will continue to monitor the involvement of P Licence holders in traffic accidents and review the Scheme in a timely manner.

Annex I

Numbers of prosecutions against holders of P Licence
for private cars or LGVs from February 2009 to April 2011

<i>Offences</i>	<i>2009 (February to December)</i>		<i>2010 (January to December)</i>		<i>2011 (January to April)</i>	
	<i>Private Cars</i>	<i>LGVs</i>	<i>Private Cars</i>	<i>LGVs</i>	<i>Private Cars</i>	<i>LGVs</i>
Failure to display a "P" plate on their vehicles	49	6	297	56	127	30
Speeding	16	0	93	13	35	6
Driving on the offside lane of expressways	14	1	120	20	58	10
Total	79	7	510	89	220	46

Annex II

Numbers of private car or LGV drivers
who had obtained a driving licence for less than one year
and were involved in traffic accidents in 2007 and 2008

Year	<i>Numbers of drivers who had obtained a driving licence for less than one year involved in traffic accidents</i>		
	<i>Private Cars</i>	<i>LGVs</i>	<i>Total</i>
2007	367	126	493
2008	321	90	411

Numbers of private car or LGV drivers
who had obtained a P Licence
and were involved in traffic accidents in 2009 and 2010

Year	<i>Numbers of drivers who had obtained a P Licence involved in traffic accidents</i>		
	<i>Private Cars</i>	<i>LGVs</i>	<i>Total</i>
2009	42	6	48
2010	184	42	226

Assessments of Rateable Values

10. **MS AUDREY EU** (in Chinese): *President, recently, quite a number of members of the public have relayed to me that the rateable values of different types of buildings for the financial year 2011-2012 have increased substantially as compared with those for the previous year. In this connection, will the Government inform this Council:*

- (a) *of the year-on-year increases in the rateable values of domestic premises, offices, retail premises and factory premises in each district for the past three years;*

- (b) *of the number of rateable tenements in each district which are subject to rates of an amount less than \$6,000 for 2010-2011 but more than \$6,000 for 2011-2012;*
- (c) *whether the authorities considered raising the maximum amount of rates to be waived in response to the increase in rateable values when setting the ceiling on the waiver of rates for 2011-2012;*
- (d) *of the total number of cases of requests for review of rateable values received by the authorities in the past three years, and the number of those which succeeded in obtaining a review; and*
- (e) *whether the authorities have looked into the main causes of the errors found in the original assessments in those cases which succeeded in obtaining a review?*

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

- (a) In the past three years, the increases or decreases in rateable values of all domestic premises, offices, shops and commercial premises as well as industrial premises in Hong Kong are as follows:

<i>District</i>	<i>Average Increase/Decrease in 2009-2010 Rateable Value (%)</i>	<i>Average Increase/Decrease in 2010-2011 Rateable Value (%)</i>	<i>Average Increase/Decrease in 2011-2012 Rateable Value (%)</i>
Private Domestic Properties			
Hong Kong	+0.7	-0.1	+14.1
Kowloon	+0.4	+3.5	+14.1
New Territories	-4.1	+6.2	+14.8
Total	-1.1	+3.0	+14.3
Public Domestic Housing^{Note}			
Hong Kong	-2.4	+3.3	+14.2
Kowloon	-1.2	+3.9	+9.8
New Territories	-4.1	+5.6	+12.1
Total	-2.9	+4.6	+11.4

<i>District</i>	<i>Average Increase/Decrease in 2009-2010 Rateable Value (%)</i>	<i>Average Increase/Decrease in 2010-2011 Rateable Value (%)</i>	<i>Average Increase/Decrease in 2011-2012 Rateable Value (%)</i>
Offices			
Hong Kong	+2.2	-2.6	+6.7
Kowloon	-0.9	-2.0	+6.0
New Territories	+1.4	+0.1	+8.5
Total	+1.5	-2.4	+6.6
Shops and Commercial Properties			
Hong Kong	+1.3	+3.9	+3.1
Kowloon	+0.5	+1.5	+6.3
New Territories	-2.1	+3.4	+6.4
Total	+0.1	+2.7	+5.3
Industrial Properties			
Hong Kong	+2.6	+2.8	+7.9
Kowloon	+0.5	+0.2	+6.6
New Territories	-1.2	+3.1	+7.6
Total	-0.1	+2.0	+7.3

Note: Public Domestic Housing includes public rental housing and Home Ownership Scheme/Tenant Purchase Scheme/Private Sector Participation Scheme/Sandwich Class Scheme flats.

- (b) The number of assessments with rates payable less than \$6,000 in 2010-2011 but more than \$6,000 in 2011-2012 is as follows:

<i>District</i>	<i>Number of Assessments</i>
Hong Kong	34 417
Kowloon	31 517
New Territories	43 161
Total	109 095

- (c) When considering the rates concession for 2011-2012, the Government has taken into account a number of factors, including the overall economic conditions, the affordability of the public, the Government's financial position and the changes of rateable values. The current rates concession with a cap of \$1,500 per quarter per tenement renders 82% of rates payers exempt from rates payment

this year. As regards the remaining 18% of rates payers, they could also benefit from the concession of \$1,500 per quarter in full.

(d) and (e)

In the past three years, the number of objections to the new rateable values following revaluation and the number of objections ended up with rateable values altered after review are as follows:

<i>Assessment Year</i>	<i>Number of Objections to the new Rateable Values following Revaluation</i>	<i>Number of Objections ended up with Rateable Values altered after Review</i>
2008-2009	38 735	2 328
2009-2010	51 500	2 202
2010-2011	52 504	2 426

After review of the cases, the Rating and Valuation Department has made changes to rateable values mainly due to alteration in ancillary accommodation and facilities of the properties, changes in use of individual properties, changes in the nearby environment of the properties, or availability of updated rental analyses necessitating revision in the rateable values of the properties.

Regulation of Outbound Tour Escorts and Tourist Guides

11. **MR IP WAI-MING** (in Chinese): *President, according to the information of the Travel Industry Council of Hong Kong (TIC), there are nearly 19 200 accredited outbound tour escorts and nearly 6 200 accredited tourist guides in Hong Kong at present. Regarding the regulation of outbound tour escorts and tourist guides, will the Government inform this Council:*

- (a) *whether it knows, as at the first quarter of this year, if such batch of tour escorts and tourist guides included persons holding both the Tour Escort Pass (TEP) and the Tourist Guide Pass (TGP) at the same time; if so, of the number of such persons concerned;*

- (b) *whether it knows the number of tour escorts and tourist guides who were "disqualified" (that is, their TEPs or TGPs were revoked) in the past three years and the reasons for their disqualification, and the number of tour escorts and tourist guides who did not apply for or were not granted renewal of their passes, and the respective reasons concerned;*
- (c) *whether the authorities regularly review if the TIC-approved courses such as the Pre-service Tourist Guide Training Course, the Certificate Course for Outbound Tour Escorts and the Skills Upgrading Scheme Tour Guide Training Course, and so on, offered by various training institutions can meet the requirements of the TIC on such courses and under the respective accreditation systems for outbound tour escorts and tourist guides; if they do, of the details; if not, the reasons for that; and*
- (d) *whether the authorities will consider putting the existing Outbound Tour Escort Accreditation System and Tourist Guide Accreditation System within the purview of the Commissioner for Tourism (the Commissioner) and designating the Commissioner to be responsible for regulating tour escorts and tourist guides; if they will, of the details; if not, the reasons for that?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, the TIC is responsible for trade self-regulation under the existing regulatory regime for the tourism sector. The TIC first introduced the Outbound Tour Escort Accreditation System in 1999, to assist travel agents to enhance their service standard, and encourage tour escorts and tourist guides to uplift their professional skills and conduct. In order to obtain the TEP, applicants must have met the specified qualification requirements, completed the TIC's Certificate Course for Outbound Tour Escorts and passed the relevant examination. The TIC further introduced the Tourist Guide Accreditation System in 2004, which provides that applicants for the TGP must have met the specified qualification requirements, completed the tourist guide training courses recognized by the TIC (such as the Pre-service Tourist Guide Training Course or training courses under the "Skills Upgrading Scheme for the Travel Industry") and passed the relevant examination before they could obtain the TGP.

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

- (a) As at the first quarter of this year (that is, 31 March 2011), there are 20 291 and 6 342 persons holding TEPs and TGPs issued by the TIC. Among them, 3 311 persons hold both TEPs and TGPs.
- (b) Over the past three years (that is, from 1 April 2008 to 31 March 2011), one tour escort's TEP was revoked, six tour escorts' TEPs were suspended, and 15 tourist guides' TGPs were suspended for seriously breaching the TIC's codes of conduct or directives, or committing serious criminal offences, and so on. There was no TGP revocation in the past three years. Moreover, 8 235 tour escorts and 2 120 tourist guides did not renew their passes, for reasons not known to the TIC. Furthermore, six tour escorts' and two tourist guides' applications for pass renewal were refused. The reasons for refusal included the applicant submitted renewal applications after the specified period but was unwilling to take the accreditation examination, or the applicant was convicted of criminal offence and subjected to a bind-over order.
- (c) The Training Committee under the TIC is responsible for all training matters, including examining the training needs of the sector; designing, reviewing and updating course contents; and determining entry requirements for trainees and qualification requirements for instructors. In addition to members from the tourism sector, the Training Committee also comprises representatives of training and academic institutions.

The Certificate Course for Outbound Tour Escorts is organized by the TIC. The TIC's Executive Office reports regularly to the Training Committee on the administration of the training courses and results of trainees' opinion surveys. It also liaises with the instructors to review the course contents and teaching methods. The Training Committee discusses the syllabus and entry requirements of training courses from time to time, in response to the needs of the sector and travellers, to ensure the courses could keep pace with trade developments and practitioners' needs. In addition, the TIC set up a Working Group in July 2010 to review the

Outbound Tour Escort Accreditation System, including the certificate course for tour escorts and other related matters.

The Pre-service Tourist Guide Training Course for non-trade trainees, is organized by TIC-recognized institutions. The recognized institutions are required to prepare their training manuals in accordance with the course framework specified by the TIC and submit them to the TIC for consideration. The Training Committee has a mechanism to monitor course quality, which includes opinion surveys of trainees and unannounced class inspection and assessment by Committee members.

The TIC implemented the Tourist Guide Accreditation System in 2004. To cater for the demands of the industry, the Government has also organized tourist guide training courses under its "Skills Upgrading Scheme". The Employees Retraining Board has taken over the organization of such courses under its "Skills Upgrading Scheme Plus" on 1 April 2011. These courses are also recognized by the TIC. The responsible institutions ensure the quality and effectiveness of the courses through class inspection, opinion survey of trainees and feedbacks from consultative networks with the industry. The TIC's Executive Director has been participating actively in the respective consultative networks and discussions on training strategies, contributing to the development of the training courses.

- (d) The regulatory framework of the tourism sector in Hong Kong has evolved over the years in tandem with market development, mode of trade operation and needs of the community at different stages. These changes were implemented after consultation and discussion within the community and the trade. We have published, on 29 April this year, a consultation paper to consult the trade (including front-line practitioners) and the public on the review of the operation and regulatory framework of the tourism sector in Hong Kong. The objective is to set the direction for sustainable and healthy development of Hong Kong's tourism sector. The regulation of tourist guides and tour escorts falls within the scope of this review. For example, one area for consideration is whether a

licensing system for tourist guides should be introduced. We will draw up substantive reform proposals taking into account the views received in the consultation.

Air Quality in Hong Kong

12. **MR LEE WING-TAT** (in Chinese): *President, regarding the air quality and air quality objectives (AQOs) of Hong Kong, will the Government inform this Council:*

- (a) *given that according to the 2010 Environmental Performance Report of the Environment Bureau and the Environmental Protection Department (EPD), the 2010 targets included: to "finalize the proposed new Air Quality Objectives and the long-term air quality management strategy" and "submit the final set of recommendations for consideration to the Legislative Council", of the reasons why the EPD failed to achieve the aforesaid two targets within 2010;*
- (b) *given that some environmental groups consider that the statistics of Air Pollution Index (API) of each month broken down by number of hours which are compiled by the EPD cannot clearly indicate the situation of air pollution in Hong Kong, and they instead recommend compiling statistics on the number of days on which API exceeds the prescribed standards in each month for indicative purpose, or on whether the average daily API for that month has exceeded such standards, so as to enable the public to better understand the actual situation of air pollution, whether the Government will consider such recommendations; and based on the data recorded in the past three years and using such recommended methods of compilation, of the statistical outcome for each of the past three years;*
- (c) *given that an environmental group analysed and compared the data collected from 11 general air monitoring stations in Hong Kong and found that the Sham Shui Po District has the worst air quality, whether the Government had conducted similar analyses and comparisons in the past five years; if it had, of the details; if not, the reasons for that; whether it had introduced any targeted measure to*

improve air quality in districts with poorer air quality, such as Sham Shui Po and Kwai Chung, and so on; if it had, of the details of the efforts made in various districts each year;

- (d) as it has been reported that the diesel particulate filters and diesel oxidation catalysts (DOC) which were installed in vehicles with government subsidies using public money will increase primary nitrogen dioxide (NO₂) emissions from vehicles, whether it knows, when taking forward the subsidy scheme, that such devices would increase NO₂ emissions; if so, of the increase in the quantity of NO₂ and other air pollutants thus caused and the impact on public health, and whether it has made public such information;*
- (e) given that in the 2010-2011 Policy Address, the Government indicated that it would collaborate with franchised bus companies to conduct a trial on retrofitting Euro II and Euro III buses with catalytic reduction devices, and subject to satisfactory trial results, the Government would fully fund the retrofit of the devices on Euro II and Euro III buses on a full scale, of the amount of fund required, the timetable and other details (for example, the origin and service life, and so on, of the catalytic reduction devices) for retrofitting the devices on a full scale; whether it knows if the catalytic reduction devices will increase the emissions of other air pollutants; if it knows, of the details, and the Government's counter measures if the emissions of other air pollutants will be increased; and*
- (f) given that in reply to a question of a Member of this Council on 16 March this year, the Secretary for the Environment indicated that "the Government needs to analyse in detail the different views collected and assess their impacts on the relevant policy issues in order to fully consider and co-ordinate the implementation of the recommended measures", and in reply to a question of a Member at the Question and Answer Session of this Council on 19 May 2011, the Chief Executive indicated that announcement on AQOs will be made within this year, of the current progress of the efforts with respect to opinion analysis, impact assessment and consultation with different stakeholders, and so on?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President,

- (a) Taking effective air quality improvement measures to reduce the emission of air pollutants is necessary to improve air quality. In updating the AQOs, we need to formulate additional air quality improvement measures for achieving the proposed new AQOs. The two are closely connected and equally important as part of the air quality management strategy.

The proposed air quality improvement measures encompass a wide range of issues and cut across a number of policy areas. Many of them are controversial and complicated. These include, for instance, updating the fuel mix for the power sector, rationalizing bus routes, setting up low emission zones, and so on. The public are also concerned that some air quality improvement measures would increase their financial burden such as causing electricity tariffs, bus fares and operating costs of the business sector to increase. The Government needs to analyse in detail the different views collected and assess their implications for the relevant policies in order to fully consider and co-ordinate the implementation of the recommended measures. When the work is completed, we will submit the finalized recommendations to the Legislative Council for deliberation.

- (b) To provide the public with updated air quality information as soon as possible, the EPD releases hourly the latest APIs of every air monitoring station. This is also a common international practice. Therefore, the EPD provides in its "Air Pollution Index Monthly Summary (the Summary)" the hourly statistics at different pollution levels in the month. This approach gives more details than the suggestions — "compiling statistics on the number of days on which API exceeds the prescribed standards in the month, or on whether the average daily API for that month has exceeded such standards". In the Summary, the public can also understand the distribution of different levels of pollution recorded for each monitoring station in the month. If we adopt "the number of days on which API exceeds the prescribed standards in the month", the public will not know the actual exceedance because each "exceedance day" can be caused by one or more hours exceeding the limit. If we use "the number of

days in a month that the average daily API has exceeded the standards", the Summary cannot provide comprehensive data accurately reflecting low and high air pollution. As such, we consider there is insufficient scientific justification for adopting the two suggestions for compiling the Summary statistics.

- (c) Over the past five years from 2006 to 2010, the concentrations of sulphur dioxide (SO₂) and respirable suspended particulate (RSP) recorded at the Sham Shui Po general air quality monitoring station dropped by 10 µg/m³ and 7 µg/m³, representing a reduction of 42% and 13% respectively. The annual averages of NO₂ and ozone (O₃) increased slightly by 2 µg/m³ and 3 µg/m³ respectively. The situation was similar to that in urban areas from Tsuen Wan to Kowloon Peninsula (including Tsuen Wan, Kwai Chung and Kwun Tong). Please refer to the table below for details:

<i>Annual averages of pollutants from 2006 to 2010 (µg/m³)</i>						
<i>Pollutants</i>	<i>Monitoring station(s)</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
RSP	Sham Shui Po	55	57	53	47	48
	urban areas from Tsuen Wan to Kowloon Peninsula [#]	57	57	51	48	46
NO ₂	Sham Shui Po	67	69	69	65	69
	urban areas from Tsuen Wan to Kowloon Peninsula [#]	61	63	63	61	62
SO ₂	Sham Shui Po	24	20	20	16	14
	urban areas from Tsuen Wan to Kowloon Peninsula [#]	25	25	24	16	15
O ₃	Sham Shui Po	25	27	27	30	29
	urban areas from Tsuen Wan to Kowloon Peninsula [#]	25	29	32	34	30

Note:

Including air quality monitoring stations of Tsuen Wan, Kwai Chung and Kwun Tong

Air pollution in different districts in Hong Kong is caused by common air pollutant emission sources such as power plants, vehicles, and so on. Therefore, the Government has been implementing territory-wide measures to cut down local emissions as well as joining hands with the Guangdong Provincial Government to reduce emissions from the Pearl River Delta Region so as to improve air quality in all districts, including Sham Shui Po and Kwai Chung. We implemented the following key measures in the past five years to reduce local emissions:

- (i) imposed emission caps on power plants since August 2005. We have recently further tightened the emission caps of the power plants by about 34% to 50%, as compared with the 2010 level. The new caps will start from 2015 and their compliance requires maximizing the utilization of existing natural gas-fired generation equipment, and prioritizing the use of coal-fired generation units that have been retrofitted with additional emission control equipment;
- (ii) introduced Euro IV vehicle emission standards to newly registered vehicles from January 2006 in tandem with the European Union;
- (iii) implemented between 1 April 2007 to 31 March 2010 a grant to encourage the early replacement of pre-Euro and Euro I diesel commercial vehicles;
- (iv) introduced on 1 April 2007 a first registration tax concession scheme for environment-friendly petrol private cars, and introduced in April 2008 a similar scheme for environment-friendly commercial vehicles;
- (v) mandated the use of ultra-low sulphur diesel for industrial and commercial processes from October 2008;
- (vi) amended the Air Pollution Control (Volatile Organic Compounds) Regulation in October 2009 to cover adhesives, sealants, vehicle refinishing paints, marine vessel paints,

pleasure craft paints, and so on, so as to limit their volatile organic compounds contents in phases from January 2010;

- (vii) mandated motor vehicle fuels to comply with Euro V standard from 1 July 2010; and
 - (viii) introduced on 1 July 2010 a 36-month one-off grant to encourage the early replacement of Euro II diesel commercial vehicles with new commercial vehicles.
- (d) Roadside air pollution problem is mainly caused by RSP and NO₂, both of which have adverse impacts on health. RSP mainly comes from diesel vehicles and much of the RSP are fine particulates (that is, PM_{2.5}). To minimize the adverse impacts of these particulates on public health, the Government, making reference to the successful experiences of technologically advanced places such as the European Union and the United States, funded the retrofit of pre-Euro diesel commercial vehicles with DOC.

Roadside NO₂ is mainly formed by further photochemical oxidation of nitric oxide (NO) emitted by vehicles in the presence of volatile organic compounds and O₃. When implementing the subsidy programme for installing DOC for pre-Euro diesel commercial vehicles, we appointed an expert team that comprised local and international experts to advise us on the programme. As for the potential increase in the emission of NO₂ by DOC, they recommended to stipulate in the technical specifications that the DOC should not increase vehicle emissions of nitrogen oxides (NO_x) (including NO and NO₂) and other air pollutants (including carbon monoxide (CO) and hydrocarbons (HC)), thereby reducing the impacts to other roadside pollutants (including NO₂). This recommendation was consistent with the common practice adopted by the major vehicle manufacturing economies (including the European Union, the United States and Japan), that is, reducing NO_x emissions from vehicles as a means to reduce roadside NO₂ pollution.

Under the above retrofit programme, test reports submitted by the DOC manufacturer and audited by the aforementioned expert team, DOC could reduce particulate emissions by about 35% without affecting the NO_x emissions. It could also reduce the CO and HC emissions by about 40% while reduction of HC emission could correspondingly reduce the oxidation of NO to NO₂ and the emission of carcinogenic substances in the HC to the atmosphere. When briefing the Legislative Council about the effectiveness of retrofitting DOC to pre-Euro diesel commercial vehicles, we had provided the above emission data.

- (e) Selective catalytic reduction devices (SCRs) are well proven to be effective in reducing the emission of NO_x (including NO and NO₂). They have been applied to Euro IV and Euro V diesel commercial vehicles (including buses). Based on our understanding, SCRs will continue to be a key NO_x emission reduction device for Euro VI diesel commercial vehicles. As long as their design is in good order, SCRs will not increase the emission of other air pollutants from the vehicles.

We are now making preparation with the franchised bus companies to launch a trial of retrofitting Euro II and Euro III buses with SCRs. We anticipate that the trial could commence in the third quarter of this year. We will review the initial results after the first six months of the trial to understand as soon as possible the feasibility of retrofitting Euro II and Euro III buses with SCRs on a large scale. Subject to satisfactory trial results, we will discuss with the franchised bus companies the details of the SCR retrofit programme, including the timetable, type and quantity of buses, and specifications of the SCRs, and so on.

Regarding the cost of the retrofit, according to the preliminary information provided by suppliers, the cost of a large-scale retrofit of SCRs to Euro II and Euro III franchised buses is about \$150,000 per bus. The actual cost of the retrofit will depend on the complexity of the retrofit, exchange rate and the trial results.

- (f) The Chief Executive explained at the Question and Answer Session on 19 May 2011 that the new AQOs would be put forward in this year for deliberation by Members. After completing the proposal, we shall consult the Panel on Environmental Affairs of this Council.

Consumer Complaints Relating to Electrical Appliances

13. **MR ALBERT CHAN** (in Chinese): *President, I have recently received complaints from quite a number of members of the public that when the electrical appliances they bought from retail shops were delivered to their homes for installation by the relevant agents or manufacturers, they found that the goods delivered to them did not meet the descriptions, were very old and of poor quality, and when such electrical appliances broke down and they asked the agents or manufacturers for replacement, their requests were stalled or even refused, causing them to suffer losses. In this connection, will the Government inform this Council whether it knows:*

- (a) *the number of complaints, broken down by reason of dissatisfaction, received by the Consumer Council (CC) concerning dissatisfaction over electrical appliances supplied by agents or manufacturers in each of the past three years and the names of the agents or manufacturers involved; among them, the name of the agent or manufacturer involved in the highest number of cases;*
- (b) *among the complaint cases in part (a), the number of cases which had been successfully handled; among them, the number of cases in which the agents or manufacturers of electrical appliances were willing to replace the goods; and*
- (c) *regarding the cases which could not be successfully handled, whether the CC has any measure to assist those members of the public whose interests have been undermined; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President,

- (a) The following table sets out the number and nature of complaints relating to electrical appliances supplied by traders that were received by the CC in the past three years:

	2008	2009	2010	<i>From January to April 2011</i>
Goods delivered suspected to be second-hand or are of poor quality	18	12	12	2
Sales practices	352	499	131	31
Quality of installation	37	34	37	2
Delivery arrangements	94	58	75	29
Price	42	74	35	16
Quality of goods	796	890	777	166
Maintenance services	607	454	546	101
Product safety	50	53	32	10
Others	390	186	105	39
Total	2 386	2 260	1 750	396

For complaints lodged by consumers to the CC, some may involve poor quality of the goods or services in question, some may arise from misunderstanding or are simply trade disputes, and some may not have sufficient grounds. In addition, as big businesses have higher transaction volume, there may be relatively more complaints. In the light of the above considerations, the number of complaints itself does not necessarily indicate how good or bad a trader's trade practices are. We have hence not set out in the reply the names of the traders involved or that of the trader involved in the most complaints, in order not to mislead readers.

- (b) Of the cases referred to above, the number of cases which mediation was successful is set out below:

	2008	2009	2010	<i>From January to April 2011</i>
Mediation successful	1 295	1 139	1 140	192

Mediation was successful (including replacement of goods) in most of the complaint cases relating to suspected delivery of second-hand goods or goods of poor quality. The relevant figures are as follows:

	2008	2009	2010	<i>From January to April 2011</i>
Mediation successful	16	5	8	1

- (c) Depending on the facts of the cases, consumers may seek assistance under the Consumer Legal Action Fund if mediation of their complaint cases through the CC was not successful. Serving to protect public interests, the Fund seeks to facilitate consumers to take legal actions in cases involving significant consumer interests through providing financial assistance and legal support.

Separately, the CC refers to the Customs and Excise Department cases involving suspected application of false trade descriptions to goods. The Department will follow up on these cases in accordance with the provisions on false trade descriptions in the Trade Descriptions Ordinance.

Public Consultation on Construction of Third Runway

14. **MR FREDERICK FUNG** (in Chinese): *President, the Airport Authority Hong Kong (AA) has launched a public consultation on the Hong Kong International Airport Master Plan 2030 (the Master Plan 2030), which covers the feasibility of constructing the third runway. In this connection, will the Government inform this Council:*

- (a) *of the authorities' preliminary analysis and conclusion of the construction of the third runway proposed by the AA; the expected timetable from conducting overall consultation to deciding on the construction, obtaining the funding, carrying out environmental impact assessment studies and finally commencing the works and commissioning of the runway; as well as the authorities' initial proposed financial arrangements for the construction of the third*

runway;

- (b) *given that there are divergent views in the community on the construction of the third runway (which include the views that there is an urgent need to construct the third runway to address the situation of the existing airport reaching saturation before 2020 and to enhance its competitiveness to meet the challenges posed by the expanding airports in the neighbourhood; in terms of technology and routing, and so on, there are however doubts about the actual value of the third runway; or there are views that the construction of the new runway will not only bring serious aircraft noise nuisance but will also necessitate reclamation of more than 100 hectares of land, which will seriously upset the marine ecosystem; as well as the view that the completion of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) and the Hong Kong-Shenzhen airports rail link will lessen the demand for flights, and so on), how the authorities ensure that the AA will adequately expound the various views during public consultation so that the public would understand the views; how the AA encompasses the diverse views raised during the consultation process and proposes mitigation measures to reduce the adverse effects of the projects, thereby making a final decision in a fair and just manner after taking into consideration the different views; and*
- (c) *given the earlier controversy over the construction of XRL and the challenge of the recent judicial review in relation to the Hong Kong-Zhuhai-Macao Bridge, how the authorities step up its communication and consultation on the construction of the third runway with the stakeholders who are directly affected; and avoid possible legal challenges which may arise from errors, slippages and faults in the statutory procedures?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President,

- (a) On 2 June 2011, the AA released the Master Plan 2030 which puts forward two development options for public consultation. The three-month consultation will last from 3 June 2011 to 2 September

2011.

The Master Plan 2030 puts forward two different options for airport development. The first option is to maintain the existing two-runway system. The practical maximum capacity of the airport can reach 420 000 flight movements per year, accommodating 74 million passengers and 6 million tonnes of cargo a year. The estimated total cost is about \$23.4 billion (in 2010 dollars) or \$42.5 billion (at money-of-the-day prices). This option can increase the direct employment on the airport island to 101 000 jobs (62 000 jobs in 2008). The economic net present value over a 50-year life span of the infrastructure (up to 2061) is estimated to be \$432 billion. This option can only meet our short to medium term air traffic demand.

The second option is to expand into a three-runway system. The practical maximum capacity of the airport can reach 620 000 flight movements per year, accommodating about 97 million passengers and 8.9 million tonnes of cargo a year. The estimated total cost is about \$86.2 billion (in 2010 dollars) or \$136.2 billion (at money-of-the-day prices). This option will increase the direct employment on the airport island to 141 000 jobs. The economic net present value over a 50-year life span of the infrastructure (up to 2061) is estimated to be \$912 billion. This option can meet our long-term needs and fully leverage the airport's connectivity to take Hong Kong's economic development to the next level.

The Government supports the AA's initiative to consult the public on the future development of the airport, and hope that the public consultation will bring about an informed consensus in the community on the broad direction of the future development of the airport. At present, the Government and the AA have yet to commit to either option.

We expect to receive a recommendation on the way forward from the AA by the end of the year after the completion of the public consultation. The Government will carefully consider the recommendation, with a view to deciding on the next stage of work.

This includes making an in-principle decision on the strategic direction of future airport developments, exploring the funding arrangements and pursuing detailed engineering design and statutory environmental impact assessment.

- (b) The AA will engage the public and relevant stakeholders through various means during the consultation. This includes briefing the Legislative Council and District Councils, holding roving exhibitions and public forums, and organizing seminars and meetings with different organizations and professional bodies. The public can visit the AA's dedicated website <www.hkairport2030.com> for details of the Master Plan 2030 and related information and express their views on the future development of the airport by attending the public forums, returning questionnaires and calling the hotline. Moreover, the AA has appointed the Social Sciences Research Centre of the University of Hong Kong to collect and compile the views from the public independently.
- (c) In taking forward the next stage of work, the Government and the AA will liaise with the stakeholders and carry out appropriate consultation.

Monitoring Performance of Railways

15. **MR WONG SING-CHI** (in Chinese): *President, regarding the railway service and incidents of the MTR Corporation Limited (MTRCL), will the Government inform this Council:*

- (a) *whether it knows the respective average daily patronage, average peak hour patronage and occupancy rate, as well as average off-peak patronage and occupancy rate on the various railway alignments in each year since 2005, with a breakdown by year;*
- (b) *whether it knows the respective numbers of incidents of service being delayed for more than eight minutes, 30 minutes and one hour on various railway alignments since 2010, as well as the numbers of passengers affected, with a breakdown by cause of the incidents of delay in service for over eight minutes to 30 minutes, over 30*

minutes to one hour, and over one hour respectively, set out in a table;

- (c) *whether it knows the details of the incidents in part (a) (set out in the table below);*

<i>Date of incident</i>	<i>Time of incident</i>	<i>Line affected</i>	<i>Cause of incident and investigation findings</i>	<i>Remedial actions and improvement measures taken</i>	<i>Duration of service delay (minute)</i>

- (d) *whether the authorities had examined in the past three years the establishment of a penalty and compensation mechanism in respect of railway incidents, for example, stopping payment of bonuses to the Chief Executive Officer and relevant staff at managerial level of MTRCL, as well as providing compensation to the passengers affected by the incidents; if yes, of the details; if not, the reasons for that; and*
- (e) *given that in reply to the question of a Member of this Council on 2 June 2010, the Secretary for Transport and Housing stated that "[s]ince the rail merger, the MTRCL has invested \$4 billion each year in the maintenance, repair and renewal of its railway assets in order to maintain high quality railway services and enhance service performance", whether it knows, in each year since 2005:*
- (i) *details of MTRCL's work in areas such as maintenance of service quality, enhancement of service performance, as well as maintenance, repair and renewal of its railway assets, and the respective percentages of the expenditure incurred in the aforesaid expenditure of \$4 billion, with a breakdown by year; and*
- (ii) *the respective allocation of resources such as manpower and time by the MTRCL for the aforesaid jobs, with a breakdown by year?*

- (a) From 2005 to 2010, the daily average patronage and loading rate of different railway lines of the MTRCL is set out at Annex 1.
- (b) Since the Rail Merger on 2 December 2007, the performance of MTR train service has remained very satisfactory, with 99.9% of passengers reaching their destinations within five minutes of their scheduled arrival times.

According to the information provided by the MTRCL, from 2010 to first quarter of 2011, the total number of MTR railway incidents with delays of eight minutes to 30 minutes, more than 30 minutes to one hour, and over one hour is set out in the following tables. The MTRCL takes each and every incident causing delay seriously. All incidents are investigated with a view to enhancing improvements in passenger service and reliability of train service.

<i>Delays of eight minutes to 30 minutes</i>		
<i>Causes/Year</i>	<i>2010 (Number of cases)</i>	<i>First quarter of 2011 (Number of cases)</i>
Equipment Failure	138	39
Human Factor	20	8
Passenger Behaviour and External Event	94	35
Total	252	82

<i>Delays of more than 30 minutes to one hour</i>		
<i>Causes/Year</i>	<i>2010 (Number of cases)</i>	<i>First quarter of 2011 (Number of cases)</i>
Equipment Failure	3	1
Human Factor	1	1
Passenger Behaviour and External Event	8	1
Total	12	3

<i>Delays of over one hour</i>

<i>Causes/Year</i>	<i>2010 (Number of cases)</i>	<i>First quarter of 2011 (Number of cases)</i>
Equipment Failure	2	1
Human Factor	0	0
Passenger Behaviour and External Event	1	0
Total	3	1

- (c) From 2010 to the first quarter of 2011, a list of each MTR railway incidents with delays of eight minutes is set out in Annex 2.
- (d) The MTRCL has an established mechanism to formulate its remuneration policy as well as the remuneration of its directors and senior management. The MTRCL's remuneration policy aims to ensure that the remuneration level is appropriate and consistent with the established goals and business performance. Therefore, the MTRCL will consider a number of factors, including the overall performance of the Corporation, personal responsibilities, job scope and performance, market practice and remuneration offered by similar companies, and so on.

A Remuneration Committee has been set up under the Board of MTRCL. The Remuneration Committee is responsible for scrutinizing the remuneration policy and making recommendations to the Board. It is also authorized to review and determine the remuneration packages of the Chief Executive Officer and other members of the Executive Directorate.

- (e) According to the information provided by the MTRCL, since the rail merger (that is, from 2008 to 2010), the MTRCL has invested \$4 billion each year in the maintenance, repair and renewal of railway assets in order to maintain high quality railway service and enhance facility performance. From 2008 to 2010, the allocation of the investment and the human resources deployed are set out as follows:

<i>Category</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
Maintenance of service quality (including	3.117	3.103	3.326

<i>Category</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
ongoing maintenance and asset replacement capital projects) (\$ billion)			
Enhancement of facility performance (including service improvement projects) (\$ billion)	0.722	1.127	1.332
Improvement projects incurred from Rail Merger (\$ billion)	0.239	0.062	0.005
Total (\$ billion)	4.078	4.292	4.663
Human Resources (Number of staff)	4 296	4 500	4 613

In maintaining service quality, the MTRCL carries out preventive and corrective maintenance works in different areas including civil engineering structures, railway tracks, signalling system, power supply system, overhead lines, passenger trains, engineering trains and buses, and so on. These maintenance works include inspection, maintenance, cleaning and asset replacement, and are carried out according to an established regular maintenance schedule.

From 2008 to 2010, facilities enhancements introduced by the MTRCL and the enhancements implemented as a result of the rail merger are briefly set out below:

2008

To provide more comfortable journeys to passengers, the MTRCL has added five new trains of seven cars each to run on the West Rail Line. In addition, the MTRCL has purchased 10 new trains to enhance train frequency on existing lines, with a view to catering for the ongoing patronage growth of Island Line, Kwun Tong Line, Tsuen Wan Line and Tseung Kwan O Line.

The MTRCL has planned to retrofit automatic platform gates at eight aboveground stations on the Island Line, Tsuen Wan Line and Kwun Tong Line. The MTRCL also provided in-train Wi-Fi service on the Airport Express, and commenced the installation of an external lift at Tai Wo Hau Station connecting the nearby footbridge and the station concourse, as well as the planning of the installation of lifts at Sham Shui Po, Wong Tai Sin, Jordan and Yau Ma Tei Stations.

2009

The MTRCL has completed the refurbishment of Airport Express trains, and the installation of wide gates at all stations of the East Rail Line (except Racecourse Station) to improve accessibility for wheelchair users. New entrances at Olympic, Tsim Sha Tsui, Tuen Mun and Tsing Yi Stations have also been opened.

Apart from the extension of Wi-Fi service coverage to all Airport Express trains in January, the MTRCL has extended the 3G mobile phone coverage to all stations and tunnels of the Airport Express. Connection to public Wi-Fi service has been introduced at 32 stations in the MTR network, including all Airport Express Stations.

A project on replacement of high voltage bushing in traction substations along the East Rail Line was carried out to enhance the reliability of power supply to trains.

2010

The MTRCL has completed different levels of renovation works at Mei Foo, Jordan, Sheung Shui, Mong Kok East, Kam Sheung Road and Tin Shui Wai Stations. Renovation at Fan Ling Station has been underway.

The physical installation of automatic platform gates has begun at the platforms of the eight aboveground stations on the Island Line, Kwun Tong Line and Tsuen Wan Line.

New ramps for use by persons with disabilities were installed at Kwai Fong and Kwai Hing Stations. Construction works are being carried out for new external lifts at Wong Tai Sin, Sham Shui Po and Jordan Stations.

In addition, the MTRCL is retrofitting remote controls for isolators near traction substations along the East Rail Line to improve the recovery efficiency when power failures occur.

Annex 1

Daily average patronage and train loading on MTR Railway Lines in 2005 to 2010

		<i>East Rail Line</i>	<i>West Rail Line</i>	<i>Tung Chung Line</i>	<i>Ma On Shan Line</i>	<i>Tseung Kwan O Line</i>	<i>Island Line</i>	<i>Kwun Tong Line</i>	<i>Tsuen Wan Line</i>	<i>Disneyland Resort Line</i>	<i>Airport Express</i>	<i>Light Rail</i>
Year 2005	Daily average patronage ⁽¹⁾	856 000	197 000	137 000	72 000	196 000	680 000	415 000	836 000	15 000	24 000	389 000
	Average passenger flow during peak periods ⁽²⁾	48 300	15 700	18 400	9 800	36 600	47 700	43 400	46 500	1 200	1 100	N/A ⁽⁴⁾
	Average train loading during peak periods ⁽²⁾	59%	39%	49%	37%	64%	64%	62%	66%	28%	28% ⁽³⁾	94% ⁽⁴⁾
	Average passenger flow during non-peak periods ⁽²⁾	9 800	1 400	2 400	1 400	5 000	11 600	12 100	13 800	400	N/A ⁽³⁾	N/A ⁽⁴⁾
	Average train loading during non-peak periods ⁽²⁾	17%	7%	16%	9%	13%	31%	32%	37%	9%	N/A ⁽³⁾	N/A ⁽⁴⁾
Year 2006	Daily average patronage ⁽¹⁾	863 000	216 000	141 000	79 000	202 000	697 000	421 000	843 000	8 000	27 000	387 000
	Average passenger flow during peak periods ⁽²⁾	49 200	17 300	24 300	10 700	37 100	48 900	44 200	47 200	900	1 300	N/A ⁽⁴⁾
	Average train loading during peak periods ⁽²⁾	60%	43%	65%	40%	65%	65%	63%	67%	21%	33% ⁽³⁾	90% ⁽⁴⁾
	Average passenger flow during non-peak periods ⁽²⁾	10 100	1 500	2 500	1 600	5 500	12 300	12 700	14 100	300	N/A ⁽³⁾	N/A ⁽⁴⁾
	Average train loading during non-peak periods ⁽²⁾	18%	7%	17%	10%	15%	33%	34%	38%	7%	N/A ⁽³⁾	N/A ⁽⁴⁾

	<i>East Rail Line</i>	<i>West Rail Line</i>	<i>Tung Chung Line</i>	<i>Ma On Shan Line</i>	<i>Tseung Kwan O Line</i>	<i>Island Line</i>	<i>Kwun Tong Line</i>	<i>Tsuen Wan Line</i>	<i>Disneyl and Resort Line</i>	<i>Airport Express</i>	<i>Light Rail</i>	
Year 2007	Daily average patronage ⁽¹⁾	906 000	231 000	153 000	87 000	211 000	725 000	430 000	865 000	9 000	29 000	385 000
	Average passenger flow during peak periods ⁽²⁾	50 900	18 600	26 100	11 600	41 100	53 400	42 500	47 200	900	1 500	N/A ⁽⁴⁾
	Average train loading during peak periods ⁽²⁾	62%	47%	70%	43%	71%	71%	61%	67%	21%	38% ⁽³⁾	88% ⁽⁴⁾
	Average passenger flow during non-peak periods ⁽²⁾	10 700	1 600	2 600	1 900	5 400	12 300	12 700	14 100	300	N/A ⁽³⁾	N/A ⁽⁴⁾
	Average train loading during non-peak periods ⁽²⁾	19%	8%	14%	12%	14%	33%	34%	38%	7%	N/A ⁽³⁾	N/A ⁽⁴⁾
Year 2008	Daily average patronage ⁽¹⁾	892 000	223 000	163 000	97 000	224 000	730 000	445 000	855 000	10 000	29 000	404 000
	Average passenger flow during peak periods ⁽²⁾	52 000	17 000	21 700	11 800	38 200	50 100	46 200	52 800	1 000	1 300	N/A ⁽⁴⁾
	Average train loading during peak periods ⁽²⁾	63%	43%	58%	44%	66%	67%	66%	75%	23%	33% ⁽³⁾	85% ⁽⁴⁾
	Average passenger flow during non-peak periods ⁽²⁾	11 800	2 400	3 200	2 600	5 700	12 300	13 800	14 200	400	N/A ⁽³⁾	N/A ⁽⁴⁾
	Average train loading during non-peak periods ⁽²⁾	21%	11%	17%	16%	15%	33%	37%	38%	9%	N/A ⁽³⁾	N/A ⁽⁴⁾
Year 2009	Daily average patronage ⁽¹⁾	891 000	298 000	170 000	106 000	240 000	741 000	458 000	857 000	10 000	29 000	415,000
	Average passenger flow during peak periods ⁽²⁾	50 900	22 000	21 400	11 900	39 600	49 300	41 700	46 800	900	1 400	N/A ⁽⁴⁾
	Average train loading during peak periods ⁽²⁾	62%	47%	57%	44%	66%	66%	60%	67%	21%	35% ⁽³⁾	88% ⁽⁴⁾
	Average passenger flow during non-peak periods ⁽²⁾	12 200	3 300	3 100	2 800	6 100	12 800	14 000	13 700	400	N/A ⁽³⁾	N/A ⁽⁴⁾
	Average train loading during non-peak periods ⁽²⁾	22%	16%	17%	17%	16%	34%	37%	37%	9%	N/A ⁽³⁾	37% ⁽⁴⁾

	<i>East Rail Line</i>	<i>West Rail Line</i>	<i>Tung Chung Line</i>	<i>Ma On Shan Line</i>	<i>Tseung Kwan O Line</i>	<i>Island Line</i>	<i>Kwun Tong Line</i>	<i>Tsuen Wan Line</i>	<i>Disneyl and Resort Line</i>	<i>Airport Express</i>	<i>Light Rail</i>	
Year 2010	Daily average patronage ⁽¹⁾	942 000	333 000	192 000	120 000	263 000	797 000	489 000	907 000	11 000	33 000	441 000
	Average passenger flow during peak periods ⁽²⁾	56 400	27 400	22 000	14 100	42 100	52 000	43 800	49 600	1 100	2 000	N/A ⁽⁴⁾
	Average train loading during peak periods ⁽²⁾	68%	58%	59%	53%	70%	69%	63%	71%	25%	50% ⁽³⁾	82% ⁽⁴⁾
	Average passenger flow during non-peak periods ⁽²⁾	12 800	3 600	3 500	3 000	6 500	13 500	14 500	14 000	440	N/A ⁽³⁾	N/A ⁽⁴⁾
	Average train loading during non-peak periods ⁽²⁾	23%	17%	19%	20%	17%	36%	39%	37%	10%	N/A ⁽³⁾	40% ⁽⁴⁾

Notes:

- (1) As MTR is a railway network and the system is open within the network, passengers can change to different railway lines after entering the network. Therefore there is no ridership for each individual railway line. The above figures were calculated based on passengers' entry stations.
- (2) Calculated using the passenger flow between the two busiest stations of the concerned railway lines within one hour.
- (3) The train service frequency of Airport Express is 12 minutes during the whole traffic day. There is no peak or non-peak period. This patronage level is calculated by the highest patronage in one hour.
- (4) As Light Rail adopts an open design, there may be Light Rail vehicles of more than one route calling at the same stop. There is no information on which route a passenger will take after he/she purchases a ticket or validates his/her Octopus card. Therefore, the ridership is obtained through observation surveys. Before 2009, observation surveys were only carried out during peak periods.

Annex 2

Record of Train Service Delays of Eight Minutes or More from 1 January 2010 to 31 December 2010

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
3-Jan-10	8:25 PM	Light Rail	A Light Rail Vehicle (LRV) was withdrawn from service after it was hit by a New Territories taxi at the junction between Tai Fong Street and Tai Hing Bus Terminus egress. The left-hand-side of the LRV car body was damaged.	No injuries were reported. Light Rail service resumed at 8:59 p.m. after the site was cleared.	35
4-Jan-10	6:30 PM	Light Rail	A LRV was withdrawn from service after a pair of doors failed to close after platform duties at Tin Shui Wai Stop. The concerned LRV was pushed away from the site.	Investigation found a faulty door component which was immediately replaced.	12

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
8-Jan-10	7:32 AM	Tsuen Wan Line	A Central-bound train was withdrawn from service at Tsuen Wan Station because the left-hand-side driving cab door failed to close after platform duties.	Investigation found a coin was jammed in the doors. It was immediately removed.	8
8-Jan-10	8:42 AM	Tung Chung Line	A Tung Chung-bound train was delayed at Tsing Yi Station because a points failed to detect its position. The train had to work in Restricted Manual Mode at a speed not more than 22 kph to pass the affected area. The fault self-rectified at 10:26 a.m.	Investigation found faulty components of points equipment which were immediately replaced.	20
11-Jan-10	8:01 AM	Tsuen Wan Line	A Central-bound train was tripped and had to work in manual mode throughout its journey to Central Station. It was subsequently replaced by another train.	Investigation found a faulty component in the train traction system, which was immediately replaced.	14
12-Jan-10	7:41 AM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed at Tiu Keng Leng Station and subsequently withdrawn from service upon arrival at Lam Tin Station due to failure of its trainborne signalling computer.	Investigation found a faulty component of the trainborne signalling computer which was immediately replaced.	10
13-Jan-10	5:32 PM	Light Rail	A LRV was delayed at Ngan Wai Stop because a sick passenger fell on the floor in the saloon.	Ambulance assistance was summoned. Normal service resumed at 5:41 p.m. after the sick passenger was assisted to leave the LRV and conveyed to hospital.	9

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
15-Jan-10	8:34 AM	Tsuen Wan Line	Trains on Tsuen Wan Line towards Central were delayed due to several passenger incidents. Three sick passengers on three different trains requested for assistance within 30 minutes. A train was only able to close train doors after several attempts due to blockage by passengers. On another train, a foreign object was jammed in the door guide rail.	Assistance was provided to sick passengers. For the other two cases, the train doors successfully closed after several attempts and the object jammed in the door guide rail was removed.	15
16-Jan-10	7:53 PM	Ma On Shan Line	A Wu Kai Sha-bound train was withdrawn from service at City One Station because all train doors failed to open for platform duties.	Investigation confirmed that it was caused by a human factor.	13
17-Jan-10	2:59 PM	Tung Chung Line	A Hong Kong-bound train was withdrawn from service at Sunny Bay Station because the doors of a train car failed to open for platform duties.	Investigation found a faulty component of the door equipment which was immediately replaced.	12
20-Jan-10	2:39 PM	Tseung Kwan O Line	A Po Lam-bound train was delayed because a points failed during a voltage dip of the power company.	Normal service resumed at 2:45 p.m. after the affected signalling equipment was reset.	9
20-Jan-10	6:39 PM	East Rail Line	A Hung Hom-bound train was delayed at Mong Kok East Station and subsequently withdrawn upon arrival at Lok Ma Chau Station at 7:30 p.m. because it sustained faults on auxiliary and air-conditioning equipment.	Investigation found a faulty component of auxiliary equipment which was immediately replaced.	12

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
21-Jan-10	11:19 AM	East Rail Line	Train service between Tai Po Market and Lo Wu/Lok Ma Chau Stations was suspended for 34 minutes after a female passenger jumped onto the tracks at Sheung Shui Station.	Police and Fire Services were summoned. The passenger was removed from track and was certified dead on site. Police classified the case as "Suicide".	57
21-Jan-10	4:22 PM	Light Rail	A LRV was withdrawn from service at Tai Hing (North) Stop because its traction supply equipment failed.	Investigation found a faulty component of the traction supply equipment which was immediately replaced.	9
21-Jan-10	7:17 PM	East Rail Line	Train service between Hung Hom and Lo Wu/Lok Ma Chau Stations was suspended for 55 minutes because the Operations Control Centre lost its control and indications of train movements. Train service resumed normal at 8:12 p.m. after the data transmission network was reset.	Investigation revealed that it was caused by a human error of the supplier of the data transmission network. Control of contractor staff working in the Operations Control Centre was tightened.	55
22-Jan-10	6:18 AM	Tseung Kwan O Line	The first LOHAS Park-bound train was not able to pick up passengers at Tiu Keng Leng Station because all platform screen doors could not open for platform duties. LOHAS Park-bound passengers had to wait for the next train.	Investigation found a faulty component of the trackside signalling equipment. It was immediately reset. Investigation confirmed that it was caused by a human factor.	12
25-Jan-10	11:58 AM	Tsuen Wan Line	A Tsuen Wan-bound train was delayed at Yau Ma Tei Station and subsequently withdrawn from service due to failure of the trainborne signalling computer.	Investigation found a faulty component of the trainborne signalling computer which was immediately replaced.	11

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
25-Jan-10	6:47 PM	Light Rail	A LRV was withdrawn from service because it was hit by a private car which jumped the red light while making a left turn at the junction between Castle Peak Road and Yick Yuen Road.	Normal service resumed at 7:00 p.m. after the site was cleared.	12
26-Jan-10	3:22 PM	East Rail Line	Hung Hom-bound trains were delayed because a points at Hung Hom Station failed intermittently and self-rectified after a few seconds.	Investigation found a faulty component of the points which was immediately replaced.	10
29-Jan-10	6:01 AM	Tung Chung Line	The first Tung Chung-bound train was delayed due to track circuit failure.	Investigation found iron filings in the junction of track circuits. The iron filings were immediately removed.	19
31-Jan-10	12:42 AM	East Rail Line	A Hung Hom-bound train was withdrawn from service at Tai Wai Station because a pair of train doors failed to close after platform duties.	Investigation found a faulty component of the door equipment which was immediately replaced.	9
1-Feb-10	9:45 AM	Tsuen Wan Line	A Central-bound train was withdrawn from service at Cheung Sha Wan Station because a pair of train doors failed to close after platform duties. Station staff found that the rubber seal of the right-hand-side train door leaf was deformed.	It was believed that the rubber seal was deformed by external force.	8
3-Feb-10	11:17 PM	Kwun Tong Line	A Tiu Keng Leng-bound train was delayed at Diamond Hill Station and subsequently withdrawn from service upon arrival at Choi Hung Station because all train doors failed to close after platform duties.	Investigation found faulty components of the door equipment which were immediately replaced.	10

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
4-Feb-10	7:57 PM	Light Rail	A LRV was withdrawn from service at the junction between Tai Fong Street and Tai Hing Carpark ingress because it was tapped by a light goods vehicle when the light goods vehicle was taking a sharp turn to enter the car park.	No injuries were reported. Light Rail service resumed at 8:07 p.m. after the site was cleared.	11
5-Feb-10	12:29 AM	Tsuen Wan Line	A Tsuen Wan-bound train was blocked and delayed between Admiralty Station and Tsim Sha Tsui Station by a preceding maintenance train which sustained a fault on its trainborne signalling computer on its way to Tsim Sha Tsui Station.	Investigation found a faulty component of the trainborne signalling computer which was immediately replaced.	10
5-Feb-10	6:12 PM	Tung Chung Line	Passengers were over-carried from Lai King Station to Tsing Yi Station on a Tung Chung-bound train because all train and platform screen doors failed to open at Lai King Station for platform duties.	Investigation confirmed that it was caused by a human factor.	10
8-Feb-10	8:41 AM	Tsuen Wan Line	Central-bound Tsuen Wan Line train service was seriously affected after four passenger alarms were activated within a short period of time. They were requests for handling sick passengers.	N.A.	14
10-Feb-10	6:35 PM	Kwun Tong Line	A Tiu Keng Leng-bound train was delayed at Kwun Tong Station because a passenger pressed the Emergency Button after her fingers were nipped by train doors. The train was set back to the platform area for handling.	Investigation confirmed that the passenger forgot to alight the train and used her hands to block train doors from closing. The passenger was sent to hospital.	8

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
11-Feb-10	8:44 AM	Island Line	A Sheung Wan-bound train was delayed at Heng Fa Chuen Station and subsequently withdrawn from service upon arrival at Shau Kei Wan Station because it lost non-essential battery power supply.	Investigation found a faulty component of the trainborne traction supply equipment which was immediately replaced.	25
12-Feb-10	2:08 PM	East Rail Line	A Lo Wu-bound train was withdrawn from service at Hung Hom Station as it failed to release brakes after platform duties.	Investigation confirmed the incident was caused by a human factor.	12
13-Feb-10	5:16 AM	East Rail Line	A Hung Hom-bound train was delayed at Sha Tin Station and subsequently withdrawn from service upon arrival at Hung Hom Station because it sustained a fault on its brakes.	Investigation found a faulty component of the brake equipment which was immediately replaced.	8
13-Feb-10	2:26 PM	Light Rail	A LRV was withdrawn from service at Tin Yuet Stop because it sustained no forward movement after platform duties. The following LRV pushed the defective LRV away from the site.	Investigation found a faulty component of traction supply equipment which was immediately replaced.	19
14-Feb-10	8:20 AM	Kwun Tong Line	Trains towards Yau Ma Tei Station were delayed because a points at Choi Hung Station failed to detect its position. Station staff descended onto track to secure the points for trains to run.	Investigation found a broken signalling cable at trackside which was immediately replaced.	12
15-Feb-10	5:01 PM	Light Rail	A LRV was blocked and delayed at the junction between Tai Fong Street and Tai Hing Street due a road traffic accident.	Normal service resumed at 5:15 p.m. after the site was cleared.	15

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
15-Feb-10	6:27 PM	Light Rail	A LRV was withdrawn from service at Tai Hing (North) Stop because it sustained a fault on its trainborne traction supply equipment.	Investigation found a faulty component of the trainborne traction supply equipment which was immediately replaced.	9
16-Feb-10	6:14 PM	East Rail Line	A Lo Wu-bound train was withdrawn from service at Fan Ling Station because a pair of train doors failed to close completely after platform duties.	Investigation found a faulty component of door equipment which was immediately replaced.	10
18-Feb-10	9:46 PM	Light Rail	A LRV was withdrawn from service after a truck jumped the red traffic light and hit the LRV at the Tin Sau Road junction. The LRV was damaged. The truck driver and a passenger on the truck sustained head injuries and were sent to hospital for medical treatment.	Normal service resumed at 10:23 p.m. after the site was cleared.	39
19-Feb-10	7:38 AM	West Rail Line	Hung Hom-bound trains were delayed because circuit breakers were tripped, de-energizing the traction current supply between Tuen Mun and Tin Shui Wai Stations.	Investigation found a faulty component of the trainborne traction current supply equipment which was immediately replaced.	19
19-Feb-10	4:51 PM	Light Rail	A LRV was withdrawn from service due to a collision between a New Territories taxi and a LRV at the junction between Yau Oi Road and Tuen Mun Heung Sze Wui Road. The taxi driver and a taxi passenger sustained injuries and were sent to hospital for medical treatment.	Normal service resumed at 5:09 p.m. after the site was cleared.	23
23-Feb-10	9:33 AM	Tung Chung Line	A Hong Kong-bound train was delayed at Tsing Yi Station because a points at Tsing Yi Station failed to detect its position.	Investigation found dirt in the contactor of the point equipment. The dirt was immediately removed.	9

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
26-Feb-10	10:07 AM	Tung Chung Line	A Tung Chung-bound train was withdrawn from service at Hong Kong Station because a direct current circuit breaker was tripped, de-energizing the traction current supply between Hong Kong Station and Hong Kong Ventilation Building.	Investigation found a faulty component in the high-voltage power supply equipment. The faulty component was subsequently replaced.	8
27-Feb-10	7:58 PM	West Rail Line	A Hung Hom-bound train was delayed because the overhead line traction current supply between Yau Ma Tei Ventilation Building and Hung Hom Station was lost.	The overhead line wires were damaged and subsequently replaced.	13
28-Feb-10	1:35 PM	Light Rail	A LRV was withdrawn from service at Tin Yuet Stop after a T-shirt with a hanger was entangled on the pantograph of the LRV.	The following LRV was used to push the incident LRV away from the site. Normal service resumed at 1:46 p.m.	16
2-Mar-10	2:10 PM	West Rail Line	A Hung Hom-bound train was delayed at East Tsim Sha Tsui Station because a points at East Tsim Sha Tsui Station failed to detect its position. Station staff descended onto the track to secure the points for trains to run.	Investigation found a faulty control relay of the point equipment which was immediately replaced.	9
3-Mar-10	12:40 AM	East Rail Line	A Sheung Shui-bound train was withdrawn from service at University Station because it sustained faults on its auxiliary equipment and air-conditioner with burning smell emitting from the train underframe.	Investigation found a faulty component of the auxiliary equipment which was immediately replaced.	9
4-Mar-10	11:55 AM	East Rail Line	A Hung Hom-bound train was delayed at Mong Kok East Station because a points at Mong Kok East Station failed to detect its position. Station staff descended onto the track to secure the point for trains to run.	Investigation found a faulty point module which was immediately replaced.	16

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
9-Mar-10	10:03 AM	Tseung Kwan O Line	Trains were delayed because of track circuits failure. Trains had to work in Restricted Manual mode at a speed no more than 22 kph to pass the affected area.	Investigation found a faulty cable of track circuit. The faulty cable was temporarily fixed and subsequently replaced during non-traffic hours.	29
10-Mar-10	7:21 AM	Light Rail	A LRV was withdrawn from service because it sustained sluggish movement between Tin Shui Stop and Chung Fu Stop.	Investigation found a faulty component of the Car Control Unit which was immediately replaced.	11
10-Mar-10	8:19 AM	East Rail Line	A Hung Hom-bound train was withdrawn from service at Sha Tin Station because a pair of train doors failed to close after platform duties. The doors could eventually be closed with the assistance of the station staff.	Investigation confirmed that door equipment was functioning normally at the time of the incident and it was believed that the doors were blocked from closing by passengers.	8
10-Mar-10	5:00 PM	East Rail Line	A Mainland Through Train was withdrawn from service because a male passenger jumped onto the track at Tai Po Market Station when the train was entering the platform. The train hit the person.	Police and FSD assistance was summoned. The passenger was certified dead on site. Police classified the case as "Suicide".	48
12-Mar-10	9:58 PM	Light Rail	A LRV was withdrawn from service at Tin Tsz Stop because it hit a male pedestrian who dashed out from the pedestrian walkway to catch the LRV at the opposite platform. Police and ambulance service were summoned. The person sustained minor injuries and was sent to hospital for medical treatment.	Normal service resumed at 10:17 p.m. after police completed investigations and the site was cleared.	21

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
13-Mar-10	3:26 PM	Tseung Kwan O Line	A North Point-bound train was delayed at Po Lam Station because a points failed to detect its position. Station staff descended onto the track to secure the points for trains to run.	Investigation revealed that a protection switch was tripped. It was immediately reset. Further investigation during non-traffic hours found a faulty electronic card of the points equipment which was immediately replaced.	15
17-Mar-10	6:18 PM	East Rail Line	A Hung Hom-bound train was delayed between Lo Wu Station and Sheung Shui Station because the train could not proceed. The delay was extended because the train failed to release brakes and had to work in low speed to continue its journey.	Investigation found a faulty component on the train, which was immediately replaced.	16
22-Mar-10	3:37 PM	Light Rail	A LRV was delayed between Hong Lok Road Stop and Fung Nin Road Stop because a wheel-chaired passenger fell onto the floor inside the saloon.	The passenger was sent to hospital for medical check.	10
22-Mar-10	3:38 PM	Light Rail	A LRV was delayed at Hong Lok Road Stop because a male pedestrian jumped the road railings to cross the road dangerously when the LRV was about to depart. The pedestrian was suspected to have been hit by the LRV.	It was confirmed that the man was not hit.	8
28-Mar-10	10:42 PM	East Rail Line	A Lo Wu-bound train was withdrawn from service at Sheung Shui Station because a pair of train doors failed to close after platform duties.	Investigation found a faulty component of the door equipment which was immediately replaced.	10

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
30-Mar-10	6:57 AM	Tung Chung Line	A Hong Kong-bound train was delayed at Sunny Bay Station because it sustained insufficient motive power and stopped at a track circuit. The train was routed back to Sunny Bay Station for detrainment.	Investigation found a faulty component of the power supply system, which was immediately replaced.	23
30-Mar-10	7:28 AM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed between Yau Tong Station and Lam Tin Station because it could not receive safety codes to run and had to work in Restricted Manual mode at a speed not more than 22 kph to pass the affected area. The fault self-rectified at 7:53 a.m.	Investigation during non-traffic hours confirmed that no abnormalities were found.	9
31-Mar-10	8:06 PM	Tseung Kwan O Line	Passengers were over-carried from Tseung Kwan O Station to LOHAS Park Station on a train because the Train Captain failed to perform platform duties at Tseung Kwan O Station. Passengers had to take the train back to return to Tseung Kwan O Station.	The case was caused by a human error.	13
5-Apr-10	6:53 AM	East Rail Line	A Lo Wu-bound train was withdrawn from service at Mong Kok East Station because a female passenger lost her balance and hit onto the car body of the arriving train when she was waiting for trains on the platform with her husband.	The passenger was sent to hospital for medical treatment.	11

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
6-Apr-10	1:56 PM	Airport Express	Trains were delayed because all signalling indications and control of the Automatic Train Supervision System for Olympic Station Control Area failed. Station staff descended onto the track for manual points operation for trains to run.	Investigation found a faulty component of the uninterruptible power supply which was immediately replaced.	23
8-Apr-10	5:55 AM	Light Rail	A LRV was blocked and delayed at the junction between Tsun Wen Road, Tai Fong Street and Tsing Chung Koon Road by a road traffic accident.	Normal service resumed at 6:25 a.m. after the site was cleared.	30
10-Apr-10	10:56 PM	East Rail Line	A Hung Hom-bound train was withdrawn from service at Kowloon Tong Station because the overhead traction current supply for the Hung Hom-bound section between Hung Hom Station and Tai Wai Station was tripped.	Investigation found a faulty component of the trainborne traction current supply equipment which was immediately replaced.	17
12-Apr-10	5:11 AM	West Rail Line	Trains were delayed between Kam Sheung Road Station and Tsuen Wan West Station because the trackside signalling computer failed and trains had to work in Restricted Manual mode at a speed not more than 22 kph to pass the affected area.	Normal service resumed after the trackside signalling computer was re-booted.	23
13-Apr-10	2:10 PM	Light Rail	A LRV was withdrawn from service at Tin Heng Stop because a male cyclist dashed out from the left-hand-side of the walkway and was hit by the LRV. The man sustained head injury and was sent to hospital for medical treatment.	Normal service resumed at 2:23 p.m. after the site was cleared.	13

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
14-Apr-10	11:01 AM	East Rail Line	A Lo Wu-bound train was delayed between Tai Wo Station and Fan Ling Station because a points failed. Station staff descended onto the track for manual points operation.	Investigation found a faulty component of the points equipment which was immediately replaced.	17
17-Apr-10	5:06 PM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed at Ngau Tau Kok Station and subsequently withdrawn from service upon arrival at Kowloon Bay Station because a man jumped onto the track when the train was entering the station. The train hit the man.	FSD assistance was summoned. The man was certified dead on site. Police classified the case as "Suicide".	37
19-Apr-10	3:40 PM	Tsuen Wan Line	A Tsuen Wan-bound train was withdrawn from service at Tai Wo Hau Station because the train sustained leakage of compressed air.	Investigation found a loosened component of the compressed air equipment. The component was immediately replaced.	13
21-Apr-10	8:41 AM	Tung Chung Line	A Hong Kong-bound train was delayed at Lai King Station because a pair of train doors failed to close after platform duties.	Investigation revealed that the door obstacle detection alarm was activated because the doors were blocked from closing by passengers.	11
21-Apr-10	2:17 PM	East Rail Line	A Hung Hom-bound train was delayed between Mong Kok East Station and Hung Hom Station because a points failed to detect its position.	Investigation revealed that the incident was caused by failure of the points drive mechanism. It was fixed.	18
22-Apr-10	11:39 AM	East Rail Line	A Lo Wu-bound train was withdrawn from service at Kowloon Tong Station because a pair of train doors failed to close after platform duties.	Investigation found a faulty component of the door equipment which was immediately replaced.	12

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
22-Apr-10	3:13 PM	Light Rail	A LRV was withdrawn from service at Hung Shui Kiu Stop because all train doors failed to open for platform duties.	Investigation found a faulty electronic card of the trainborne traction current supply equipment. The faulty component was immediately replaced.	18
23-Apr-10	8:22 AM	Island Line	A Chai Wan-bound train was withdrawn from service at Quarry Bay Station because a pair of train doors failed to close after platform duties. Station staff attempted to close the doors but the fault persisted.	Investigation found a coin was jammed in the train door guide rail. It was immediately removed.	8
23-Apr-10	12:52 PM	Light Rail	A LRV was withdrawn from service at Tuen Mun Stop because it lost its trainborne traction current supply.	Investigation found faulty components of the trainborne traction current supply equipment which were immediately replaced.	15
24-Apr-10	2:11 PM	Tsuen Wan Line	A Central-bound train was delayed at Sham Shui Po Station because the Train Information System showed a pair of train doors were opened when the train was about to depart.	It was later found that the doors were blocked from closing by passengers.	10
25-Apr-10	7:01 PM	Light Rail	A LRV was blocked and delayed at the junction between Wu Shan Road, Wu King Road and Hoi Wong Road by a road traffic accident.	Normal service resumed at 7:10 p.m. after the site was cleared.	14
26-Apr-10	12:34 AM	Light Rail	A LRV was withdrawn from service at the junction between Kik Yeung Road and Castle Peak Road because it hit a male pedestrian who dashed out from the pedestrian walkway.	Police and ambulance services were summoned. The injured was sent to hospital for medical treatment. Normal service resumed at 1:06 a.m. after the site was cleared.	32

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
26-Apr-10	5:28 PM	Airport Express	A Hong Kong-bound train was delayed at Tsing Yi Ventilation Building and subsequently withdrawn from service upon arrival at AsiaWorld-Expo Station because it sustained a fault on the trainborne signalling equipment.	Investigation found faulty components of the trainborne signalling equipment. The faulty components were immediately replaced.	10
26-Apr-10	6:16 PM	East Rail Line	A Hung Hom-bound train was withdrawn from service at Mong Kok East Station because the main air pipe pressure of the train was lost and the train became immobilized after platform duties. An assisting locomotive was used to haul the defective train to Hung Hom Freight Terminal for temporary stabling.	An air hose was replaced.	45
27-Apr-10	7:01 PM	Airport Express	An AsiaWorld-Expo-bound train was delayed at Sea Channel Bridge because five consecutive track circuits over Sea Channel Bridge failed.	Investigation found a faulty signal module which was immediately replaced.	9
29-Apr-10	6:20 PM	Ma On Shan Line	Train service was suspended for 61 minutes after a train was tripped and became immobilized at Shek Mun Station after platform duties. The following train was used as an assisting train to push the defective train away.	Investigation revealed that the incident was caused by faulty power supply units of the Converter/Inverter. The faulty components were immediately replaced.	61
3-May-10	6:17 AM	West Rail Line	A Hung Hom-bound train was delayed on its way from Kam Sheung Road Station to Tsuen Wan West Station because the train could not receive safety codes.	Investigation confirmed that it was caused by a human factor as a staff failed to send the correct codes.	24

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
6-May-10	7:24 PM	East Rail Line	A Hung Hom-bound train was withdrawn from service at Lo Wu Station because it failed to release its brake after platform duties.	Investigation found a faulty component of the trainborne signalling equipment, which was immediately replaced.	12
7-May-10	6:09 AM	Tsuen Wan Line	A Central-bound train was delayed at Tsuen Wan Station because a CLP overhead line power supply cable sustained a fault, resulting in a voltage dip and black-out of the signalling control panel at Tsuen Wan Depot. Staff had to conduct manual points operation before trains could depart depot for passenger service.	Investigation found the power dip caused a faulty uninterruptible power supply to the panel. The fault was temporarily fixed. The uninterruptible power supply was replaced during non-traffic hours.	10
9-May-10	5:32 AM	East Rail Line	A train was delayed between Hung Hom Station and Mong Kok East Station because a points failed to detect its position.	Investigation revealed that the second stretcher bar of the points was broken. The stretcher bar of the point was temporarily fixed and subsequently replaced during non-traffic hours.	16
10-May-10	12:00 AM	West Rail Line	A Hung Hom-bound train was delayed between Kam Sheung Road Station and Tin Shui Wai Station because two circuit breakers were tripped during thunderstorms, de-energizing the traction current supply between the section of Ho Pui Phase Break and Tin Shui Wai Phase Break.	Normal service resumed at 12:25 a.m. after the axle counter blocks were reset.	16
11-May-10	7:56 AM	West Rail Line	Trains were delayed because a total of six Axle Counter Blocks at Tsuen Wan West Station failed.	Investigation found faulty electronic cards of the axle counter equipment. The faulty cards were immediately replaced.	22

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
19-May-10	4:17 PM	Airport Express	An AsiaWorld-Expo-bound train was delayed at Kowloon Station and subsequently withdrawn from service upon arrival at Olympic Station Emergency Platform because it was tripped when it was departing from Kowloon Station. Passengers were detained and took the following train.	Investigation revealed that the train sustained wheel slip/slide and delocalization at AsiaWorld-Expo Station on its previous trip during thunderstorms. The trainborne signalling computer was reset.	19
19-May-10	9:22 PM	East Rail Line	A Lo Wu-bound train was withdrawn from service at Tai Wo Station because the Door Closed Indication was not available after platform duties.	Investigation found a faulty component of the door equipment. The faulty component was immediately replaced.	13
21-May-10	3:04 PM	Light Rail	A LRV was withdrawn from service upon arrival at Shek Pai Stop because a window was smashed by a foreign object.	The case was reported to the police.	9
24-May-10	11:09 AM	East Rail Line	A Hung Hom-bound train was withdrawn from service at Fo Tan Station because the Outside Coach Indicator of a car remained brightened after platform duties.	Investigation revealed that the incident was caused by an intermittent fault of a component of the door equipment. The faulty component was immediately replaced.	10
24-May-10	5:02 PM	Light Rail	A LRV was blocked and delayed at the junction between Tin Shui Road and Tin Wing Road by a road traffic accident.	Normal service resumed at 5:11 p.m. after the site was cleared.	12
25-May-10	9:05 AM	Ma On Shan Line	A Wu Kai Sha-bound train was delayed between Heng On Station and Wu Kai Sha Station because an Axle Counter Block at Ma On Shan Station failed and the train had to work in Restricted Manual mode to enter Ma On Shan Station. The delay was extended because another Axle Counter Block at Ma On Shan Station also failed.	Investigation during non-traffic hours found faulty electronic cards of the axle counter blocks. The faulty cards were immediately replaced.	18

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
25-May-10	1:49 PM	Light Rail	A LRV was held at the junction between Hoi Wing Road and Tuen Mun Heung Sze Wui Road due to a police operation.	Normal service resumed at 1:59 p.m. after the site was cleared.	10
27-May-10	6:53 AM	Airport Express	A Hong Kong-bound train was withdrawn from service at Airport Station because all Platform Edge Doors could not close after loading of baggage containers.	Investigation confirmed that it was caused by a human factor because a member of contractor staff inadvertently activated a train door isolation device. The device was immediately reset.	14
27-May-10	11:47 AM	East Rail Line	A Lo Wu-bound train was blocked and delayed at Fo Tan Station by the preceding Mainland Through Train because a fuse of the air pump compressor inside the locomotive was blown. It took about two minutes to replace the fuse. The delay was extended because the fuse was blown again when the train was passing University Station.	Normal service resumed after the fuse was replaced.	11
27-May-10	1:57 PM	East Rail Line	A Hung Hom-bound train was withdrawn from service upon arrival at Sheung Shui Station because its trainborne signalling equipment failed.	Investigation found faulty components of the trainborne signalling equipment, which were immediately replaced.	14
28-May-10	12:08 AM	Island Line	A Sheung Wan-bound train was held at Wan Chai Station because the preceding maintenance train sustained a fault on its locomotive.	Investigation found faulty components of its locomotives, which were immediately replaced.	9
29-May-10	10:46 AM	East Rail Line	A Hung Hom-bound train was delayed at Sheung Shui Station and subsequently withdrawn from service upon arrival at Fan Ling Station because it sustained a fault on its brakes.	Investigation found a faulty component of the brake equipment, which was immediately replaced.	10

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
31-May-10	4:25 PM	Light Rail	A LRV was delayed at Hung Shui Kiu Stop because a plastic bag was entangled on the overhead line wires.	Normal service resumed at 4:34 p.m. when the bag was blown away by strong wind.	11
31-May-10	6:33 PM	Island Line	A Chai Wan-bound train was withdrawn from service at Admiralty Station because it sustained compressed air loss.	Investigations found faulty components of the compressed air equipment, which were immediately replaced.	10
4-Jun-10	9:50 PM	Tseung Kwan O Line	Trains were delayed because Wayside Control Units "A" and "B" at Tseung Kwan O Station failed. Trains within Tiu Keng Leng Station and Tseung Kwan O Station areas could not receive safety codes to proceed.	Normal service resumed at 10:07 p.m. after a Wayside Control Unit was re-booted successfully.	15
5-Jun-10	12:58 PM	Tsuen Wan Line	A Tsuen Wan-bound train was withdrawn from service at Yau Ma Tei Station because a pair of train doors failed to close after platform duties.	Investigation found a foreign object was jammed in the door guide rail. The object was immediately removed.	10
8-Jun-10	12:53 AM	Kwun Tong Line	A Tiu Keng Leng-bound train was withdrawn from service at Kwun Tong Station because a points at Lam Tin Station failed when Traffic Controller was setting a route for the preceding maintenance train to Service Connection Tunnel.	Investigation revealed that an electronic card of the points failed to work. The faulty electronic card was immediately reset.	18
8-Jun-10	6:53 AM	East Rail Line	A Hung Hom-bound train was delayed at Sha Tin Station and subsequently withdrawn from service upon arrival at Tai Wai Station because a pair of train doors failed to close after platform duties.	Investigation revealed that the unlatching lever connecting to the door actuator was broken. The faulty component was immediately replaced.	10

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
8-Jun-10	7:17 PM	East Rail Line	A Lo Wu-bound train was delayed at Sheung Shui Station and subsequently withdrawn from service upon arrival at Lo Wu Station because it failed to release its brakes.	Investigation revealed that the incident was caused by a faulty electronic card of the brake equipment, which was immediately replaced.	8
12-Jun-10	6:20 AM	Tsuen Wan Line	A Central-bound train was delayed at Lai King Station because a passenger alarm was activated due to a collapsed passenger in compartment when the train was departing.	The train was set back to the platform. Station staff assisted the passenger to leave the train. The passenger was sent to hospital for medical treatment.	8
14-Jun-10	6:33 AM	Tung Chung Line	A Hong Kong-bound train was withdrawn from service upon arrival at Tsing Yi Station because the Control & Monitoring System showed a warning of "Door Proving Switch stick" on a car.	Investigation found a faulty component of the door equipment, which was immediately replaced.	10
14-Jun-10	8:06 AM	East Rail Line	A Lo Wu-bound train was withdrawn from service at Hung Hom Station because Door Closed Indication was not available after platform duties.	Investigation revealed that the incident was caused by a mechanic failure of the Master Controller Key assembly at the rear driving cab. The Master Controller Key assembly was immediately fixed.	12
15-Jun-10	6:07 PM	Light Rail	A LRV was withdrawn from service at Yau Oi Stop after it collided with the preceding LRV at platform.	Three female passengers inside the LRV sustained minor injuries and were sent to hospital for medical treatment.	19
16-Jun-10	1:17 PM	Tseung Kwan O Line	Trains were delayed because a points and a track circuit at Po Lam Station failed.	Investigation found a faulty module and a faulty electronic card of the points. The faulty components were immediately replaced.	16

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
20-Jun-10	4:37 PM	Airport Express	A Hong Kong-bound train was withdrawn from service upon arrival at Kowloon Station due to failure of the trainborne signalling computer. After detrainment, the train was routed to Kowloon Siding for temporary stabling.	Investigation found faulty components of the trainborne signalling computer, which were immediately replaced.	12
22-Jun-10	10:46 AM	East Rail Line	Trains were delayed because a Train Captain reported that two trespassers were seen at trackside between University Station and Tai Po Market Station. Track check was immediately conducted and no abnormalities were found.	Station staff conducted search in both directions. The trespassers could not be located and it was confirmed that the track condition was normal.	32
23-Jun-10	5:18 PM	Light Rail	Light Rail service was suspended for 23 minutes due to a road traffic accident at the junction between Hoi Chu Road and Tuen Mun Heung Sze Wui Road.	Normal service resumed at 5:41 p.m. after the site was cleared.	23
24-Jun-10	9:49 AM	Light Rail	A LRV was blocked and delayed by a road traffic accident at the junction between Ming Kum Road, Tin King Road and Tsing Tin Road.	Normal service resumed at 9:57 a.m. after the site was cleared.	8
25-Jun-10	7:28 AM	Light Rail	A LRV was withdrawn from service at Chung Uk Tsuen Stop because it sustained no forward movement. The following LRV pushed the defective LRV away from the site.	Investigation found faulty electronic cards of the trainborne equipment. The faulty components were immediately replaced.	12
25-Jun-10	8:12 PM	Light Rail	Passengers were delayed because Train Captain did not perform platform duties at Hang Mei Tsuen Stop. Eight passengers had to alight at Tong Fong Tsuen Stop and returned.	The incident was caused by a human factor.	13

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
26-Jun-10	11:03 AM	Island Line	A Chai Wan-bound train was delayed at Tin Hau Station after three passenger alarms and a Platform Emergency Plunger were operated as a foreign male passenger collapsed inside the train compartment. With the assistance of other passengers, station staff used a stretcher to convey the passenger to the platform where the passenger regained consciousness and was sent to hospital for medical treatment.	Assistance was provided to the sick passenger.	9
28-Jun-10	12:17 AM	Tseung Kwan O Line	Trains were delayed because a track circuit at Hang Hau Station, four track circuits at Tseung Kwan O Station and three track circuits at Po Lam Station failed.	Investigation found a faulty electronic card of track circuits. The faulty electronic card was immediately replaced.	12
28-Jun-10	11:06 AM	Light Rail	A LRV was blocked and delayed at Ho Tin Stop by a fallen tree during thunderstorms. The Train Captain had to descend onto track to remove the tree.	Normal service resumed at 11:15 a.m. after the site was cleared.	9
28-Jun-10	12:58 PM	Light Rail	A LRV was delayed at Shui Pin Wai Stop because it sustained failure of a chopper.	Investigation revealed that rain water drained into a traction motor during thunderstorms, causing sudden tripping of the traction system. Rain water was immediately cleared and the traction system was reset.	10
29-Jun-10	1:01 PM	Light Rail	A LRV was delayed at Tai Tong Road Stop because a plastic bag was entangled on the overhead line contact wires.	Normal service resumed at 1:07 p.m. after the bag was removed.	9

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
30-Jun-10	1:49 PM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed at Choi Hung Station because a points failed to detect its position. Station staff descended onto the track to secure the point to "Normal" position for trains to run.	Investigation found a faulty signal cable of the points detectors. The faulty signal cable was replaced during non-traffic hours.	23
2-Jul-10	2:17 PM	East Rail Line	A Lo Wu-bound train was withdrawn from service at Hung Hom Station because it failed to release its brakes.	Investigation found faulty components of the brake equipment, which were immediately replaced.	9
2-Jul-10	10:30 PM	Airport Express	A Hong Kong-bound train was delayed at Tsing Yi Station because the Automatic Train Supervision System for Tsing Yi Station Control Area failed.	Investigation revealed that a signalling computer failed. It was immediately re-booted. The suspected faulty mother board and power supply of the computer were replaced.	8
3-Jul-10	4:40 PM	Tsuen Wan Line	A Central-bound train was delayed between Tsim Sha Tsui Station and Admiralty Station because it did not receive safety codes to proceed.	Investigation revealed that the incident was caused by a faulty control switch, which was replaced during non-traffic hours.	17
3-Jul-10	8:12 PM	Kwun Tong Line	A Yau Ma Tei-bound train was withdrawn from service at Kowloon Bay Station because it failed to release its brakes.	Investigation found a faulty brake control equipment, which was immediately replaced.	8
7-Jul-10	7:45 AM	East Rail Line	A Hung Hom-bound train was withdrawn from service at Tai Wai Station because the Outside Coach Indicator of a car remained brightened after platform duties.	Investigation confirmed that all door equipment was functioning normally. The incident was caused by a foreign object jammed in the door guide rail and it was cleared when train doors were closed.	11

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
9-Jul-10	8:15 AM	Tseung Kwan O Line	A North Point-bound train was delayed because it was tripped when departing Po Lam Station and had to work in Restricted Manual mode at a speed not more than 22 kph to Hang Hau Station because the station signalling computer workstation failed.	Investigation revealed that two optical fibre links of the station signalling computer failed. The faulty optical fibre links were immediately replaced.	27
12-Jul-10	9:48 PM	Light Rail	A LRV was withdrawn from service at the junction between Castle Peak Road and Shun Fung Wai because it sustained air supply hose burst from the second pair of doors at the rear car.	Investigation revealed that the air hose was broken, which was immediately replaced.	24
13-Jul-10	1:50 PM	Ma On Shan Line	Trains were delayed because all signalling equipment at Shek Mun Station Control Area failed. Loop service was maintained between Tai Wai and City One Stations, and between Tai Shui Hang and Wu Kai Sha Stations.	Investigation revealed that the incident was caused by a faulty electronic board of the uninterruptible power supply unit. The unit was immediately by-passed. The faulty uninterruptible power supply unit was subsequently replaced.	23
13-Jul-10	5:01 PM	West Rail Line	A Tuen Mun-bound train was delayed at Kam Sheung Road Station because a signalling inductive loop failed.	Investigation found four faulty electronic boards of trackside signalling equipment, which were immediately replaced.	11
14-Jul-10	10:19 AM	Tseung Kwan O Line	A Po Lam-bound train was withdrawn from service at North Point Station because the train controller key failed to open up the train. After detrainment, the train was routed to North Point Siding for temporary stabling.	Investigation revealed the faulty key lock, which was immediately replaced.	16

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
15-Jul-10	8:28 AM	Island Line	A Central-bound train was blocked and delayed by the preceding depot-outbound train which was tripped to stop at a track circuit.	Investigation revealed that it was caused by a human factor. The train was operated at a speed too slow after passing the signal, triggering a safety protection measure.	9
15-Jul-10	11:05 AM	East Rail Line	Passengers were over-carried from Tai Wai Station to Sha Tin Station because six pairs of train doors failed to open for platform duties.	Investigation revealed that the door open push button had not been pressed for the required duration.	8
16-Jul-10	9:12 AM	Airport Express	A Hong Kong-bound train was withdrawn from service at AsiaWorld-Expo Station because it failed to depart after platform duties.	Investigation found faulty electronic boards of the trainborne signalling computer, which were immediately replaced.	8
16-Jul-10	4:48 PM	Tseung Kwan O Line	Trains were delayed because all track circuits at Yau Tong Station Control Area failed.	Investigation revealed that a power supply unit failed. The faulty unit was isolated during the incident to temporarily fix the problem. The faulty power supply unit and two electronic boards were replaced during non-traffic hours.	22
16-Jul-10	10:11 PM	Tseung Kwan O Line	A LOHAS Park-bound train was withdrawn from service because a points failed to detect its position.	Investigation found a faulty point motor cable, which was immediately replaced.	17
18-Jul-10	1:18 PM	Disneyland Resort Line	A Sunny Bay-bound train was withdrawn from service upon arrival at Sunny Bay Station because a direct current circuit breaker was tripped and there was serious arcing from the rear pantograph of a car.	Investigation revealed that nylon strings entangled on the lightning arrestor and the pantograph of the train, causing a short circuit. The nylon strings were immediately removed.	27

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
19-Jul-10	6:50 AM	Tseung Kwan O Line	A North Point-bound train was delayed because it could not receive safety proceed codes at a track circuit and had to work in Restricted Manual mode at a speed of not more than 22 kph to pass the affected area.	Investigation found a faulty electronic board of the track circuit in the Wayside Transmission Unit at Yau Tong Station Signalling Equipment Room. The electronic board was immediately replaced.	12
20-Jul-10	10:06 AM	East Rail Line	A Hung Hom-bound train was delayed and subsequently withdrawn from service upon arrival at Hung Hom Station because the overhead traction supply system was tripped when the train was on its way from Tai Wai Station to Kowloon Tong Station.	Investigation found faulty components of the trainborne traction supply equipment, which were immediately replaced.	10
22-Jul-10	7:35 PM	Light Rail	A LRV was delayed at Pui To Stop and subsequently withdrawn from service upon arrival at Tuen Mun Ferry Pier Stop because a female passenger jumped onto track. Other passengers helped the female passenger return to platform. She sustained no apparent injury and admitted that she wanted to commit suicide.	Ambulance was summoned and the female passenger was sent to hospital.	13
23-Jul-10	1:00 AM	Tung Chung Line	A Hong Kong-bound train was delayed on its way to Nam Cheong Station because all track circuits at Olympic Station Control Area failed.	Investigation revealed that an uninterruptible power supply unit failed, which was replaced.	10
24-Jul-10	6:55 PM	Disneyland Resort Line	A Sunny Bay-bound train was delayed at Disneyland Resort Station due to a fault of the automatic platform gates.	Investigation revealed that a signal wire sustained bad contact. The faulty signal wire was immediately replaced.	32

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
24-Jul-10	8:43 PM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed because a section of rail near a points cracked.	The rail was immediately secured. It was replaced during non-traffic hours.	19
25-Jul-10	11:53 PM	Island Line	A Sheung Wan-bound train was held at Tai Koo Station because the preceding maintenance train sustained a fault between Tai Koo Station and Quarry Bay Station.	Investigation found a faulty electronic board, which was immediately replaced.	12
26-Jul-10	12:27 PM	East Rail Line	Train service between Kowloon Tong Station and Mong Kok East Station was delayed because a train captain reported that he saw a man holding a red plastic bag walking along the track from Kowloon Tong Station towards Mong Kok East Station. Station staff from Mong Kok East Station boarded the train and located the trespasser at trackside. He was assisted to board the train to return to Kowloon Tong Station.	The trespasser was a mainlander.	17
27-Jul-10	9:35 AM	West Rail Line	Train service between Yuen Long Station and Long Ping Station was delayed because four Axle Counter Blocks failed during thunderstorms.	Investigation found faulty trackside signalling equipment. The faulty boards were immediately replaced.	22
27-Jul-10	9:36 AM	Light Rail	A LRV was withdrawn from service at Tin Tsz Stop because the vehicle sustained a fault on the Static Inverter during thunderstorms.	Investigation revealed that a 80A fuse of the Static Inverter was blown during thunderstorms. The faulty component was immediately replaced.	10

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
28-Jul-10	5:12 PM	Tung Chung Line	A Hong Kong-bound train was delayed at Nam Cheong Station because train doors failed to close after platform duties.	Investigation revealed that the obstacle detection alarm was activated. All door equipment were also checked and it was confirmed that they were functioning normally. It was believed that the doors were blocked from closing by passengers.	8
28-Jul-10	6:48 PM	Disneyland Resort Line	A Sunny Bay-bound train was delayed at Disneyland Resort Station because 17 Virtual Blocks failed during thunderstorms.	Normal service resumed at 9:54 p.m. after the relevant equipment was reset.	17
28-Jul-10	10:06 PM	Tseung Kwan O Line	A LOHAS Park-bound train was delayed at Tiu Keng Leng Station because platform screen doors failed to open for platform duties. The Train Captain did not notice it. Station staff operated the emergency stop switch when the train was about to depart. The train proceeded with two cars' length and stopped. Traffic Controller authorized Train Captain to set back the train for platform duties.	Investigation revealed that it was caused by a human factor because the door opening push button was not pressed for the required duration.	9
1-Aug-10	9:25 AM	Disneyland Resort Line	A Sunny Bay-bound train was delayed at Disneyland Resort Station because automatic platform gates sustained a fault.	Investigation found a faulty component of an automatic platform gate, which was immediately replaced.	12
4-Aug-10	6:40 AM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed between Diamond Hill Station and Wong Tai Sin Station because a track circuit failed.	Investigation found a faulty signal cable at trackside, which was replaced.	21

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
4-Aug-10	9:38 PM	East Rail Line	A Hung Hom-bound train was delayed at Fan Ling Station because the train hit a bird.	Inspection confirmed that there was no damage to trainborne equipment.	11
7-Aug-10	9:55 PM	Tsuen Wan Line	A Central-bound train was delayed at Lai King Station because a points failed to detect its position. Station staff descended onto the track to secure the point for trains to pass.	Investigation found a faulty micro switch of the points detector, which was replaced during non-traffic hours.	10
12-Aug-10	12:11 AM	Kwun Tong Line	A Yau Ma Tei-bound train was withdrawn from service at Diamond Hill Station because it was blocked by the preceding maintenance train which sustained a fault on its brakes.	Investigation revealed that some contact pins of an electrical train connection cable sustained bad contact. The faulty components were replaced.	18
12-Aug-10	2:09 PM	Tung Chung Line	A Tung Chung-bound train was withdrawn from service at Olympic Station because all train doors failed to open for platform duties. Station staff attended to open train doors from the rear driving cab.	Investigation found a faulty component of the door equipment. The faulty component was immediately replaced.	14
12-Aug-10	6:58 PM	East Rail Line	A Lo Wu-bound train was delayed at Hung Hom Station because the belt of a passenger's baggage was caught by a pair of train doors when the train was departing. Station staff immediately operated the Emergency Stop Plunger and Train Captain applied the emergency brake to stop the train. It stopped with one pair of doors leaving the platform.	Service resumed after station staff removed the belt.	12

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
14-Aug-10	8:13 AM	Tung Chung Line	A Tung Chung-bound train was delayed between Olympic Station and Nam Cheong Station because a road vehicle driver reported to the police that a man trespassed onto the railway premises.	Track check was immediately conducted. Police located the man at Lin Cheung Road and advised that he should not enter onto the railway premises.	12
14-Aug-10	4:00 PM	Light Rail	A LRV was blocked and delayed by a road traffic accident at the junction between Fung Cheung Road and Castle Peak Road.	Normal service resumed at 4:05 p.m. after the site was cleared.	9
15-Aug-10	10:24 AM	East Rail Line	A Lo Wu-bound train was delayed at Sheung Shui Station because the Train Captain of another train at the opposite platform reported that he saw a trespasser on track. Station staff operated the Emergency Stop Plunger and the Lo Wu-bound train which was approaching Sheung Shui Station was tripped to stop. No trespasser could be located.	Station staff conducted track check between Fan Ling Station and Sheung Shui Station and it was confirmed that the track condition was normal. CCTV footage showed that the trespasser returned to platform before arrival of the train.	25
18-Aug-10	2:13 PM	Light Rail	A LRV was withdrawn from service upon arrival at Tai Hing (South) Stop because it hit the left-hand-side exterior mirror of a medium goods vehicle which stopped in front of the traffic light.	Investigation confirmed that the incident was caused by human factor.	19
19-Aug-10	7:00 AM	Light Rail	A LRV was withdrawn from service at Tuen Mun Stop because it sustained an air pipe burst.	Investigation revealed that a component of the brake equipment was loosened. The faulty component was immediately replaced.	12

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
21-Aug-10	12:40 PM	Light Rail	A LRV was delayed and subsequently withdrawn from service upon arrival at Siu Hong Stop because its pantograph lowered automatically near a points. The following LRV push the train away from the site.	Investigation revealed that both the pantograph and overhead line wires were damaged. It was believed that the damage was caused by an unknown foreign object on the overhead line wire. The damaged pantograph and overhead line wires were subsequently replaced.	14
22-Aug-10	12:37 PM	East Rail Line	A Lo Wu-bound train was delayed at University Station because a points failed to detect its position.	Investigation revealed that a component of the micro switch for points detection was broken. The broken component was immediately replaced.	18
26-Aug-10	12:53 AM	Kwun Tong Line	A Tiu Keng Leng-bound train was held and delayed at Kwun Tong Station because a points at Lam Tin Station failed to detect its position.	Investigation revealed that the incident was caused by the alignment of point clamplock mechanism. The alignment of point clamplock mechanism was adjusted.	15
26-Aug-10	9:42 AM	Tsuen Wan Line	A Central-bound train was withdrawn from service at Tsuen Wan Station because the relieving Train Captain was not available during automatic turnaround operation of the train.	Investigation confirmed that it was a human factor.	11
28-Aug-10	3:26 PM	Light Rail	A LRV was withdrawn from service at Lam Tei Stop because a 60A main fuse for two air-conditioning units was blown during thunderstorms.	The fuse was subsequently replaced.	11

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
30-Aug-10	9:45 AM	Light Rail	A LRV was withdrawn from service at Tin Shui Stop because the Door Open/Close Indication remained brightened after platform duties.	Investigation found scratch marks in the door guide rail of a rear vehicle door. It was believed that an unknown foreign object was jammed in the door guide rail and was cleared during the service recovery.	12
31-Aug-10	11:51 PM	Light Rail	A LRV was withdrawn from service upon arrival at Light Rail Depot Stop because it brushed another LRV which berthed at the Reception Track near a points.	Investigation confirmed that the incident was caused by a human factor.	9
1-Sep-10	6:33 AM	Light Rail	A LRV was withdrawn from service at Tin Shui Stop because the middle door of rear car failed to close after platform duties. The delay was extended because the couple set sustained no forward movement after it was uncoupled. The following LRV pushed the defective vehicle away from the site to Hung Tin Road Emergency Platform.	Investigation revealed that the door leaf metal liner was detached and jammed in the door guide rail. The faulty component was immediately fixed.	31
3-Sep-10	8:39 PM	Tung Chung Line	A Tung Chung-bound train was withdrawn from service at Sunny Bay Station because a pair of train doors failed to close after platform duties.	Investigation found a loosened component of the door equipment. The loosened component was immediately fixed.	11
6-Sep-10	4:15 PM	Light Rail	Two LRVs were delayed on their way from Tong Fong Stop to Hang Mei Tsuen Stop, and from Hang Mei Tsuen Stop to Hung Shui Kiu Stop because conflicting movement occurred when they arrived at the junction of tracks.	Investigation confirmed that the delay was caused by a human factor.	13
6-Sep-10	9:05 PM	Light Rail	A LRV was delayed at Tai Hing (South) Stop because a female passenger was nipped by train doors when she rushed onto the vehicle.	She sustained no apparent injury and was sent to hospital for medical treatment.	16

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
7-Sep-10	1:21 PM	Tseung Kwan O Line	A Po Lam-bound train was delayed at Po Lam Station because a points failed to detect its position. Station staff reset the point module to clear the fault.	Investigation during non-traffic hours revealed that electronic cards of the points were faulty. The electronic cards were immediately replaced.	11
9-Sep-10	12:00 AM	West Rail Line	Trains were delayed because six Axle Counter Blocks at Kam Sheung Road Station failed to detect train movements during thunderstorms.	Investigation found faulty electronic cards of the axle counters. The faulty components were replaced during non-traffic hours.	14
9-Sep-10	7:35 AM	Light Rail	A LRV was delayed and subsequently withdrawn from service upon arrival at Tuen Mun Ferry Pier Stop because it hit a dog. Train Captain reported that the train condition was normal.	Service resumed after site was cleared.	9
9-Sep-10	2:02 PM	Light Rail	Light Rail service between Ching Chung Stop and San Wai Stop was suspended from 2:02 p.m. until the end of traffic because the jib of a crane in a nearby construction site crashed and hit the vehicle. Overhead line wires were broken and the train was seriously damaged. 18 passengers sustained injuries. Shuttle buses run between Tuen Mun Stop and Siu Hong Stop to provide service for affected passengers. Light Rail service resumed at the start of traffic on the following day.	Urgent repair of the overhead line equipment was conducted.	688
11-Sep-10	6:41 PM	Kwun Tong Line	A Yau Ma Tei-bound train was withdrawn from service at Yau Tong Station because Direct Current two circuit breakers were tripped, de-energizing the traction current supplies between Tiu Keng Leng Station and Yau Tong Station.	Investigation revealed that the incident was caused by a metallic balloon flying into the tunnel.	16

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
15-Sep-10	6:13 AM	Tung Chung Line	A Tung Chung-bound train was withdrawn from service at Hong Kong Station because of a fault on the door proving circuitry.	Investigation found a faulty component of the door equipment. The faulty component was immediately replaced.	11
16-Sep-10	6:54 AM	East Rail Line	A Hung Hom-bound train was delayed at Kowloon Tong Station because a drunken male mainlander was found trespassing onto the track between Kowloon Tong Station and Mong Kok East Station. Station staff descended onto track and located the trespasser near Mong Kok East Station.	As the trespasser refused to return to the platform, station staff arranged him to board a train to Kowloon Tong Station where he was handed to police for handling.	15
16-Sep-10	4:08 PM	Light Rail	A LRV was withdrawn from service at Tin Wing Stop because it sustained a fault on its air compressor.	Investigation found faulty components of the air compressor. The faulty components were immediately replaced.	15
17-Sep-10	1:58 PM	Tung Chung Line	A Hong Kong-bound train was withdrawn from service at Kowloon Station because a pair of train doors failed to close after platform duties.	Investigation revealed that the door equipment was functioning normally but the obstacle detection alarm was activated. It was suspected that the door was blocked from closing by passengers.	12
17-Sep-10	7:25 PM	Tseung Kwan O Line	A North Point-bound train was delayed at Po Lam Station because a passenger's handbag was nipped by a pair of train doors when the passenger boarded the train at Tseung Kwan O Station for Po Lam Station. A passenger alarm was operated when the train was departing from Po Lam Station.	The train had to continue its journey to Hang Hau Station where the train doors opened and the handbag was released.	8

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
17-Sep-10	11:36 PM	Light Rail	A LRV was withdrawn from service at Chung Fu Stop because the trainborne traction line breaker was tripped when the vehicle was motoring.	Investigation found a faulty electronic card of the trainborne traction supply equipment. The faulty component was immediately replaced.	9
21-Sep-10	4:06 PM	East Rail Line	A Lo Wu-bound train was delayed between Tai Wo Station and Fan Ling Station because a track circuit failed.	Investigation found a faulty track circuit cable at trackside. The faulty cable was fixed during non-traffic hours.	11
22-Sep-10	7:04 AM	Kwun Tong Line	A Tiu Keng Leng-bound train was withdrawn from service at Mong Kok Station because it sustained a fault on its brakes. Track inspection was immediately conducted and it was confirmed that the track condition was normal.	Investigation revealed that some components of the brake equipment were faulty intermittently. The faulty components were immediately replaced.	8
22-Sep-10	10:53 PM	East Rail Line	Trains between University Station and Lo Wu/Lok Ma Chau Stations were delayed because burning sky lanterns entangled on the overhead line wires and tripped the traction current supplies between University Station and Lo Wu/Lok Ma Chau Stations at 9:37 p.m., 10:53 p.m., 10:57 p.m. and 11:20 p.m., respectively. Debris of sky lanterns was found on the roof of trains. The traction current supplies could resume immediately.	Inspection confirmed that the overhead line and trainborne equipment were functioning normally.	10
24-Sep-10	8:49 AM	East Rail Line	A Hung Hom-bound train was withdrawn from service at Tai Wo Station because a pair of train doors failed to close after platform duties. Station staff attempted to close the door manually but the fault persisted.	Investigation found a foreign battery cell jammed in the door guide rail. The foreign object was immediately removed.	18

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
27-Sep-10	1:07 PM	East Rail Line	A Hung Hom-bound train was delayed at University Station because two track circuits failed.	Investigation found iron strips at the insulated rail joint between the two track circuits, which were caused by the preceding Mainland Through Train. The iron strips were immediately removed.	12
28-Sep-10	5:10 PM	Kwun Tong Line	A Tiu Keng Leng-bound train was delayed at Choi Hung Station because the train was only allowed to move at a low speed at a track circuit and it had to switch to Restricted Manual mode at a speed of not more than 22 kph to enter the platform for platform duties.	Investigation found a broken signal cable at the trackside. The broken signal cable was fixed.	13
3-Oct-10	12:08 AM	Light Rail	A LRV was delayed at Wetland Park Stop because the windscreen was hit by a foreign unknown object when the LRV was departing. Train Captain immediately applied emergency brake and the LRV eventually stopped at a location about 50 m from the stop.	Train Captain confirmed that the windscreen was intact. The case was reported to the police.	9
3-Oct-10	10:02 PM	Light Rail	A LRV was delayed at Tin Yat Stop and subsequently withdrawn from service upon arrival at Tin Fu Stop because a drunken passenger operated three external door isolating cocks of the rear car when the LRV was waiting for traffic signal at the Junction between Tin Shui Road and Tin Sau Road.	With a staff member guarding the doors, the train continued its journey to Tin Fu Stop for detrainment.	12

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
4-Oct-10	2:48 PM	Light Rail	A LRV was blocked and delayed by a road traffic accident at Tin Yuet Stop.	Normal working was resumed at 2:56 p.m. when the site was cleared.	10
6-Oct-10	6:21 AM	West Rail Line	A Hung Hom-bound train was withdrawn at East Tsim Sha Tsui Station because a pair of doors failed to close after platform duties.	Investigation found a foreign object of a coin jammed in the door guide rail. It was immediately removed.	8
7-Oct-10	7:32 PM	Tseung Kwan O Line	Trains at Tseung Kwan O Station Platform 1, Hang Hau Station Platform 1, Po Lam Station Platform 1 and LOHAS Park Station Platform 2 of Tseung Kwan O Line were tripped.	Investigation revealed that the incident was caused by an error of communication between signalling trackside equipment and signalling interlocking system. All the relevant signalling equipment were reset.	26
8-Oct-10	10:07 PM	Airport Express	An Airport Express train was delayed at Tsing Yi Station and subsequently changed over upon arrival at AsiaWorld-Expo Station on its return journey because two Direct Current Circuit Breakers were tripped, de-energizing the traction current supplies between Tsing Yi Traction Sub-station and Lai King Sub-station of Airport Express.	Investigation confirmed that no anomalies were found.	8
12-Oct-10	4:59 PM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed at Kowloon Tong Station because a track circuit failed.	Investigation revealed that a trackside signalling cable was faulty, which was replaced.	10
14-Oct-10	6:05 AM	Light Rail	A LRV was withdrawn from service at Tai Hing (South) Stop because it sustained a fault on its brake.	Investigation found a faulty component of brake equipment, which was immediately replaced.	13

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
14-Oct-10	7:35 AM	Light Rail	A LRV was delayed at the junction between Tin Cheung Road and Tin Shing Road because the strap of a passenger's backpack was nipped by a pair of doors.	The Door Closed Push Button indication was brightened when the passenger attempted to open doors to clear the trapped backpack. Train Captain attended to release the backpack before the LRV continued its journey.	11
15-Oct-10	5:57 PM	Light Rail	A LRV was withdrawn from service at Fung Nin Road Stop because all passenger doors of the rear car failed to open for platform duties.	Investigation revealed that the door control cable was broken. The broken cable was immediately replaced.	15
19-Oct-10	6:14 PM	East Rail Line	A Lo Wu-bound train was unable to depart from Hung Hom Station and delayed because two track circuits failed, locking the route between Hung Hom Station and a signal.	Investigation found an iron strip on the insulated rail joint between the two track circuits. The iron strip was immediately removed.	18
20-Oct-10	11:02 AM	East Rail Line	A Lok Ma Chau-bound train was withdrawn from service at Tai Wo Station because the Outside Coach Indicator of a car remained brightened after platform duties.	Investigation revealed that it was caused by a human factor. A component of door equipment was damaged during replacement. The component was immediately replaced.	12
20-Oct-10	3:25 PM	Tseung Kwan O Line	Trains on Tseung Kwan O Line were delayed because track circuits of Tiu Keng Leng Control Area failed. All trains running between Yau Tong Station and Tseung Kwan O Station had to work in Restricted Manual mode at a speed not more than 22 kph to pass the affected area.	Investigation found a faulty 3-phase voltage relay. It was replaced during non-traffic hours.	22

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
21-Oct-10	6:46 AM	Tsuen Wan Line	Train service of Tsuen Wan Line between Yau Ma Tei Station and Jordan Station was suspended for 191 minutes because an overhead line contact wire was broken, tripping the two Direct Current Circuit Breakers and de-energizing the traction current supplies between Prince Edward Station and Yau Ma Tei Station. During the incident, shuttle buses were run between Yau Ma Tei Station and Tsim Sha Tsui Station.	Investigation found the incident was caused by two key events — the circuit breaker of the incident train did not function normally and the pantographs were not lowered as required. More than 15 improvement actions were implemented after a review of the incident.	191
21-Oct-10	1:53 PM	Airport Express	A Hong Kong-bound train was delayed at Tsing Yi Station because an alarm of Ship Impact Detection System for Rambler Channel Bridge was activated.	Station staff immediately conducted track check and confirmed that the track condition was normal. No abnormalities were found.	10
21-Oct-10	2:10 PM	West Rail Line	A Tuen Mun-bound train was delayed at Kam Sheung Road Station and subsequently withdrawn from service upon arrival at Long Ping Station because its trainborne signalling computer failed.	Investigation found faulty electronic cards of the trainborne signalling computer, which were immediately replaced.	19
22-Oct-10	6:51 PM	West Rail Line	A Tuen Mun-bound train was withdrawn from service at East Tsim Sha Tsui Station because a pair of doors failed to close after platform duties.	Investigation found a foreign object jammed in the train door guide rail. It was immediately removed.	10
23-Oct-10	9:38 AM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed at Kowloon Tong Station because a passenger alarm was operated for a female sick passenger who collapsed inside train compartment when the train was departing for Shek Kip Mei Station.	The train was set back for station staff to assist the sick passenger to leave the train. She was sent to hospital.	12

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
23-Oct-10	11:01 AM	Kwun Tong Line	A Yau Ma Tei-bound train was withdrawn from service at Mong Kok Station because the collapsible cane of a female vision-impaired passenger was jammed in the gap between a pair of doors and the car body when train doors were being opened for platform duties.	The cane was later released and returned to the passenger.	11
25-Oct-10	8:07 AM	Ma On Shan Line	A Wu Kai Sha-bound train was delayed at Ma On Shan Station because an axle counter block failed. The delay was extended because another axle counter block also failed at 8:09 a.m.	Investigation found a faulty component of axle counter equipment at trackside, which was replaced.	13
29-Oct-10	7:14 AM	East Rail Line	A Hung Hom-bound train was withdrawn from service at Fo Tan Station because the Outside Coach Indicator of a train car remained brightened after platform duties. The fault self-rectified after detrainment.	Investigation confirmed that the door equipment was functioning normally. It was believed that the incident was caused by an unknown foreign object jammed in the door guide rail, which was cleared when train doors were re-opened during detrainment.	10
31-Oct-10	5:41 AM	Ma On Shan Line	Trains on Ma On Shan Line running between Tai Wai Station and City One Station were delayed because they overran the station stopping marks at Che Kung Temple Station and City One Station.	Investigation revealed that lubrication was applied to rails on curved tracks in the previous night and hence caused the incident.	12
31-Oct-10	8:26 AM	East Rail Line	A Lok Ma Chau-bound train was delayed to depart Hung Hom Station because a points failed.	Investigation found a faulty relay of the point, which was immediately replaced.	11

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
31-Oct-10	6:36 PM	West Rail Line	A Tuen Mun-bound train was withdrawn from service at Hung Hom Station because the Door Closed Indicator failed to indicate door closure after platform duties while all train doors had been completely closed.	Investigation found the foreign objects of a plastic bag and a sweet package jammed in the door guide rail. They were immediately removed.	12
1-Nov-10	8:00 PM	Tung Chung Line	A Tung Chung-bound train was delayed between Sunny Bay Station and Tung Chung Station because a track circuit failed.	Investigation revealed that two signal cables at trackside sustained bad contact. The faulty cables were replaced.	12
3-Nov-10	10:45 PM	East Rail Line	A Lo Wu-bound train was withdrawn from service at Hung Hom Station because a points failed to detect its position.	Investigation found a faulty point motor, which was replaced.	16
5-Nov-10	6:03 PM	Tsuen Wan Line	A Central-bound train was delayed at Lai King Station because a passenger alarm was operated for a drunken male passenger.	Assistance was provided to the passenger.	8
6-Nov-10	8:39 PM	Island Line	A Sheung Wan-bound train was delayed at Heng Fa Chuen Station and subsequently changed over upon arrival at Chai Wan Station on its return journey because it overran the station stopping mark at Heng Fa Chuen Station and Sai Wan Ho Station.	Investigation found a faulty odometer, which was immediately replaced.	9
7-Nov-10	8:07 PM	Island Line	A Chai Wan-bound train was delayed at Sai Wan Ho Station and subsequently withdrawn from service upon arrival at Shau Kei Wan Station because the trainborne signalling computer failed.	Investigation found a faulty odometer which was immediately replaced.	12

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
8-Nov-10	8:12 AM	Light Rail	A LRV was delayed on its way from Hung Shui Kiu Stop to Chung Uk Tsuen Stop because a female passenger fell from her wheelchair on floor. She got no apparent injury.	Assistance was provided to the passenger.	8
8-Nov-10	3:36 PM	Ma On Shan Line	A Tai Wai-bound train was withdrawn from service at Che Kung Temple Station because its trainborne traction supplies failed and the train became immobilized.	Investigation confirmed that it was caused by a human factor where the Train Captain handled a minor trainborne equipment fault unsatisfactorily.	28
8-Nov-10	6:24 PM	Tsuen Wan Line	A Tsuen Wan-bound train was delayed at Jordan Station because a Platform Emergency Plunger was operated for a sick passenger on platform.	After station staff had reset the alarm, track check was immediately conducted and it was confirmed that the track condition was normal.	8
9-Nov-10	1:13 AM	Tseung Kwan O Line	A Po Lam-bound train was delayed at Tiu Keng Leng Station because track circuits at Tseung Kwan O Station and Hang Hau Station failed.	Investigation found a signal module halted. It was immediately reset. Further investigation during non-traffic hours found two faulty signal modules, which were subsequently replaced.	11
10-Nov-10	9:13 AM	East Rail Line	A Lo Wu-bound train was delayed between Sheung Shui Station and Lo Wu Station and subsequently withdrawn from service upon arrival at Lo Wu Station because a points failed to detect its position.	Investigation revealed that the point alignment shifted. The point alignment was temporarily fixed and the point gauge subsequently adjusted during non-traffic hours.	19
10-Nov-10	8:04 PM	Tseung Kwan O Line	A Po Lam-bound train was delayed at North Point Station because a female passenger operated a passenger alarm when the train was on its way to North Point Sidings, interrupting the automatic turnaround operations.	Investigation revealed that the passenger left her mobile phone inside the train and rushed back to the train after detrainment and caused the incident.	10

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
11-Nov-10	5:27 PM	East Rail Line	A Lo Wu-bound train was withdrawn from service at Fo Tan Station because a points failed to detect its position.	Investigation revealed that a terminal of point detection cable was broken. The faulty component was immediately replaced.	15
16-Nov-10	12:12 PM	East Rail Line	A Hung Hom-bound train was held near Hung Hom Station and delayed because a track circuit failed.	Investigation found an iron strip on the track circuit. The iron strip was immediately removed.	10
17-Nov-10	8:32 AM	Tung Chung Line	A Hong Kong-bound train was delayed at Lai King Station because a platform screen door failed to close completely after platform duties.	Investigation found a foreign object jammed in the door guide rail. It was immediately removed.	8
18-Nov-10	9:04 AM	Kwun Tong Line	Train service between Choi Hung Station and Tiu Keng Leng Station was suspended for 32 minutes because a passenger jumped from the platform when a train was entering the platform. Train Captain immediately pressed the Emergency Stop Push Button and station staff operated the Emergency Stop Switch to stop the train.	Police classified the case as "Suicide".	32
18-Nov-10	7:46 PM	Island Line	A Chai Wan-bound train was delayed at Sheung Wan Station Turnaround Track and subsequently withdrawn from service upon arrival at Sheung Wan Station because a passenger who forgot to alight at Sheung Wan Station operated a passenger alarm when the train was on its way to Sheung Wan Station Turnaround Track.	Train Captain had to reset the passenger alarm for the train to continue the automatic turnaround operation.	15

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
19-Nov-10	9:44 AM	Tseung Kwan O Line	A North Point-bound train was withdrawn from service at Tiu Keng Leng Station because its trainborne signalling computer failed.	Investigation found two faulty electronic boards of the trainborne signalling computer. The faulty electronic boards were immediately replaced.	12
20-Nov-10	2:35 PM	East Rail Line	Trains between Sheung Shui Station and Fan Ling Station were delayed because a man was seen trespassed onto tracks.	Track check was immediately conducted but no person could be located. Station staff conducted patrol on trackside and it was confirmed that the track condition was normal.	9
28-Nov-10	2:01 PM	Airport Express	An AsiaWorld-Expo-bound train was withdrawn from service at Hong Kong Station because the Train Door Closed Indication was not available after platform duties.	Investigation found a faulty component of trainborne traction equipment, which was immediately replaced.	9
29-Nov-10	12:01 PM	Light Rail	A LRV was blocked and delayed at the junction between Tin Wah Road and Tin Shing Road by a bus which broke down at the junction.	Normal service resumed at 12:14 pm after the site was cleared.	15
30-Nov-10	8:14 AM	Light Rail	A LRV was delayed and subsequently withdrawn from service upon its arrival at Siu Hong Stop because there was a fault on trainborne traction control equipment.	Investigation found a faulty component of trainborne traction control equipment. The faulty component was immediately replaced.	11
30-Nov-10	5:16 PM	Light Rail	A LRV was withdrawn from service at Goodview Garden Stop because there was a fault on doors.	Investigation found a foreign object jammed in the door guide rail. It was immediately removed.	11
1-Dec-10	10:09 AM	East Rail Line	A Lok Ma Chau-bound train was withdrawn from service at Tai Wai Station because of brake failure after platform duties.	Investigation found a faulty component of brake equipment. The faulty component was immediately replaced.	11

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
2-Dec-10	6:53 AM	Tseung Kwan O Line	A LOHAS Park-bound train was delayed at Tiu Keng Leng Station because of a fault of the signalling equipment.	The signalling computer was reset to clear the fault.	15
2-Dec-10	8:53 AM	Tung Chung Line	A Tung Chung-bound train was withdrawn from service at Nam Cheong Station because all train doors failed to open for platform duties.	Investigation found faulty components of the door equipment, which were immediately replaced.	18
2-Dec-10	4:34 PM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed at Choi Hung Station because a passenger alarm was operated for a sick passenger.	With the consent of the sick passenger, the train continued its journey to Yau Ma Tei Station where ambulancemen were summoned to convey the passenger to hospital for medical treatment.	8
4-Dec-10	10:32 PM	West Rail Line	Trains were delayed because the signalling control between Yuen Long Station and Tuen Mun Station failed.	Investigation revealed that the control unit of the uninterruptible power supply for the signalling control areas failed. The faulty component was immediately replaced.	12
6-Dec-10	11:52 AM	Kwun Tong Line	A Tiu Keng Leng-bound train was withdrawn from service at Choi Hung Station because the two direct current circuit breakers were tripped when the train was entering the platform, de-energizing the traction current supplies between Diamond Hill Station and Kowloon Bay Station.	Investigation revealed that a loosened aluminium foil came into contact with the overhead line wires and caused the incident.	12
9-Dec-10	4:55 PM	West Rail Line	A Hung Hom-bound train was withdrawn from service at East Tsim Sha Tsui Station because a pair of doors failed to close after platform duties.	Investigation found a foreign object obstructing the doors from closing. The object was immediately removed.	11

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
9-Dec-10	5:36 PM	Light Rail	A LRV was withdrawn from service upon arrival at Tin Shui Wai Stop because it failed to pass the signal indicator of a points in an appropriate manner.	Investigation confirmed that it was caused by human factor.	8
13-Dec-10	11:59 PM	Tseung Kwan O Line	A Po Lam-bound train was withdrawn from service at Yau Tong Station because it failed to detect its location.	Investigation found a faulty component of trainborne signalling equipment. The faulty component was immediately replaced.	9
15-Dec-10	8:12 AM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed at Wong Tai Sin Station because a pair of doors failed to close after platform duties. The doors could eventually be closed by Train Captain at 8:15 a.m.	Investigation confirmed that all door equipment were functioning normally and it was believed that the door was blocked from closing by passengers.	10
15-Dec-10	2:07 PM	Island Line	A Chai Wan-bound train was delayed at Causeway Bay Station because a passenger alarm was operated. A passenger reported that a pair of doors failed to close after platform duties. Station staff attended and pushed the door to close. The delay was extended because another passenger alarm was operated for a sick passenger when the train was departing. Traffic Controller authorized the train to continue its journey to Tin Hau Station where assistance from station staff was provided to the passenger.	Investigation confirmed that all door equipment were functioning normally and it was believed that the doors were blocked from closing by passengers.	10

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
15-Dec-10	5:56 PM	Light Rail	A LRV was withdrawn from service at Tuen Mun Hospital Stop because it failed to release brakes after platform duties.	Investigation found a faulty component of brake equipment. The faulty component was immediately replaced.	28
15-Dec-10	9:58 PM	East Rail Line	A Hung Hom-bound train was withdrawn from service at University Station because a pair of doors failed to close completely after platform duties.	Investigation found a faulty component of door equipment. The faulty component was immediately replaced.	11
17-Dec-10	6:41 PM	West Rail Line	A Hung Hom-bound train was delayed at Nam Cheong Station because it was tripped.	Investigation revealed that the alarm of Emergency Stop Plunger was activated automatically and self-rectified in four seconds. The fault did not be repeated afterwards. The Emergency Stop Plunger was serviced during non-traffic hours as a precautionary measure.	8
18-Dec-10	6:39 PM	Light Rail	A LRV was delayed at Ping Shan Stop because a pedestrian was hit by the front bumper of the vehicle when he dashed from left to right at the platform departure-end walkway.	He sustained minor injuries and was sent to hospital for medical treatment.	16
19-Dec-10	10:55 AM	Light Rail	A LRV was delayed at Tsing Shan Tsuen Stop because of a passenger dispute.	Police was summoned. Normal service resumed at 11:07 am after the case was referred to the police for handling.	9

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
19-Dec-10	4:32 PM	East Rail Line	Trains were delayed because an elderly trespasser was found at trackside between University Station and Tai Po Market Station.	Station staff were deployed to ride on trains running at a speed less than 22 kph to conduct track check. The trespasser was eventually located by station staff at trackside at 5:02 pm and was escorted to return to the platform at 5:04 pm. Investigation revealed that the trespasser was a patient of Alzheimer's disease.	25
20-Dec-10	8:02 AM	Light Rail	A LRV was delayed at the junction between Tin Yiu Road and Tin Ho Road and subsequently withdrawn from service upon arrival at Tin Yiu Stop because its traction supply system failed and brakes applied automatically.	Investigation found a faulty component of brake equipment. The faulty component was immediately replaced.	20
23-Dec-10	5:19 AM	Light Rail	LRVs were delayed between Hang Mei Tsuen Stop and Tong Fong Tsuen Stop because traction current supplies were lost when LRVs passed two points.	Investigation confirmed that it was a human factor incident because two manual isolators were kept in "Open" position after the preventive maintenance work in the previous night. Those manual isolators were immediately closed.	9
23-Dec-10	4:40 PM	Kwun Tong Line	A Tiu Keng Leng-bound train was delayed at Kowloon Tong Station and subsequently withdrawn from service upon arrival at Wong Tai Sin Station because a pair of doors failed to close after platform duties at Kowloon Tong, Lok Fu and Wong Tai Sin Stations.	Investigation found a coin jammed in the door guide rail. It was immediately removed.	11

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
24-Dec-10	7:33 AM	West Rail Line	A Tuen Mun-bound train was withdrawn at Yuen Long Station because a pair of doors failed to close completely after platform duties.	Investigation found a foreign object jammed in the door guide rail. It was immediately removed.	8
24-Dec-10	8:44 AM	Tung Chung Line	A Hong Kong-bound train was delayed at Hong Kong Station because a track circuit failed.	"Investigation found a faulty electronic card of the track circuit. The faulty electronic card was immediately replaced."	9
25-Dec-10	10:10 PM	Light Rail	A LRV was blocked and delayed at the junction between Tin Shui Road and Tin Wing Road because of a road traffic accident where a private car intruded into the ballast track at the junction.	Normal service resumed at 10:20 pm after the site was cleared.	12
26-Dec-10	9:20 PM	Light Rail	A LRV was withdrawn from service at Fung Nin Road Stop because a pair of doors failed to close after platform duties.	Investigation revealed that a component of the door equipment was loosened. It was immediately fixed.	11
28-Dec-10	5:55 AM	East Rail Line	Hung Hom-bound trains running between Tai Po Market Station and Fo Tan Station were delayed because they sustained wheel slip/slide at University Station.	Investigation found oil stains on rail top of platform track at University Station. The oil stains were immediately cleaned.	9
28-Dec-10	2:31 PM	Light Rail	A LRV was withdrawn from service at Tong Fong Tsuen Stop because its Static Inverter failed.	Investigation revealed that an electric cable sustained a short circuit and a fuse was blown. The faulty components were immediately replaced.	10
28-Dec-10	6:18 PM	Tung Chung Line	A Hong Kong-bound train was delayed at Siu Ho Wan and subsequently withdrawn from service upon arrival at Hong Kong Station because its trainborne signalling computer failed.	Investigation found faulty electronic cards of the trainborne signalling computer. The faulty electronic cards were immediately replaced.	8

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
29-Dec-10	8:29 AM	Tsuen Wan Line	A Central-bound train was delayed at Mong Kok Station and subsequently withdrawn from service upon arrival at Admiralty Station because there was a fault on the traction equipment.	Investigation found faulty electronic cards of the traction equipment. The faulty components were immediately replaced.	9
1-Jan-11	12:01 AM	East Rail Line	A Hung Hom-bound train was withdrawn from service at Lo Wu Station because it failed to obtain traction power and sustained no forward movement.	Investigation found faulty electronic cards of trainborne traction equipment. The faulty electronic cards were immediately replaced.	9

**Record of Train Service Delays of Eight Minutes or More
from 1 January 2011 to 31 March 2011**

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
2-Jan-11	10:36 PM	Tsuen Wan Line	A Tsuen Wan-bound train was delayed at Mong Kok Station because a points failed to detect its position.	Investigation found a faulty point detector, which was replaced.	15
3-Jan-11	4:25 PM	Kwun Tong Line	A Tiu Keng Leng-bound train was delayed at Lok Fu Station because a passenger alarm was operated as the jacket of a female passenger was nipped by train doors when she boarded the train at Prince Edward Station.	With the consent of the passenger, station staff accompanied her and the train was routed to Choi Hung Station platform 2 where the train doors were opened to release the jacket.	8
4-Jan-11	7:16 AM	East Rail Line	A Hung Hom-bound train was withdrawn from service upon arrival at Tai Wo Station because it failed to obtain the traction supplies.	Investigation confirmed that it was a human factor incident because the Train Captain failed to follow proper procedures to reset a minor trainborne equipment fault.	34

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
4-Jan-11	8:46 AM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed at Shek Kip Mei Station as a passenger alarm was operated for a sick passenger.	Station staff assisted the sick passenger to leave the train.	10
6-Jan-11	6:27 PM	Airport Express	A Hong Kong-bound train was withdrawn from service upon arrival at Kowloon Station because the speedometer showed that the train ran at a speed higher than it was allowed.	Investigation confirmed that the speedometer was faulty, which was immediately replaced.	11
7-Jan-11	9:28 AM	East Rail Line	A Tai Po Market-bound train was delayed between Sha Tin Station and Fo Tan Station because a points failed to detect its position.	Investigation revealed that a component of the points was loosened and immediately fixed.	16
10-Jan-11	8:35 AM	Tsuen Wan Line	A Central-bound train was delayed at Admiralty Station because a passenger alarm was operated for a sick passenger. The delay was extended because the Edge/Gap Hazard Detection alarm for a platform screen door was activated by a passenger for unknown reasons. The delay was further extended because two passenger alarms were operated on two subsequent trains for sick passengers.	Assistance was provided to the sick passengers.	8
11-Jan-11	8:35 AM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed at Ngau Tau Kok Station because a passenger alarm was operated for a sick passenger. The delay was extended because another passenger alarm was operated on a Tiu Keng Leng-bound train at Kowloon Tong Station at 08:51 am for a female passenger whose overcoat was nipped by the train doors when she boarded the train at Prince Edward Station. The delay was further extended because the third passenger alarm was operated on another Yau Ma Tei-bound train at Prince Edward Station at 8:51 am for another sick passenger.	Assistance was provided to the sick passengers.	8

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
11-Jan-11	1:02 PM	East Rail Line	A Lo Wu-bound train was held at a signal and delayed at Sheung Shui Station because it was blocked by two Mainland Through Trains crossing the boundary.	Nil	12
12-Jan-11	6:40 AM	West Rail Line	A Tuen Mun-bound train was delayed at Hung Hom Station and subsequently withdrawn from service upon arrival at Austin Station because its trainborne signalling equipment sustained a fault.	Investigation found that the electronic cards sustained intermittent faults. The cards were immediately replaced.	9
12-Jan-11	8:20 AM	Tsuen Wan Line	A Central-bound train was delayed at Tsim Sha Tsui Station because a pair of doors failed to close after platform duties.	Subsequent investigation found a shoe heel jammed in the train door guide rail. It was immediately removed.	11
14-Jan-11	8:27 AM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed at Choi Hung Station because a passenger alarm was operated for a sick passenger.	Station staff assisted the sick passenger to leave the train and reset the alarm.	8
17-Jan-11	10:00 AM	Airport Express	An AsiaWorld-Expo-bound train was delayed at Hong Kong Station because a Platform Edge Door failed to close completely after platform duties.	Investigation found a faulty component of platform screen door equipment. The faulty component was immediately replaced.	11
18-Jan-11	8:21 AM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed at Lok Fu Station because a passenger alarm was operated for a sick passenger when the train was departing for Kowloon Tong Station.	Assistance was provided to the sick passenger.	8
19-Jan-11	6:46 AM	Airport Express	An AsiaWorld-Expo-bound train was delayed at East Lantau Portal because a track circuit failed and it was later confirmed that a section of rail at a track circuit was broken.	A fish-plate with four clamps were immediately applied as a temporary measure. The rail was replaced during non-traffic hours.	24

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
19-Jan-11	1:17 PM	Light Rail	A LRV was delayed on its way to Kin On Stop because a points failed to detect its position.	Investigation revealed that the settings of point equipment shifted. The settings of point were immediately adjusted.	8
19-Jan-11	5:04 PM	Tseung Kwan O Line	A Po Lam-bound train was withdrawn from service upon arrival at North Point Siding because of a fault on its pantograph.	Investigation confirmed that it was a human factor incident because the defect handling procedure was not followed.	15
19-Jan-11	11:27 PM	Light Rail	A LRV was delayed at On Ting Stop because a piece of clothes was entangled in overhead line wires and the passage of the LRV was affected.	Normal service resumed at 11:36 pm after the clothes were removed.	8
20-Jan-11	7:07 AM	East Rail Line	Trains were delayed at Sheung Shui Station because a male lost balance and fell from platform onto track after he had a dispute with a female. A total of five Emergency Stop Plungers were operated. Trains were stopped and prevented from entering the platform.	Station staff descended onto track and assist the person back to platform. Track check was immediately conducted and it was confirmed that the track condition was normal.	13
21-Jan-11	10:58 PM	Light Rail	A LRV was withdrawn from service at Siu Lun Stop because it sustained a fault on its brake equipment.	Investigation revealed that an electrical cable of brake equipment sustained bad contact. The faulty component was immediately replaced.	9
22-Jan-11	5:18 PM	East Rail Line	A Lok Ma Chau-bound train was delayed at Sheung Shui Station because a points failed to detect its position.	Investigation revealed that the fifth stretcher bar of the point broke. Emergency maintenance was immediately conducted and the stretcher bar was replaced.	18

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
22-Jan-11	10:32 PM	Tung Chung Line	A Hong Kong-bound train was withdrawn from service at Sunny Bay Station because the miniature circuit breaker (MCB) of passenger alarm was tripped.	Investigation identified a faulty passenger alarm MCB. The faulty component was immediately replaced.	8
23-Jan-11	12:17 PM	Kwun Tong Line	Passengers of Kwun Tong Line were delayed because a points failed to detect its position when the signalling control was switched to local workstation during the resetting of a fault at Operations Control Centre.	Investigation found a faulty component of Station Management System. The faulty component was immediately replaced.	14
25-Jan-11	8:23 AM	Light Rail	A LRV was delayed at the junction between Fung Cheung Road and Castle Peak Road, and subsequently withdrawn from service upon arrival at Yuen Long Stop because the first door of the leading car was hit by a green minibus at the junction. The LRV sustained minor damage. There were no reports of injuries.	Normal service resumed at 8:30 a.m. after the site was cleared.	14
27-Jan-11	1:53 PM	Light Rail	A LRV was blocked and delayed by a road traffic accident.	Normal service resumed at 2:02 pm after the site was cleared.	14
28-Jan-11	12:51 AM	Tung Chung Line	A Hong Kong-bound train was withdrawn from service at Nam Cheong Station because all train doors could not open for platform duties. Station staff opened train doors from the rear driving cab for detrainment.	Faulty components of the door equipment were replaced.	12
30-Jan-11	12:00 PM	Light Rail	A LRV was delayed at the junction between Tai Fong Street and Tai Hing Street, and subsequently withdrawn from service upon arrival at Tin King Stop because a private car intruded into the path of the LRV at the junction.	The Train Captain immediately applied brakes to stop the LRV from hitting the car. There were no reports of injuries. Police classified the case as "Misunderstanding".	15

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
31-Jan-11	12:54 AM	Tseung Kwan O Line	A LOHAS Park-bound train was blocked and delayed at Tseung Kwan O Station by the preceding depot-bound train which sustained a minor fault on its brakes. The delay was extended because of improper train defect handling by the Train Captain.	Investigation concluded that it was a human factor incident.	11
3-Feb-11	7:26 PM	Light Rail	A LRV was delayed at Fung Nin Road Stop because a dog hid under the first bogie of the LRV after it had crossed the track when the vehicle was conducting platform duties. A police officer who happened to be on the scene stopped the vehicle from moving.	Normal service resumed at 7:52 p.m. when the dog got out from the vehicle underframe.	27
7-Feb-11	5:11 PM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed at Kwun Tong Station because a female passenger jumped from platform onto tracks to attempt suicide.	FSD personnel arrived and the woman was assisted back to the platform. Track check was conducted and it was confirmed that the track condition was normal. Police classified the case as "Attempted Suicide".	16
8-Feb-11	7:05 AM	West Rail Line	Trains on West Rail Line between Mei Foo Station and Tsuen Wan West Station were delayed because axle counter blocks failed intermittently.	Tests were conducted during non-traffic hours with no abnormalities found. However, the communication link cable was replaced.	11
8-Feb-11	9:32 AM	East Rail Line	A Hung Hom-bound train was withdrawn from service at University Station because the Outside Coach Indicator of a car remained lit after platform duties.	Investigation found a faulty component of the door. The faulty component of door equipment was immediately replaced.	11

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
8-Feb-11	11:42 PM	Tung Chung Line	A Tung Chung-bound train was withdrawn upon arrival at Olympic Station because it sustained a fault on a pair of doors.	Investigation found a faulty component of the door. The faulty component of door equipment was immediately replaced.	11
9-Feb-11	1:12 PM	West Rail Line	Trains between Mei Foo Station and Tsuen Wan West Station were delayed because axle counter blocks failed intermittently.	Tests were conducted during non-traffic hours with no abnormalities found.	9
10-Feb-11	7:37 AM	Tsuen Wan Line	A Tsuen Wan-bound train was delayed because a track circuit failed. It was later confirmed that a section of rails was broken.	Fish-plates were immediately applied as a temporary fix and normal train service resumed at 11:25 a.m. The broken rail was replaced during non-traffic hours.	14
10-Feb-11	9:47 PM	Airport Express	A Hong Kong-bound train was delayed because a points failed to detect its position.	Investigation found the faulty signal cable at trackside. The faulty signal cable was replaced.	12
12-Feb-11	10:29 PM	Light Rail	A LRV was blocked and delayed at the junction between Fung Cheung Road and Castle Peak Road by a road traffic accident.	Normal service resumed at 10:39 p.m. after the site was cleared.	9
12-Feb-11	10:30 PM	East Rail Line	A Lo Wu-bound train was delayed at Tai Wo Station because the Train Captain immediately pressed the Emergency Stop Push Button to stop the train when he heard some bang sounds. He turned back and saw a man on the side of the tracks. He then helped the passenger board the train.	Investigation revealed that the male passenger left his belongings with his friends inside the train after he had alighted from the train. He chased after the departing train and lost his balance and fell from the platform.	12

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
14-Feb-11	7:46 AM	Tseung Kwan O Line	A North Point-bound train was delayed and subsequently withdrawn from service upon arrival at Tseung Kwan O Station because it sustained a problem on door circuitry.	Investigation found a faulty Emergency Door. The faulty Emergency Door equipment was fixed afterwards.	13
14-Feb-11	8:30 AM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed at Diamond Hill Station because a passenger alarm was operated for a sick passenger. The delay was extended because of a passenger dispute on the following train when it arrived at Prince Edward Station.	Police was summoned and the case was classified as "Dispute".	10
14-Feb-11	12:07 PM	East Rail Line	A Lo Wu-bound train was delayed at Sheung Shui Station and subsequently withdrawn from service upon arrival at Lo Wu Station because overhead line traction current supplies were tripped.	Investigation found a burnt mark and some residues on the pantograph of the train. It was believed that the incident was caused by an unknown foreign object entangling on the overhead line wires.	18
15-Feb-11	7:05 AM	Tseung Kwan O Line	A Po Lam-bound train was delayed and subsequently withdrawn from service upon arrival at Quarry Bay Station because it sustained a problem on the door circuitry.	Investigation found a faulty Emergency Door. The faulty Emergency Door was fixed.	13
16-Feb-11	8:28 AM	Kwun Tong Line	Trains on Kwun Tong Line towards Yau Ma Tei were delayed because four passenger alarms were operated on three trains for four sick passengers between 8:28 a.m. and 8:48 a.m.	Assistance was provided to the sick passengers.	10

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
17-Feb-11	8:00 AM	East Rail Line	A Lo Wu-bound train at Fo Tan Station was withdrawn from service because overhead line traction current supplies between Tai Wai Station and University Station were de-energized.	Investigation found a faulty component of traction supply equipment. The faulty component was immediately replaced.	34
20-Feb-11	10:32 AM	Kwun Tong Line	A Yau Ma Tei-bound train was delayed between Yau Tong Station and Lam Tin Station because track circuits failed. The fault self-rectified at 10:39 a.m.	A component of the track circuits was replaced.	9
21-Feb-11	6:10 AM	Light Rail	A LRV was withdrawn from service at Tin Wu Stop because the Door Closed Indication remained lit after platform duties.	Investigation found a piece of battery cell jammed in the guide rail of the door. It was immediately removed.	8
21-Feb-11	6:20 PM	Island Line	A Sheung Wan-bound train was delayed on its way from Shau Kei Wan Station to Sai Wan Ho Station because Train Captain inadvertently operated a wrong button when he intended to reset a fault of the Digital Voice Announcement System, causing the train to trip.	Investigation confirmed that it was a human factor incident.	8
22-Feb-11	7:18 AM	Tung Chung Line	Trains on Tung Chung Line were delayed because the signalling computer for Kowloon Station Control Area failed.	Investigation found a faulty electronic board of the signalling computer. The faulty component was duly replaced.	28
23-Feb-11	7:41 AM	East Rail Line	A Hung Hom-bound train was delayed at University Station because a passenger alarm was operated for a female sick passenger when the train was departing. Train Captain immediately pressed the Emergency Stop Push Button to stop the train.	Station staff operated the External Emergency Door Release Cock to enter the train compartment and assisted the sick passenger to leave the train. She was then sent to hospital for medical treatment.	10

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
24-Feb-11	7:25 AM	Tsuen Wan Line	A Tsuen Wan-bound train was withdrawn from service upon arrival at Yau Ma Tei because it sustained a fault on its brakes.	Investigation revealed that the incident was caused by an intermittent fault of some components of brake equipment. The faulty components were replaced.	9
24-Feb-11	8:23 AM	Tsuen Wan Line	A Central-bound train was delayed at Tsim Sha Tsui Station because a passenger alarm was operated for a passenger dispute. The delay was extended because unknown passengers blocked a pair of train doors from closing when a train arrived at Yau Ma Tei Station at 8:26 a.m. and another passenger alarm was operated for a sick passenger when another train arrived at Yau Ma Tei Station platform 2 at 8:43 a.m.	Assistance was provided to sick passengers.	8
24-Feb-11	12:27 PM	Light Rail	A LRV was delayed at Tin Wing Stop because five passengers fell inside the train compartment when the LRV stopped at the pedestrian walkway before entering Tin Wing Stop.	The passengers sustained minor injuries and were conveyed to hospital for medical treatment.	11
24-Feb-11	2:12 PM	East Rail Line	A Hung Hom-bound train was delayed at Lo Wu Station and subsequently withdrawn from service upon arrival at Sheung Shui Station because the handle of an External Emergency Door Release Cock of a pair of doors was found not in the correct position.	Investigation revealed that the handle was loosened. The faulty component was immediately replaced.	10

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
25-Feb-11	8:04 PM	Light Rail	A LRV was withdrawn from service upon arrival at Tong Fong Tsuen Stop because it sustained no forward movement at 100 m before entering the platform.	Investigation found a faulty component of trainborne traction equipment. The faulty component was immediately replaced.	21
26-Feb-11	12:28 AM	East Rail Line	A Hung Hom-bound train was withdrawn from service at Fan Ling Station because the arc horn of high-tension cable at the pantograph flashed over when the train was entering the platform, de-energizing the overhead traction current supplies between Lo Wu/Lok Ma Chau Station and Fan Ling Station in the Hung Hom-bound direction.	Investigation confirmed that all overhead traction supplies and trainborne equipment were functioning normally. It was believed that the incident was caused by unknown foreign objects.	18
27-Feb-11	12:40 PM	East Rail Line	A Lo Wu-bound train was delayed at Fo Tan Station because a points failed to detect its position.	Investigation found two loosened components of the point. The faulty components were immediately fixed.	20
28-Feb-11	8:32 AM	Light Rail	LRVs were delayed because a male pedestrian was tapped by a non-passenger LRV when he dashed out from the pedestrian walkway while he was talking over the mobile phone and catching the LRV at Tin Tsz Stop.	The man sustained minor abrasion on his left knee and declined ambulance service.	10
28-Feb-11	3:16 PM	Light Rail	A LRV was delayed at Nai Wai Stop because it overran the stopping mark by two cars' length.	Investigation confirmed that it was a human error.	8
28-Feb-11	9:47 PM	Kwun Tong Line	A Tiu Keng Leng-bound train was delayed and subsequently withdrawn from service upon arrival at Ngau Tau Kok Station because a man jumped onto the tracks when the train was entering the platform. Train Captain immediately pressed Emergency Stop Push Button and station staff operated the Emergency Stop Switch to stop the train.	FSD personnel and ambulancemen was summoned. Police classified the case as "Attempted Suicide".	39

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
1-Mar-11	2:13 PM	East Rail Line	Trains between Sha Tin Station and Fo Tan Station were delayed because a woman reported to station staff at Customer Service Centre that she saw two trespassers on tracks.	Track check was immediately conducted. It was completed and no irregularities were found.	9
2-Mar-11	3:28 PM	Tung Chung Line	A Tung Chung-bound train was withdrawn from service at Lai King Station because a pair of doors failed to close completely after platform duties.	Investigation revealed that the Obstacle Detection Alarm was activated and it was believed that the door was blocked from closing by passengers.	10
3-Mar-11	4:01 PM	West Rail Line	A Tuen Mun-bound train was withdrawn from service at Yuen Long Station because a pair of doors failed to close after platform duties.	Station staff found a foreign object jammed in the door guide rail. The foreign object was later removed.	10
3-Mar-11	10:02 PM	East Rail Line	A Lo Wu-bound train was withdrawn from service at Kowloon Tong Station because it overran the station stopping mark by 42 m in Automatic Mode.	Investigation found a faulty train speed sensor. The faulty component was immediately replaced.	12
3-Mar-11	10:49 PM	Light Rail	A LRV was delayed at the junction between Ming Kum Road, Tin King Road and Tsing Tin Road because an urban taxi jumped the red traffic signal and collide with the LRV. There was no report of passenger injuries.	Normal service resumed at 10:58 p.m. after the site was cleared.	14
4-Mar-11	10:37 PM	Light Rail	A LRV was blocked and delayed at the junction between Tin King Road and San Wai Court by a road traffic accident.	Normal service resumed at 10:50 p.m. after the site was cleared.	14

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
6-Mar-11	9:42 AM	Light Rail	A LRV was delayed at Tin Wing Stop because a male passenger operated the door isolating cock to prevent the LRV from departing after he had charged the closing doors and was nipped. He sustained no apparent injuries.	Police was summoned. The LRV departed at 9:51 a.m. after the cock had been restored.	12
10-Mar-11	6:13 PM	Island Line	A Sheung Wan-bound train was withdrawn from service at Tin Hau Station because two Direct Current Circuit Breakers were tripped, de-energizing the traction current supplies between North Point Station and Tin Hau Station.	Investigation revealed that some components of the pantograph on the train were broken. The faulty components were immediately replaced.	17
12-Mar-11	6:00 AM	Light Rail	A LRV was delayed at the junction between Tuen Mun Stop and Town Centre Stop because of a conflicting movement of two LRVs.	Investigation confirmed that it was a human error.	13
12-Mar-11	8:38 AM	Light Rail	Passengers were delayed at Butterfly Stop because a LRV was incorrectly routed to Butterfly Stop instead of Siu Hei Stop.	Investigation revealed that it was a human error.	18
13-Mar-11	6:20 AM	Light Rail	A LRV was delayed and withdrawn from service upon arrival at Tuen Mun Stop because the traction supplies were lost.	Investigation found two faulty components of trainborne traction supplies equipment. The faulty components were immediately replaced.	10
13-Mar-11	4:16 PM	East Rail Line	A Lo Wu-bound train was held in front of a signal and subsequently withdrawn from service upon arrival at Lo Wu Station because overhead traction supplies were lost.	Investigation found a faulty power supply cable. The faulty cable was immediately replaced.	28

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
16-Mar-11	2:59 PM	Tung Chung Line	A Tung Chung-bound train was withdrawn from service at Nam Cheong Station because all train doors failed to open for platform duties. Station staff had to open train doors at the rear driving cab for detrainment of passengers.	Investigation found faulty components of door control system. The faulty components of door control system were replaced.	8
17-Mar-11	9:30 PM	West Rail Line	A Tuen Mun-bound train was withdrawn from service at Austin Station because all train doors failed to open for platform duties. Train Captain and station staff operated the Interior Emergency Door Release Device for detrainment of passengers.	Investigation found a faulty component of door equipment. The faulty door component was immediately replaced.	19
21-Mar-11	12:24 AM	Kwun Tong Line	The last train for Yau Ma Tei Station was withdrawn from service at Tiu Keng Leng Station because all train and platform screen doors failed to close after platform duties.	Investigation revealed that the trainborne signalling computer lost its location information. The trainborne signalling computer was then reset.	8
22-Mar-11	9:51 AM	Light Rail	A LRV was delayed and subsequently withdrawn from service upon arrival at San Wai Stop because the pantograph dropped down automatically and was unable to raise again.	Investigation by the engineer revealed that a screw of the pantograph was loosened. The pantograph was immediately replaced.	17
24-Mar-11	12:59 AM	Light Rail	A LRV was withdrawn from service at Chestwood Stop because a pair of doors failed to close after platform duties.	Investigation revealed that a screw of the door was detached. The door was immediately fixed.	13
24-Mar-11	5:59 AM	East Rail Line	A Hung Hom-bound train was withdrawn from service at Sheung Shui Station because it failed to release its brakes.	Investigation found faulty components of the brake system. The faulty components were replaced.	8

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
25-Mar-11	4:44 PM	Tung Chung Line	A Tung Chung-bound train was withdrawn from service at Nam Cheong Station because all train doors failed to open for platform duties. Station staff attended and opened train doors from the rear driving cab for detrainment.	Investigation found a faulty component of door equipment. The faulty component was immediately replaced.	12
25-Mar-11	9:19 PM	Kwun Tong Line	The last train of Kwun Tong Line for interchange to Lok Ma Chau Station at Kowloon Tong Station was delayed because it departed prematurely without waiting for interchange passengers from Tseung Kwan O Line. Station staff operated the Emergency Stop Switch to stop the train from departing. The train was set back to perform platform duties again.	Investigation confirmed that it was a human error.	10
28-Mar-11	10:54 AM	Light Rail	A LRV was blocked and delayed by a defective goods truck at the junction between Tai Fong Street and Tai Hing Street.	Normal service resumed at 11:04 a.m. after the site was cleared.	12
28-Mar-11	3:47 PM	West Rail Line	A Hung Hom-bound train was delayed at Tuen Mun Station and subsequently withdrawn upon arrival at Long Ping Station.	Investigation found a faulty component of trainborne signalling computer. The faulty component was immediately replaced.	10
29-Mar-11	5:50 AM	Light Rail	A LRV was withdrawn from service at Tai Hing (South) Stop because all train doors of the rear car failed to open for platform duties.	Investigation found a faulty component of door equipment. The faulty component was immediately replaced.	11

<i>Incident Date</i>	<i>Incident Time</i>	<i>Railway Line Affected</i>	<i>Cause of Incidents/ Findings of Investigation</i>	<i>Remedial Action Taken</i>	<i>Delay (min.)</i>
29-Mar-11	6:51 AM	Disneyland Resort Line	Train service of Disneyland Resort Line was suspended for 116 minutes because the trainborne signalling computer failed. Station staff managed to work the train back to Sunny Bay Station for detrainment.	Investigation found two faulty components of trainborne signalling computer. The faulty components were immediately replaced.	116
29-Mar-11	7:29 AM	Tseung Kwan O Line	Passengers for LOHAS Park Station were carried to Hang Hau Station and delayed because Traffic Controller forgot to cancel the route for a section of tracks which was set during his demonstration of signalling computer system to a trainee earlier.	The Traffic Controller spotted the error when the train berthed at Hang Hau Station. The route was immediately cancelled.	11
30-Mar-11	9:13 AM	East Rail Line	A Lo Wu-bound train was delayed at Kowloon Tong Station because a passenger operated an Emergency Stop Plunger to report a robbery case. A male jumped onto track and climbed to the slope near the portal of Beacon Hill Tunnel.	Police was summoned. Track check was immediately conducted and the track condition was normal.	16
31-Mar-11	4:23 PM	Tseung Kwan O Line	A Po Lam-bound train was delayed because two passenger alarms were operated for a sick passenger when the train was departing. The train was tripped and Train Captain also pressed the Emergency Stop Push Button to stop the departing train.	The train was set back. The sick passenger was assisted to leave the train and was conveyed to hospital for medical treatment.	13

Sale of Minced Beef Adulterated with Pork by Supermarkets

16. **MR LEUNG KWOK-HUNG** (in Chinese): *President, the media uncovered earlier that a number of large supermarket chains mixed pork into beef for sale as beef; as the price of beef is higher, supermarkets can reap huge profits, but the commodities do not meet their descriptions and they have neglected public health and food quality. In this connection, will the Government inform this Council:*

- (a) *in the past five years, whether the Government had carried out sample tests on minced beef sold at supermarkets or chain stores to ascertain whether there was adulteration of pork; if it had, of the number of cases identified and which supermarkets or chain stores were involved; if not, whether it became aware of the situation only after it was uncovered by the media;*
- (b) *whether, under the existing legislation, the adulteration of pork in beef for sale as beef is in breach of any legislation; if so, of the legislation breached and the relevant penalty; and after the media uncovered the aforesaid cases, whether the Government has immediately taken law-enforcement actions; if it has, of the details, including the actions taken, at which and how many supermarket chains it has conducted spot checks, and of the results; if not, whether the relevant government departments have assessed the seriousness of the problem;*
- (c) *whether it knows if, in general, the health of members of the public will be affected after they have consumed beef adulterated with pork; and*
- (d) *of the government departments to which members of the public may lodge complaints if they find that there is again adulteration of pork or other meat in minced beef sold by supermarkets or chain stores; upon receipt of the complaints, whether the Government will immediately send staff to collect evidence on the spot?*

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

- (a) The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department (FEHD) adopts the risk analysis framework promulgated by international food safety authorities in regulating food safety, under which hazards associated with food or food ingredients are evaluated and potential risk to the population is assessed, facilitating the formulation of an appropriate Food Surveillance Programme. The Food Surveillance Programme is designed to control and prevent food hazards in order to ensure that food sold in Hong Kong is safe and fit for consumption to protect public health.

Under the Food Surveillance Programme, officers of the CFS take samples of food items at import, wholesale and retail levels for microbiological and chemical testing for the purpose of assessing food risks. Microbiological testing covers bacteria and viruses, while chemical testing includes food additives, contaminants and other harmful residues, and toxins.

Since the regular food surveillance programme focuses on risk and food safety, testing of minced beef for trace of pork has not been included in the programme in the past five years. The CFS has started investigation into the alleged cases in which pork was mixed into minced beef in an attempt to deceive consumers. The CFS will make an assessment after receiving the test result and take further action as appropriate.

Subsequent to earlier media reports that several supermarket chains were suspected to have sold beef mixed with pork, the CFS immediately sent officers to major supermarket chains to follow up and took three minced beef samples for testing. One sample was found containing no trace of pork while the testing for the other two are still under way. Since the media report of the sale of pork as beef in the Mainland in mid April this year, the CFS has received 26 complaints involving the sale of pork as beef. The FEHD's investigation officers have taken appropriate follow-up actions and collected alleged beef samples for testing by the Government

Laboratory (GL). The test results of 15 samples show that the complaints are unsubstantiated while the testing for the remaining samples are still under way.

The Customs and Excise Department (C&ED) also adopts a risk assessment approach and conducts targeted checks and investigations in the light of the assessed risk, severity of the matters in question and market conditions. This approach has taken account of the sheer number of goods available for sale in the market. Based on its complaint trends and analysis of previous investigations, the C&ED considers that there was no evidence showing that the problem of traders selling beef mixed with pork as pure beef was serious. Hence, the C&ED has not conducted targeted investigation in this aspect in the past five years. After the subject incident came to light, the C&ED has conducted inspection of supermarkets and frozen meat shops across the territory. Five specimens of packaged minced beef have been collected from five supermarket chains and forwarded to the GL for testing. The testing are still under way.

- (b) Under section 52(1) of the Public Health and Municipal Services Ordinance (Cap. 132), if any person sells to the prejudice of a purchaser any food which is not of the nature, or not of the substance, or not of the quality, of the food demanded by the purchaser, he shall be guilty of an offence and the maximum penalty is a fine of \$10,000 and imprisonment for three months. Under section 61(1) of the same Ordinance, if any person falsely describes the food or misleads as to the nature of the food on a label of the food sold by him, he shall be guilty of an offence and the maximum penalty is a fine of \$50,000 and imprisonment for six months.

Section 4A of the Food and Drugs (Composition and Labelling) Regulations (Cap. 132W) stipulates that prepackaged food shall be marked and labelled in the manner prescribed in Schedule 3. The food name or designation so marked and labelled shall not be false, misleading or deceptive in any respect as to the nature of the food. The maximum penalty for contravention is a fine of \$50,000 and imprisonment for six months.

The Trade Descriptions Ordinance (Cap. 362) prohibits any person from applying false trade descriptions to any goods (including those of the "composition" of goods) in the course of business. Offenders are liable to a fine at Level Six (presently at \$100,000) and imprisonment for two years on summary conviction, and fine of \$500,000 and imprisonment for five years on conviction on indictment.

As mentioned in my reply in part (a) above, the FEHD and the C&ED have deployed officers to conduct inspection and collected food samples for testing by the GL immediately after the reports of the alleged cases.

- (c) Generally speaking, minced beef mixed with pork does not increase the food risk. However, all meat should be cooked thoroughly before consumption to safeguard health.
- (d) Members of the public who have suspicions about shops selling minced beef mixed with pork or other meat may file a report by calling the Government 1823 Call Centre, the Customs Hotline (2545 6182) or the FEHD Hotline (2868 0000). Members of the public may also contact any District Environmental Hygiene Office of the FEHD by telephone or in person during office hours. Upon receiving the complaints from the public, the relevant departments will look into the cases and take follow-up actions as soon as possible.

Competitiveness of Hong Kong Stock Exchange Market on Trust Listings

17. **MR ABRAHAM SHEK:** *President, it has been reported that the Hong Kong Exchanges and Clearing Limited is now discussing the details on the introduction of business trust listing in Hong Kong, for which, under the current proposal, requires the trustee manager to hold a controlling stake of not less than 50% of the total trust units; meanwhile, Hutchison Whampoa Limited announced in March this year that it will spin off its port business to a separate business*

trust listed in Singapore. Regarding the competitiveness of the Hong Kong stock exchange market on trust listings, will the Government inform this Council:

- (a) given that real estate investment trust is the only kind of trusts allowed to be listed in Hong Kong at present, whether the Government has considered allowing the listing of other trusts, including but not limited to business trusts, by the end of this year; if it has, of the criteria and factors to be considered in establishing the listing mechanism for business trusts;*
- (b) whether it had conducted any consultation with the stakeholders in the past three years on establishing business trust listing; if it had, of the details of such consultation; whether a consensus view of the stakeholders in support of the proposed listing arrangements had been formulated, and if so, of the details of such proposal;*
- (c) given that in Singapore, it only requires the possession of 25% of trust units to control the respective business trusts, of the factors it has considered for proposing the threshold of not less than 50% of the total trust units for business trusts listed in Hong Kong, and whether such proposed arrangement is in line with any overseas practices; if so, of the details; if not, the reasons for that;*
- (d) given that a business trust does not have a separate legal identity and is only controlled by a trustee manager, whether it has considered the feasibility of introducing any external regulation to regulate business trusts especially with regard to the requirements for enhancing information transparency and corporate governance of the trusts; if it has, of the details; if not, the reasons for that;*
- (e) as it has been reported that PCCW Limited has proposed a separate listing for its telecommunication operations in the form of a business trust, whether it has acknowledged and evaluated if the progress of establishing the listing mechanism for business trusts can timely meet the aforesaid Initial Public Offering listing proposal of PCCW Limited for such business trust; if not, of the measures it has*

considered in expediting the introduction of business trust listing in Hong Kong; and

- (f) whether it has considered putting in place any institutional arrangement to monitor the risks of operating business trusts and the sale of any related financial product to the public; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY:

President, my reply to the six parts of the question is as follows:

- (a) and (d)

The Securities and Futures Commission (SFC) and the Stock Exchange of Hong Kong Limited (Exchange) have been discussing with market practitioners and a number of entities seeking to list active businesses by way of a trust, the potential listing of business trusts in Hong Kong and the factors that should be taken into account in the relevant regulatory framework.

First, given that business trusts effectively operate as business enterprises, the Exchange is proposing to consider their listing applications and regulate them by applying the same principles in the Listing Rules as those applicable to any company seeking a listing on the Exchange. To achieve this, the Exchange would have to modify the current regulatory framework for listed companies in the Listing Rules to apply them to business trusts in a manner that fully preserves all the current Listing Rule requirements on investor protection, disclosure and corporate governance.

For example, business trusts are established by trust deeds and unlike companies, are not subject to the provisions on shareholder protection under the Companies Ordinance (or equivalent company laws in other jurisdictions) and other laws and regulations applicable to listed companies. The listing applicant will need to address

existing requirements for investor protection standards by incorporating these matters into their trust deeds or by other acceptable means. The principle underlying this approach is to ensure that holders of units in business trusts enjoy investor protection standards comparable to those required of incorporated Hong Kong issuers, including investor's rights to approve significant matters relating to the trust and to attend and vote at general meetings.

Secondly, a key part of the regulatory regime for listed companies is provided in the Securities and Futures Ordinance (SFO). At present, some provisions in the SFO applicable to a listed corporation do not apply to a business trust, notably insider dealing and disclosure of interests in shares.

We consider it essential for investor protection that listed business trusts are subject to the relevant SFO provisions. We note that in other jurisdictions, some businesses have listed a "stapled" security, where a share in a company is "stapled" to a unit in a trust. These products trade as a single stapled security. As the security that is listed includes a share issued by corporation, the relevant SFO provisions may apply to such a structure.

The SFC and the Exchange are exploring with entities seeking to list an active business by way of a trust whether a structure that meets their commercial requirements can at the same time ensure that the relevant SFO provisions apply. These entities and the SFC are in the process of obtaining advice from leading counsel on the many and complex legal issues involved. Progress to date suggests that there are structures that will bring a listed business trust into the ambit of the relevant provisions of the SFO.

Separately, the primary business reasons advanced for listing by way of a trust are:

- (i) tax benefits in some jurisdictions;

- (ii) ability to make distributions if spare cash is available — trusts are not limited to only paying dividends out of realized profits; and
- (iii) the trust can specify that surplus funds are paid out to investors, thus providing certainty to investors.

As there are no tax incentives in Hong Kong for business trust, a listed corporation can provide all the main advantages asserted for a listed business trust if first, it is incorporated in a jurisdiction where the company law allows distributions based on a solvency test, and second, its constitutional documents (that is, Articles of Association) are amended to set a policy on distributions that mirror those included in the trust deed of a business trust.

- (b) The SFC and the Exchange held a working group meeting with representatives from interested investment banks in April 2011 to discuss possible structures and key issues regarding listing business trusts under the current Hong Kong regulatory framework. There was a consensus that there are suitable ways to structure business trusts so as to ensure that the relevant SFO provisions would be applicable.
- (c) As discussed in the answer to part (a) above, the approach being considered is to ensure that the regulatory regime for a listed business trust mirrors that of a listed company. We note that the regulatory regime for listed managed investment schemes in Australia also mirrors that of a listed company and that the manager of a listed managed investment scheme could be replaced on the same basis as a company director, that is by simple majority of unit holders who vote at a duly convened meeting, without any restriction on who could vote. We consider that a change in the trustee manager for a listed business trust should require a simple majority of unit holders. In fact, after public consultation, the SFC amended its Code on Real Estate Investment Trusts in 2010 to institute a similar requirement.

- (e) As disclosed by PCCW, the Exchange and the SFC are in discussions with PCCW as to the application of the Listing Rules and the relevant provisions of the SFO to the structure proposed by PCCW for a listing of a business trust.
- (f) As stated in the answer to part (a) above, the approach being considered is to ensure that the regulatory regime for a listed business trust mirrors that of a listed company. Consequently the risks derived from using a business trust structure should be in line with those of a corporation.

Harbourfront Planning for Northern Shore of Hong Kong Island

18. **MR KAM NAI-WAI** (in Chinese): *President, as the harbourfront areas on both sides of the Victoria Harbour are important public assets, members of the community are very concerned about the planning, development, design and management of such areas. In this connection, will the Government inform this Council:*

- (a) *regarding the development of a complete and connected promenade running along the northern shore of Hong Kong Island from Sai Wan in Central and Western District directly to the vicinity of Siu Sai Wan in Eastern District, whether the Government has set the timetables for the development of such project as well as the various phases under this project;*
- (b) *of the respective detailed numbers of private properties or land sites and government properties or land sites which may affect the completeness and connectivity of the promenade on the northern shore of Hong Kong Island; the respective solutions the Government has in this regard; and whether it has set the timetable for relocating such government properties to other districts; and*
- (c) *whether the Government will adopt the public-private-partnership approach to design, build and operate the New Central*

Harbourfront and even the harbourfront development project on the northern shore of Hong Kong Island as a whole; if it will, of the details concerned?

SECRETARY FOR DEVELOPMENT (in Chinese): President, my reply to the three-part question is as follows:

- (a) Victoria Harbour is the most precious public asset of Hong Kong and a symbol of the city. In recent years, the Government has strived to promote the enhancement of the harbourfront and to improve its accessibility. Subject to the actual circumstances of the harbourfront sites and through effective allocation of resources, the Government gradually constructs various harbourfront promenades for public enjoyment. In mapping out and taking forward various harbourfront enhancement measures, the Government has made reference to the former Harbour-front Enhancement Committee (HEC)'s recommendations for the 22 Action Areas along Victoria Harbour and implemented them in a gradual manner having regard to the actual circumstances of each individual project. The Harbourfront Commission (HC) established in 2010 will continue to monitor the progress and propose new enhancement measures. On the northern shore of Hong Kong Island, apart from taking forward the development of the new Central harbourfront, the Government has also actively carried out various enhancement works in the other Action Areas. Projects completed in the past two years include the Central and Western District Promenade — Sheung Wan Section at the former Sheung Wan Gala Point, the park area of Sun Yat Sen Memorial Park, the pedestrian link between these two sites, the open space fronting Central Piers No. 9 and 10, the temporary waterfront promenade along the eastern part of the ex-North Point Estate site, and Aldrich Bay Park, and so on. Meanwhile, the development of the temporary waterfront promenade at Hoi Yu Street, Quarry Bay and the Hong Kong Island East Harbour-front Study (HKIEHS), which aims to formulate a comprehensive plan for the enhancement of the Hong Kong Island East harbourfront areas, are underway.

The existing uses or the major development plans of the harbourfront sites in the Action Areas along the northern shore of Hong Kong Island are set out at Annex.

- (b) At present, some of the harbourfront areas along the northern shore of Hong Kong Island are being used by public facilities or fall within privately-owned land (see Annex for details). Such issues have to be resolved on a case-by-case basis. In assessing whether it is necessary to set up government facilities in harbourfront areas, the Government will first consider whether the facilities have to be set up at the harbourfront due to operational needs, and make reference to the Harbour Planning Principles promulgated by the former HEC and adopted by the HC, as well as the guidelines on waterfront planning and urban design set out in the Hong Kong Planning Standards and Guidelines prepared by the Planning Department. The Government will also consider the planning intention of the site as stipulated in the relevant statutory plan, and the views of the government departments, HC and District Councils, and so on. If it is found that there is no need to set up the facilities at the harbourfront, we will explore the possibility of reprovisioning them to a non-harbourfront site (for example, the bus terminus at Shing Sai Road). For government structures which have to be located at the harbourfront because of a practical need, the Government will, where possible, consider setting them back, or reserving the part facing the harbourfront for use as a promenade (for example, the Central and Western District Promenade — Sheung Wan Section). If, for operational and practical reasons, the facilities could not be relocated or set back at the moment, we will explore the feasibility of improving the appearance of their exteriors and undertaking landscape works with a view to enhancing the harbourfront (for example, the proposed beautification works for the Marine Police Regional Headquarters and Marine Police Harbour Division Base at Sai Wan Ho).

As regards sites and buildings held by private owners, we are glad to see that some of the owners and developers have assisted us in

undertaking harbourfront enhancement works. For example, regarding the temporary promenade at Hoi Yu Street, Quarry Bay, with the collaboration of the New Hong Kong Tunnel Company Limited, a waterfront land strip measuring 90 m long and 6 m wide has been released to achieve connectivity of the promenade. This was the result of the joint efforts of various parties and lengthy negotiations. Regarding other privately-owned sites, we will seriously examine all feasible measures to see if favourable conditions could be created for the development of a continuous promenade.

- (c) There are a total of eight key sites at the new Central harbourfront. We plan to develop some of the key sites by way of public-private collaboration (PPC). Through this approach, we aim to capture the creativity and expertise of the private sector for more innovative design options with management that is flexible and allows more sustainable development. As such, a vibrant, green and accessible new Central harbourfront can be created for public enjoyment.

As reported at earlier meetings of the Panel on Development, the Government has planned to develop Sites 1 and 2 of the new Central harbourfront by PPC under a land lease. The sites and the facilities thereon will be returned to the Government upon the expiry of the proposed lease. As works associated with the construction of the Central-Wan Chai Bypass will be carried out at part of Sites 1 and 2 up till July 2015, the development of these two sites will take some time to materialize.

Currently, we are also exploring the possibility of developing Sites 4 and 7 (in whole or in part) by PPC. With the support of HC, we have commissioned an independent consultant to conduct a study on the feasibility of developing these two sites by PPC. We are now conducting a market sounding exercise to invite the private sector to express their views by 30 June 2011 on the potential of developing Sites 4 and 7 by PPC.

We are also actively exploring whether there are other harbourfront sites on the northern shore of Hong Kong Island which can be developed by PPC. Taking into account of the result of the Stage 2 Public Engagement Programme for the HKIEHS, we are planning to develop the proposed temporary waterfront promenade site at Hoi Yu Street, Quarry Bay, the two adjoining sites that have been zoned "Other Specified Uses" annotated "Cultural and/or Commercial, Leisure and Tourism Related Uses", and the nearby site above the Eastern Harbour Crossing exit by way of PPC. The Planning Department has collected more views in the recently completed Stage 3 Public Engagement Programme for the Study. We will consider the options recommended in the Study when this project is taken forward in future. The entire Study is anticipated to be completed in 2011.

Annex

Existing Uses or Major Development Plans of Harbourfront Sites
in the Action Areas along the Northern Shore of Hong Kong Island

<i>Structures/ sites located at Harbourfront</i>	<i>Action Area</i>	<i>Government/ Private</i>	<i>Existing uses/ Major Development Plans</i>
Waterfront area from Sai Ning Street to Cadogan Street, Kennedy Town	Kennedy Town	Government	- *There is a temporary playground at Sai Ning Street with an area of about 0.62 hectares. There are two seven-a-side hard-surface soccer pitches and one basketball court on the site. - Part of the site is being used as a temporary works area for MTR Corporation.

<i>Structures/ sites located at Harbourfront</i>	<i>Action Area</i>	<i>Government/ Private</i>	<i>Existing uses/ Major Development Plans</i>
			- *It falls within the land use review area of the western part of Kennedy Town. The review, which is underway, is anticipated to be completed in early 2012. While its land use is yet to be finalized, the preliminary planning concept proposes that the waterfront portion of the site will be reserved and designated for the development of a harbourfront promenade and an open space for public enjoyment.
China Merchants Wharf and Godown	Kennedy Town	Private	- It falls within the land use review area of the western part of Kennedy Town.
Bus terminus at Shing Sai Road	Kennedy Town	Government	- *The Planning Department and other departments concerned (including the Transport Department) are now reviewing the land use of the western part of Kennedy Town. This includes identifying a suitable site in the area for reprovisioning the existing bus terminus at Shing Sai Road in order to vacate land for use as public open space.
Western District Public Cargo Working Area (PCWA)	Kennedy Town	Government	- The Western District PCWA has to be located at the harbourfront due to operational needs.

<i>Structures/ sites located at Harbourfront</i>	<i>Action Area</i>	<i>Government/ Private</i>	<i>Existing uses/ Major Development Plans</i>
			<p>- Since its commencement in 1981, the Western District PCWA has been handling cargo such as non-staple food, building materials and general cargo. It has not only provided essential cargo services for the residents of the Islands District, but also created some 700 posts for various types of jobs in the transport and related trades. The Transport and Housing Bureau considers that there is an actual need for the Western District PCWA and therefore it has no plan to relocate or close it at present.</p>
Western Wholesale Food Market (WWFM)	Sai Wan	Government	<p>- There are three two-storey buildings and five piers within the site. Of the five piers, only Pier No. 5 is still in operation and the remaining four are left idle.</p> <p>- *The Development Bureau is working with the bureaux and departments concerned to explore ways of optimizing the uses of the four unused piers of the WWFM and the harbourfront area fronting the piers.</p>

<i>Structures/ sites located at Harbourfront</i>	<i>Action Area</i>	<i>Government/ Private</i>	<i>Existing uses/ Major Development Plans</i>
			- Before the implementation of a long-term development programme, the Government will, in collaboration with the Central and Western District Council (C&WDC), conduct various activities in the WWFM. For example, the C&WDC and the Agriculture, Fisheries and Conservation Department jointly held the WWFM Flea Market cum Carnival in the Market in January 2011.
Sun Yat Sen Memorial Park	Sai Ying Pun	Government	- *With an area of about five hectares, the Sun Yat Sen Memorial Park and Swimming Pool Complex comprises a 375-metre long promenade (the park area of the promenade is 220-metre long and the swimming pool area 155-metre long). The park area was opened to the public in June 2010. The swimming pool complex is anticipated to be completed and opened to the public in the second half of 2011.
The pedestrian link along the harbourfront between Sun Yat Sen Memorial Park and the Central and Western Promenade — Sheung Wan Section	Sai Ying Pun	Government	- *The pedestrian link along the harbourfront was opened to the public in June 2010.

<i>Structures/ sites located at Harbourfront</i>	<i>Action Area</i>	<i>Government/ Private</i>	<i>Existing uses/ Major Development Plans</i>
Central and Western District Promenade — Sheung Wan Section	Sai Ying Pun	Government	- *The Central and Western District Promenade — Sheung Wan Section was opened to the public in November 2009.
Shun Tak Centre and Hong Kong Macau Ferry Terminal	Sheung Wan	Private	
Central Piers No. 1 to No. 8	Central	Government	- *Fronting the piers is the Central Pier harbourfront promenade.
Open Space fronting Central Piers No. 9 and No. 10	Central	Government	- *The open space was opened to the public in July 2010.
New Central Harbourfront site	Central	Government	- *Sites 1 and 2 will be developed into a mixed-use precinct for cultural and recreational uses through PPC. As works associated with the Central-Wan Chai Bypass will be carried out at various parts of these two sites up till July 2015, the development will take some time to materialize. - *We are exploring whether Sites 4 and 7 (in whole or in part) can be developed by PPC. A market sounding exercise is being carried out at the present stage.

<i>Structures/ sites located at Harbourfront</i>	<i>Action Area</i>	<i>Government/ Private</i>	<i>Existing uses/ Major Development Plans</i>
			<p>- Taking into account that the Central Reclamation Phase III works is anticipated to be completed by the end of 2011, and that more time is needed for the planning and design of the long-term development of the harbourfront promenade, the Government has commenced the advance works of the waterfront promenade, so that the public can enjoy the new harbourfront as early as possible. *The advance works for the harbourfront promenade includes the construction of a 500-metre long continuous walkway along the harbourfront covering an area of about 2.5 hectares to link up Central Pier No. 10 with the open space to the north of the Tamar Development. The project is anticipated to be completed in early 2012.</p>
Wan Chai Temporary Promenade	Wan Chai West	Government	<p>- *It is located to the north of the Hong Kong Convention and Exhibition Centre and adjacent to the Golden Bauhinia Square.</p>
Wan Chai Development Phase II site	Wan Chai East	Government	<p>- A total of 12.7 hectares of land will be provided by reclamation on the seabed of Wan Chai North and North Point.</p>

<i>Structures/ sites located at Harbourfront</i>	<i>Action Area</i>	<i>Government/ Private</i>	<i>Existing uses/ Major Development Plans</i>
			<p>- The project is anticipated to be completed in 2017. The development of the harbourfront areas along Wan Chai and North Point will commence upon completion of Wan Chai Development Phase II and the Central-Wan Chai Bypass.</p>
Eastern Corridor and North Point Pier	Hong Kong Island East	Government	<p>- *The Planning Department is conducting the HKIEHS and will draw up recommended options after considering the views collected in the Stage 3 Public Engagement Programme. We will make reference to the options recommended by the Study when considering whether to build a pedestrian boardwalk under the Eastern Corridor and any improvement works to be carried out for the North Point Pier.</p>
The waterfront site of the ex-North Point Estate	Hong Kong Island East	Government	<p>- *The temporary waterfront promenade along the eastern part of the ex-North Point Estate was opened to the public in June 2010.</p> <p>- *The future developer will be required to provide a 20-metre wide promenade for public enjoyment as required in the relevant planning brief.</p>

<i>Structures/ sites located at Harbourfront</i>	<i>Action Area</i>	<i>Government/ Private</i>	<i>Existing uses/ Major Development Plans</i>
Hoi Yu Street Temporary Promenade	Hong Kong Island East	Government	- *The temporary promenade is anticipated to be completed at the end of 2012 for public use. - *In the long-run, we plan to develop the Hoi Yu Street Temporary Promenade site, the two adjoining sites which are currently zoned "Other Specified Uses" annotated "Cultural and/or Commercial, Leisure and Tourism Related Uses" and the site above the Eastern Harbour Tunnel exit together by PPC. We will make reference to the options recommended by the HKIEHS during our implementation of this project.
Quarry Bay Park (Phase I)	Hong Kong Island East	Government	- *It was opened to the public in 1994, providing a promenade of about 640-metre long.
Sai Wan Ho Promenade	Hong Kong Island East	Government	- *The promenade has already been open to the public.
Marine Police Regional Headquarters and Marine Police Harbour Division Base	Hong Kong Island East	Government	- The facility has to be located at the harbourfront due to operational needs. - *The relevant departments are planning to carry out beautification works in the surrounding areas.

<i>Structures/ sites located at Harbourfront</i>	<i>Action Area</i>	<i>Government/ Private</i>	<i>Existing uses/ Major Development Plans</i>
Aldrich Bay Promenade and Aldrich Bay Park	Hong Kong Island East	Government	<ul style="list-style-type: none"> - *Aldrich Bay Promenade (including the promenade walkway) was completed and opened in 2003. - *Aldrich Bay Park was opened to the public in April 2011.
Sewage Treatment Works	Hong Kong Island East	Government	<ul style="list-style-type: none"> - The sewage treatment works at Tam Kung Temple Road, Shau Kei Wan has to be located at the harbourfront due to operational needs. - *Preliminary proposal of the HKIEHS recommends that the appearance of the exteriors of the sewage treatment works be improved and that a temporary cultural park be constructed in the western part of the site which could be reserved for the future expansion of the sewage treatment works to showcase the historical value of Shau Kei Wan as a fishing port. The Planning Department will draw up recommended options after considering the views collected in Stage 3 Public Engagement Programme.

<i>Structures/ sites located at Harbourfront</i>	<i>Action Area</i>	<i>Government/ Private</i>	<i>Existing uses/ Major Development Plans</i>
Shipyards	Hong Kong Island East	Government (the site is rented out to the operators of the shipyards under a short term tenancy)	<p>- The site is rented out under a short-term tenancy.</p> <p>- *In response to the views collected in Stage 2 Public Engagement Programme, the HKIEHS recommends that the existing shipyards at Tam Kung Temple Road be retained and their exteriors be beautified. It also recommends tree-planting and resurface works along Tam Kung Temple Road to improve the environment for the pedestrian. The Planning Department will draw up recommended options after considering the views collected in Stage 3 Public Engagement Programme.</p>
Wholesale Fish Market	Hong Kong Island East	Government	<p>- The Wholesale Fish Market is located at Tam Kung Temple Road.</p> <p>- As fish is mainly shipped to the Wholesale Fish Market by vessels for unloading before wholesaling activities are conducted, the Market has to be located at the harbourfront due to operational needs.</p>

<i>Structures/ sites located at Harbourfront</i>	<i>Action Area</i>	<i>Government/ Private</i>	<i>Existing uses/ Major Development Plans</i>
Oil Depot	Chai Wan (outside the harbour limit and does not fall under any Action Areas)	Private	- The facility has to be located at the waterfront due to operational needs.
Government Logistics Centre	Chai Wan (outside the harbour limit and does not fall under any Action Areas)	Government	- The facility has to be located at the harbourfront due to operational needs.
Chai Wan PCWA	Chai Wan (outside the harbour limit and does not fall under any Action Areas)	Government	- The Chai Wan PCWA has to be located at the harbourfront due to operational needs. The Transport and Housing Bureau considers that there is an actual need for the Chai Wan PCWA and therefore it has no plan to relocate or close it at present.
Siu Sai Wan Promenade	Siu Sai Wan (outside the harbour limit and does not fall under any Action Areas)	Government	- *It is located at the harbourfront of the Siu Sai Wan Sports Ground and Island Resort and was opened to the public in 1999, providing a promenade of about 290-metre long.

Note:

- * Projects marked with an asterisk (*) and highlighted in bold representing the sites are with existing harbourfront promenades or enhancement plans.

Provision of Female Toilets in Public Places

19. **MS EMILY LAU** (in Chinese): *President, recently, it has been reported that as female toilets in public places have all along been criticized for their persistent long queues, the authorities intend to amend the Buildings Ordinance (Cap. 123) (BO) to make it mandatory for developers to increase the male-to-female (M/F) toilet compartment ratio from 1:1.25 to 1:1.5. In this connection, will the executive authorities inform this Council:*

- (a) *of the number of complaints received in the past three years about insufficient female toilet compartments in shopping arcades, cinemas and other places of public entertainment, and so on;*
- (b) *when they will introduce a bill to the Legislative Council to amend BO by fixing the M/F toilet compartment ratio at 1:1.5, and of the justifications that the problem of insufficient female toilet compartments can be solved by adopting this ratio; and*
- (c) *whether they will, when amending the BO, draw on overseas experience to provide unisex toilets; if they will, of the details; if not, the reasons for that?*

SECRETARY FOR DEVELOPMENT (in Chinese): *President, my reply to the three-part question is as follows:*

- (a) In the past three years, the Buildings Department (BD) has not received any complaints about inadequate provision of female toilet compartments in shopping arcades, cinemas and places of public entertainment, and so on. Nevertheless, the Authority is aware of the views expressed by the public and women's organizations on the subject, as well as opinions reflected in media reports.
- (b) Under the Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) Regulations (Regulations), the provision of male and female sanitary fitments in private buildings is based on the assessed number of male and female users of the premises. For places of public entertainment and cinemas, the present Regulations prescribe, for the purpose of determining the provision of male and female sanitary fitments, a ratio of 1:1 for

assessing the number of male to female in the premises. In response to public concerns, the BD promulgated the "Practice Note for Authorized Persons and Registered Structural Engineers" (Practice Note) in May 2005. This contained a recommended guideline raising the ratio for shopping arcades, cinemas and places of public entertainment from the statutory 1:1 to 1:1.25, thereby raising the level of provision for female sanitary facilities.

The BD is conducting a further review of the relevant design standard. Having regard to the views of various stakeholders and the standards of provision for male and female sanitary facilities in different countries, the BD intends to further enhance the proportion of female toilet facilities in shopping arcades, cinemas and places of public entertainment, in order to provide greater convenience for female users.

The BD is making preparations for amending the Regulations. This will cover a wide range of aspects, including not only a proposal for improving the provision of sanitary facilities for female in private shopping arcades, cinemas and places of public entertainment, but also a comprehensive revision and refinement of the current standards of plumbing, drainage works and sanitary fitments in buildings. The latter includes extending the scope of statutory standards for provision of sanitary facilities to cover additional types of buildings, transforming current prescriptive standards to performance-based standards and a comprehensive updating of the standards for design and use of material and technology for plumbing, drainage works and sanitary fitments in buildings in order to bring them into line with modern-day development in construction design and technology.

In formulating the amendments regarding the provision of female sanitary facilities in shopping arcades, cinemas and places of public entertainment, the BD has carefully examined the consultant's recommendations and findings based on empirical surveys of the provision of sanitary facilities in various premises, the level of usage, queuing time, usage time and level of user satisfaction.

Bearing in mind the differences in the assessed capacity of the

venues, as well as the difference between male and female in the demand for sanitary facilities, usage time, and the tolerance for queuing, separate standards for provision of male and female sanitary facilities have to be developed. A progressive formula is also adopted for determining the numbers of male and female sanitary facilities to be providing, taking into account the assessed number of male and female users in different types of venues. In consequence, the numbers and percentage of sanitary facilities for male and female in different types of public places of different sizes may be greater than or equal to 1:1.5. It may also, in some cases, be less. The intention, ultimately, is to arrive at a standard which would best cater for the female users' needs, taking into account level of usage, queuing and usage time, and user satisfaction.

We will consult the Legislative Council Panel on Development once the detailed proposals have been drawn up. We also aim at submitting the Amendment Regulations to the Legislative Council in the coming 2011-2012 Session.

- (c) The BD had commissioned a consultancy study and taken reference from the standards of male and female sanitary facilities in different countries (including the United States, the United Kingdom and Singapore). On the notion of introducing unisex toilets, the consultancy report especially pointed out that more in-depth study and research would be required before the idea could be pursued, including particularly consideration of the impact on the sanitary conditions and maintenance of toilets, building management and cultural differences, and so on. Hence, the suggestion will not be incorporated in the proposed amendments to the Regulations at this stage.

Assistance to Private Residential Care Homes for Elderly

20. **MR WONG SING-CHI** (in Chinese): *President, some representatives of the elderly care homes industry have pointed out that the operation of private residential care homes for the elderly (RCHEs) faces various difficulties, and the support provided by the Government is not sufficient. In this connection, will*

the executive authorities inform this Council:

- (a) given that private RCHEs may have to pay higher labour cost in hiring employees upon the implementation of the statutory minimum wage legislation, and that the soaring rentals and food prices at present further increase the operating costs of private RCHEs, whether the authorities have received requests for assistance from private RCHEs which encountered difficulties in their operation under such circumstances; of the details about the initiatives taken by the authorities to understand the operating difficulties of private RCHEs; whether the authorities have any proactive measure to help private RCHEs ride out the difficulties; and how the authorities assist the affected elders when private RCHEs cannot continue to operate and have to close down;*
- (b) of the number of elderly Comprehensive Social Security Assistance (CSSA) recipients who are at present residing in private RCHEs, with a breakdown of the respective numbers by district, as well as the respective percentages of these figures in the total number of residents of the care homes concerned; and*
- (c) as the Subcommittee on Elderly Services of this Council has pointed out that most elderly people who reside in private RCHEs receive CSSA, and that private RCHEs charge a monthly fee for the places equivalent to the CSSA payment level, which is far below the monthly subsidy for subvented places, and therefore they are not able to meet the service standards of subvented homes, whether the authorities know the amount of shortfall for which private RCHEs have to make up in their operating expenses for these places in order to meet the service standards of subvented homes required by the Social Welfare Department (SWD); whether the authorities have received requests for assistance from private RCHEs, indicating that they have encountered operating difficulties in this regard; if so, how the authorities will provide assistance; and whether they have received any complaint about elderly CSSA recipients encountering difficulties in applying for places in private RCHEs?*

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

reply to the question raised by Mr WONG Sing-chi is as follows:

- (a) As at 31 March 2011, there were altogether 585 private RCHEs in Hong Kong. They operate on a commercial basis, and may choose to commence or close their business for various reasons. The Government has to respect the commercial decisions made by the operators. Nevertheless, we have been closely monitoring the operating conditions of the sector. We note that on average, about 15 private RCHEs closed down per year between April 2008 and March 2011, while 16 RCHEs commenced operation per year in the same period; and from January 2011 until now, four private RCHEs (providing 290 places) have closed down or decided to close down their business, whereas nine private RCHEs (providing 892 places) have commenced operation. The above statistics indicate that the private market is still active.

In accordance with the Residential Care Homes (Elderly Persons) Regulation (Cap. 459A) and the Code of Practice for Residential Care Homes (Elderly Persons), if an RCHE operator intends to close the RCHE, he/she should inform the SWD, the residents and their families in advance and provide the residents with a decanting plan. Affected RCHE residents may opt for decantation to another RCHE run by the same operator (if applicable), or another RCHE arranged or proposed by the operator, or another RCHE of their own choice. Past experience indicates that most residents could transfer to other RCHEs smoothly. If a closing private RCHE fails to relocate its elderly residents, the SWD will proactively intervene, assist the elderly residents and follow up their welfare plans.

As for the private RCHEs participating in the Enhanced Bought Place Scheme (EBPS), in determining the purchase prices, the SWD has fully taken into account the operating expenditure of the RCHEs (including items such as emoluments, rentals, inflation, and so on) and will review and adjust the amount of government subsidies annually according to the established mechanism. In accordance with this mechanism, the SWD will raise the amount of government subsidies per place by 3.1% in 2011-2012. In addition, the SWD has maintained close contact with RCHEs participating in EBPS. It

has set up a working group to understand more about their operating conditions, and explore practicable and feasible measures to improve EBPS as well as the operating environment and service quality of the RCHEs concerned. Members of the working group include representatives of the sector, the Department of Health, Hospital Authority and the SWD, academics and independent members of the community.

- (b) The CSSA Scheme seeks to provide assistance to families which could not support themselves financially to meet their basic needs. Elderly CSSA recipients who need residential care services can opt to take the Standardized Care Need Assessment administered by the SWD and apply for admission into subsidized RCHEs, or reside in private RCHEs. By the end of April 2011, a total of 28 660 CSSA recipients aged 60 or above were living in private RCHEs. They constituted 74% of all the elders residing in private RCHEs in Hong Kong (that is, 38 983 elders). A breakdown by district is set out below:

<i>District</i> ^{Note}	<i>Number of CSSA recipients aged 60 or above who live in private RCHEs</i>
Central and Western	1 135
Eastern	2 154
Islands	255
Kowloon City	2 982
Kwai Tsing	2 283
Kwun Tong	1 787
North	1 743
Sai Kung	231
Sha Tin	1 062
Sham Shui Po	2 455
Southern	1 082
Tai Po	1 483
Tsuen Wan	1 596
Tuen Mun	2 129
Wan Chai	425
Wong Tai Sin	1 337

<i>District</i> ^{Note}	<i>Number of CSSA recipients aged 60 or above who live in private RCHEs</i>
Yau Tsim Mong	1 584
Yuen Long	2 937
Total	28 660

Note:

The boundaries of the geographical districts of the SWD are broadly similar to those of the District Councils.

- (c) The Government has not imposed any restriction on the service targets and fee levels of private RCHEs, except for subsidized places under the EBPS; and has no information on the operating cost or profit of these RCHEs. The operating conditions of individual private RCHEs should be a matter for the respective operators. The SWD has not received any complaint from elders claiming that they have encountered difficulties in applying for the above private RCHE places.

BILLS

First Reading of Bills

DEPUTY PRESIDENT (in Cantonese): Bills: First Reading.

LEGISLATIVE COUNCIL (AMENDMENT) BILL 2011

CLERK (in Cantonese): Legislative Council (Amendment) Bill 2011.

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 Bills

DEPUTY PRESIDENT (in Cantonese): Bills: Second Reading.

LEGISLATIVE COUNCIL (AMENDMENT) BILL 2011

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Deputy President, I move the Second Reading of the Legislative Council (Amendment) Bill 2011 (the Bill). The objects of the Bill are

MR ALBERT CHAN (in Cantonese): Deputy President, I would like to ask the Secretary how the Government can be so shameless. It has moved the First and Second Readings of the Bill without consulting the public. Such a behaviour is simply shameless.

DEPUTY PRESIDENT (in Cantonese): Mr Albert CHAN, this is not the time for you to express your views, and it is not

MR ALBERT CHAN (in Cantonese): I am not expressing my views, I am seeking his elucidation, Deputy President. How can the Government be so shameless? It has completely ignored the basic political rights of Hong Kong people and it has not conducted a public consultation.

DEPUTY PRESIDENT (in Cantonese): Mr Albert CHAN, please sit down.

(Mr Albert CHAN ignored Deputy President's instruction and remained standing)

MR ALBERT CHAN (in Cantonese): I find such a behaviour extremely ridiculous.

DEPUTY PRESIDENT (in Cantonese): Mr Albert CHAN, please sit down. It is now time for the Secretary to move the Second Reading of the Bill, please sit down.

MR ALBERT CHAN (in Cantonese): This is also people's time, Deputy President

DEPUTY PRESIDENT (in Cantonese): Please sit down.

MR ALBERT CHAN (in Cantonese): People have their rights and the Secretary is depriving Hong Kong people of Deputy President, I will not listen to the Secretary's arguments in the debate, I will leave the meeting in protest.

DEPUTY PRESIDENT (in Cantonese): Please sit down.

MR ALBERT CHAN (in Cantonese): Deputy President, you do not need to drive me out. He is downright ridiculous!

(Mr Albert CHAN turned round and left the meeting)

DEPUTY PRESIDENT (in Cantonese): Secretary, please continue.

MR ALBERT CHAN (in Cantonese): He is a shameless director of bureau.

DEPUTY PRESIDENT (in Cantonese): Mr Albert CHAN, please leave.

(Mr Albert CHAN pointed at the Secretary for Constitutional and Mainland Affairs)

MR ALBERT CHAN (in Cantonese): Stephen LAM, "Eunuch LAM", you are shameless!

DEPUTY PRESIDENT (in Cantonese): Mr Albert CHAN, please leave the Chamber.

(Mr Albert CHAN left the Chamber)

DEPUTY PRESIDENT (in Cantonese): Secretary, please continue to speak.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): The object of the Bill is to introduce a replacement mechanism to fill any vacancy in membership arising during a Legislative Council term in respect of a geographical constituency or the District Council (second) functional constituency; the vacancy will be filled as far as possible by a candidate from the last general election to be determined by a precedence list for the constituency concerned. The first candidate who has not yet been elected in the list with the largest number of remainder votes in the preceding general election will be returned. If the candidate concerned has died, or is now disqualified or does not wish to serve, the second candidate on the precedence list will fill the vacancy, that is, the first unelected candidate on the list with the second largest number of remainder votes will fill the vacancy. The proposed mechanism can reflect the overall intention expressed by electors in the preceding general election. We understand that in some overseas parliaments, a vacancy will not be filled by a by-election, it will instead be filled by reference to the election result of the preceding general election.

In 2010, by-election in five geographical constituencies were held following the resignation of five Legislative Council Members. The general public and some political parties considered the by-election unnecessary and that it wasted \$126 million of public resources. These resources should be used for other more meaningful purposes. Although the five resigned Members were re-elected in May last year, the voting rate was only 17%, which was a record low in terms of voting rate in Legislative Council elections since the reunification. Moreover, this clearly reflected that the public did not support arbitrary resignation by Members for instigating the so-called "referendum". The proposed replacement arrangement can rapidly fill vacant Legislative Council seats, so as to maintain the integrity and operation of the Legislative Council and it will also help save public money.

The proposed replacement arrangement will apply to all situations specified under section 15 of the Legislative Council Ordinance and Article 79 of the Basic Law under which a vacancy of the Legislative Council arises, such as if the candidate concerned has resigned, died or is disqualified; nevertheless, the relevant arrangement does not apply to traditional functional constituencies. A vacancy arising mid-term in the functional constituencies will be filled by a

by-election.

Regarding the operation of the replacement arrangement, the Government's proposal is that, after a general election, the Returning Officer will publish in the Gazette a notice setting out a list of candidates of the Legislative Council Geographical Constituencies and the District Council (second) functional constituency who are eligible to fill the vacancy in a descending order determined by the number of remaining votes secured by the list of candidates in the general election. The first candidate who has not yet been elected in the list with the largest number of remainder votes will fill a vacancy of the Legislative Council arising mid-term. Where necessary, other candidates on the gazetted list can be approached in sequence to fill the vacancy. The Electoral Affairs Commission is obliged to hold by-elections to fill the vacancy if the gazetted list of candidates has been exhausted. Yet, as the by-election does not adopt the list system of proportional representation, there will not be another precedence list. To ensure the fairness of the replacement mechanism, the Bill specifies that candidates or electors can lodge election petitions against a precedence list compiled by a Returning Officer.

Since the Bill sets out the new election arrangement to be implemented from the Fifth Legislative Council general election onwards, the Bill should urgently be considered and debated as soon as possible because electors need time to understand and acknowledge that the votes they cast in the Legislative Council election in September 2012 will have dual effects. In other words, besides returning Legislative Council Members, their votes will also be used to fill vacancies under the replacement mechanism. Furthermore, potential candidates should understand the replacement mechanism for the District Council (second) functional constituency, in order to decide whether they will participate in District Council election in November this year. Hence

(Mr WONG Yuk-man entered the Chamber)

MR WONG YUK-MAN (in Cantonese): Stephen LAM is shameless.

DEPUTY PRESIDENT (in Cantonese): Mr WONG Yuk-man, please

MR WONG YUK-MAN (in Cantonese): What are you reading? What are you

reading? What are you reading?

(Mr WONG Yuk-man rushed to the Secretary for Constitutional and Mainland Affairs, intending to snatch his script; a few security guards came forward to stop him)

DEPUTY PRESIDENT (in Cantonese): Mr WONG Yuk-man, please leave.

MR WONG YUK-MAN (in Cantonese): You have deprived Hong Kong people of their freedom, what are you reading? Utterly shameless.

(Mr WONG Yuk-man kept trying to snatch the Secretary for Constitutional and Mainland Affairs' script)

DEPUTY PRESIDENT (in Cantonese): Security guards, please bring Mr WONG Yuk-man out of the Chamber.

MR WONG YUK-MAN (in Cantonese): Stop it, security guards. Why are you so shameless? What are the reasons for being so shameless? You son of a bitch, Stephen LAM

(The security guards surrounded Mr WONG Yuk-man, intending to help him leave the Chamber)

DEPUTY PRESIDENT (in Cantonese): Mr WONG Yuk-man, please leave the Chamber as quickly as possible, please leave immediately.

(The security guards wanted to help Mr WONG Yuk-man leave the Chamber)

MR WONG YUK-MAN (in Cantonese): Security guards, don't grasp me at my waist for it hurts me. You son of a bitch, you have deprived us of our freedom to vote and our rights to vote. Shameful SAR Government! You wretched

lackeys! You son of a bitch, I will not let you off, I will never let you off.

DEPUTY PRESIDENT (in Cantonese): I now suspend the meeting.

1.21 pm

Meeting suspended.

(With the assistance of the Clerk to the Legislative Council and security guards, Mr WONG Yuk-man left the Chamber)

1.22 pm

Council then resumed.

DEPUTY PRESIDENT (in Cantonese): Secretary, please continue to speak.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): To ensure the fairness of the replacement mechanism, the Bill specifies that candidates or electors can lodge election petitions against a precedence list compiled by a Returning Officer.

Since the Bill sets out the new election arrangement to be implemented from the Fifth Legislative Council general election onwards, the Bill should urgently be considered and debated as soon as possible because electors need time to understand and acknowledge that the votes they cast in the Legislative Council election in September 2012 will have dual effects. In other words, besides returning Legislative Council Members, their votes will also fill vacancies under the replacement mechanism. Furthermore, potential candidates should understand the replacement mechanism for the District Council (second) functional constituency in order to decide whether they will participate in District Council election in November this year. Hence, I hope that the Bill would be supported by Members and passed as soon as possible. After the passage of the Bill, we hope that the Government could be given a year's time for public

education and publicity on the new replacement arrangement, so as to ensure that the electors know that the votes they will cast in the Legislative Council election will have the aforesaid dual effects.

As I have just said, the public do not support arbitrary resignation by Members for instigating the so-called "referendum" through a by-election. Their views have fully been reflected by the voting rate. The Government proposed the replacement mechanism on 17 May and the Legislative Council Panel on Constitutional Affairs discussed the proposal on 24 May. After the First and Second Readings of the Bill in the Legislative Council today, the Government would like to continue to listen to the views of Members and the public at the meetings of the Bills Committee.

Deputy President, I so submit.

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Legislative Council (Amendment) Bill 2011 be read the Second time.

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

Resumption of Second Reading Debate on Bills

DEPUTY PRESIDENT (in Cantonese): We now resume the Second Reading debate on the Inland Revenue (Amendment) (No. 3) Bill 2011.

INLAND REVENUE (AMENDMENT) (NO. 3) BILL 2011

Resumption of debate on Second Reading which was moved on 4 May 2011

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

MR TOMMY CHEUNG (in Cantonese): Deputy President, the Second Reading

debate on Inland Revenue (Amendment) (No. 3) Bill 2011 is resumed today. The major object of the Bill is to implement the concessionary revenue measures proposed in the 2011-2012 Budget about salaries and tax under personal assessment, which include increasing the child allowances; the dependent parent/grandparent allowances; the deduction ceiling for elderly residential care expenses; and reducing salaries tax by 75%, subject to a ceiling of \$6,000 per case, as proposed by the Financial Secretary through revising the Budget after listening to our views and the views of the public.

In the last financial year, the Government had a surplus of \$75.1 billion, \$3.8 billion more than \$71.3 billion as estimated in the Budget, and it had a fiscal reserve of \$595.4 billion; this could be described as a flooding in the treasury. The Government should share with the public its considerable surplus. For this reason, we basically welcome the Government's sharing of the economic surplus with the public and we expect the Government to clearly express this stance in the Budget so that all of us can share the economic fruits.

However, it is a great pity that things went wrong in respect of such simple task as sharing of surplus and the proposed injection of money into the Mandatory Provident Fund accounts has caused another mess. Fortunately, the Government has finally rectified its mistake and would instead hand out \$6,000 cash to each adult and grant a 75% tax refund, subject to a ceiling of \$6,000 per case.

It has been three months since the Government has announced the cash handout initiative but the authorities have not given any details. I sincerely hope that the Government would not create another mess. For example, there are arguments over how to define the eligibility of persons aged 18. We have already reflected our views to the Government that anyone who has reached the age of 18 in this financial year should be eligible for receiving \$6,000. I hope that the Government would accept our proposal so as to avoid further worries and trouble.

In our view, with rising inflation, the concessionary tax measures are just timely showers for the middle class who always pay more tax and has less welfare.

Regarding the increases in allowances, the child allowances will increase

by 20% from \$50,000 to \$60,000; I find this acceptable because the original base is not too small. However, the increase rate for dependent parent/grandparent allowance will also be 20% from \$30,000 to \$36,000, the Liberal Party considers this rate of increase rather mean.

In fact, in our submission to the Financial Secretary on our expectations of the Budget, we have pointed out that with the ageing population and declining birth rate, the support of parents has become an increasingly heavy burden. To relieve the pressure, the Government should double the dependent parent/grandparent allowances to \$60,000, and we also think that there should not be any difference between the dependent parent/grandparent allowances and the child allowances.

After the delivery of the Budget, the Financial Secretary agreed to a one-off reduction of salaries tax and tax under personal assessment by 75%, subject to a ceiling of \$6,000 per case. We also regard this measure inadequate and we hold that the Government should set the tax refund ceiling at \$20,000. Only then can the middle class who always pay more tax and has less welfare feel that the Government regards them highly and understands that they really have a heavy tax burden. With such huge fiscal, it is reasonable for the Government to give payouts to the people.

Moreover, for some members of the middle class whose incomes are not very high, they are in desperate need to relieve their tax burden. For this reason, the Liberal Party has always asked the Government to widen the tax bands, reduce the marginal tax rates and offer school fee allowances. Nevertheless, it seems that the Financial Secretary has not heard our appeals and he has not responded to them in the Budget. This is not justified. We hope that the Government would readily accept the good advice, especially when the Financial Secretary works out his last budget within his term of office next year — or precisely speaking, the last half of the Budget, he should fully consider the interests of the middle class and respond appropriately.

While people are hard-pressed by inflation, we understand that they would like to receive the payouts shared by the Government as soon as possible. Hence, though we are still not completely satisfied with the revised Budget, we do not want any more complications. We are willing to consider the interest of the whole above everything else and support the Bill, so that the public would be

benefited earlier.

Deputy President, I so submit.

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

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Financial Services and the Treasury to reply. This debate will come to a close after the Secretary has replied.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Deputy President, first of all, I would like to thank Members for their support for the resumption of Second Reading debate on the Inland Revenue (Amendment) (No. 3) Bill 2011 (the Bill) today, so that the Government can expeditiously implement the concessionary revenue measures proposed in the 2011-2012 Budget. I would also like to thank Mr CHEUNG for the views he has just expressed.

This Bill proposes to increase by 20% the child allowances, the dependent parent/grandparent allowances and the deduction ceiling for elderly residential care expenses for salaries tax and tax under personal assessment from the year of assessment 2011-2012 onwards. In other words, the child allowance will increase from the current \$50,000 to \$60,000 for each child. The additional one-off child allowance in the year of birth will also be increased from the current \$50,000 to \$60,000 for each child.

For taxpayers who are supporting their parents/grandparents, the dependent parent/grandparent allowance for each parent/grandparent aged 60 or above, will increase from the current \$30,000 to \$36,000; and the additional dependent parent/grandparent allowance for each parent/grandparent aged 60 or above living with the taxpayer, will increase from the current \$30,000 to \$36,000. For each parent/grandparent aged 55 or above but below 60, and not eligible to claim an allowance under GDAS throughout the year, the relevant allowance and

additional allowance will both increase from the current \$15,000 to \$18,000.

Mr CHEUNG has just asked if the ceiling of the allowances and deductions can be raised further, we have actually taken into consideration the present economic situation, the burden on the public and the Government's current financial position. To maintain the principle of prudent financial management, we consider the proposed rates of increase appropriate.

Mr CHEUNG has also asked why the tax bands are not widened and why more concessions are not given. In the year 2008-2009, even before the implementation of the one-off tax reduction measures, the average effective tax rate of all salaries taxpayers was 7.6%, which was rather low as compared with other economies in the world.

For taxpayers whose parents/grandparents are admitted to a residential care home, the deduction ceiling for elderly residential care expenses will be raised from the current \$60,000 to \$72,000 for each parent/grandparent. According to the existing provisions of the Inland Revenue Ordinance, should the deduction for elderly residential care expenses be allowed to a taxpayer, he/she or any other person is not entitled to claim dependent parent/grandparent allowances for the same parent/grandparent for the same year of assessment.

The above proposals will help alleviate taxpayers' burden in raising children and supporting dependent parents/grandparents. A net total of about 710 000 taxpayers would benefit from the above proposals, and it is estimated that the proposals will cause the annual government revenue to decrease by around \$1.2 billion.

As the fiscal position of the Government is better than expected, to share wealth with taxpayers, the Bill proposes a one-off reduction of salaries tax and tax under personal assessment for 2010-2011 by 75%, subject to a ceiling of \$6,000 per case. The reduction will be reflected in the taxpayer's final tax payable for 2010-2011. About 1.5 million taxpayers will benefit from the proposed one-off reduction while the estimated revenue forgone is around \$5.3 billion.

At present, two bills to amend the Inland Revenue Ordinance are being scrutinized by the Legislative Council, including the Inland Revenue (Amendment) (No. 2) Bill 2011 and this Bill, and the date of enactment of this

Bill will be earlier than that of No. 2 Bill, we need to make technical amendments to the numbers of some provisions proposed under this Bill. Therefore, I am going to move the relevant amendments later at the Committee stage.

Deputy President, I implore Members to support the passage of this Bill to enable us to implement the relevant measures at an early date.

I so submit. Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you and that is: That the Inland Revenue (Amendment) (No. 3) Bill 2011 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Inland Revenue (Amendment) (No. 3) Bill 2011.

Council went into Committee.

Committee Stage

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

INLAND REVENUE (AMENDMENT) (NO. 3) BILL 2011

DEPUTY CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Inland Revenue (Amendment) (No. 3) Bill 2011.

CLERK (in Cantonese): Clauses 1, 2, 5 and 6.

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

(No Member indicated a wish to speak)

DEPUTY CHAIRMAN (in Cantonese): I now put the question to you and that is: That clauses 1, 2, 5 and 6 stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

DEPUTY 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 3, 4 and 7.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Deputy Chairman, I move the amendments to clauses 3, 4 and 7, as set out in the paper circularized to Members.

At present, two bills to amend the Inland Revenue Ordinance are being

scrutinized by the Legislative Council, including the Inland Revenue (Amendment) (No. 2) Bill 2011 (No. 2 Bill) scrutinized by the Bills Committee and the Inland Revenue (Amendment) (No. 3) Bill 2011 (the Bill) which will resume the Second Reading debate today. These two bills proposed to add a clause in section 89 of the Inland Revenue Ordinance to include a Schedule in relation to the transitional provisions. As the date of enactment of the Bill will be earlier than that of No. 2 Bill, we need to make technical amendments to Clauses 3, 4 and 7 of the Bill to amend the sections of the Bill in relation to the transitional provisions.

Deputy Chairman, the above amendments are of a technical nature. I hope that Members would support the relevant amendments.

Thank you, Deputy Chairman.

Proposed amendments

Clause 3 (see Annex I)

Clause 4 (see Annex I)

Clause 7 (see Annex I)

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Clauses 3, 4 and 7 as amended.

DEPUTY CHAIRMAN (in Cantonese): I now put the question to you and that is: That clauses 3, 4 and 7 as amended stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

DEPUTY CHAIRMAN (in Cantonese): Council now resumes.

Council then resumed.

Third Reading of Bills

DEPUTY PRESIDENT (in Cantonese): Bills: Third Reading.

Inland Revenue (Amendment) (No. 3) Bill 2011

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Deputy President, the

Inland Revenue (Amendment) (No. 3) Bill 2011

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

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Inland Revenue (Amendment) (No. 3) Bill 2011 be read the Third time and do pass.

Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Inland Revenue (Amendment) (No. 3) Bill 2011.

MOTIONS

DEPUTY PRESIDENT (in Cantonese): Motions. Proposed resolution under Article 73(7) of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China and section 7A of the Hong Kong Court of Final Appeal Ordinance.

I now call upon the Chief Secretary for Administration to speak and move the motion.

PROPOSED RESOLUTION UNDER ARTICLE 73(7) OF THE BASIC LAW OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA AND SECTION 7A OF THE HONG KONG COURT OF FINAL APPEAL ORDINANCE

CHIEF SECRETARY FOR ADMINISTRATION: Deputy President, I move that the motion under my name, as printed on the Agenda, be passed, that this Council endorses the appointment of the Right Honourable The Lord COLLINS of Mapesbury and the Right Honourable The Lord CLARKE of Stone-cum-Ebony as non-permanent judges from other common law jurisdictions to the Court of Final Appeal.

The Court of Final Appeal is the final appellate court in Hong Kong, hearing both civil and criminal appeals. It consists of the Chief Justice and the permanent judges. Non-permanent judges may be invited to sit and they may come from Hong Kong or from other common law jurisdictions. At present, there are 17 non-permanent judges. Six of them are non-permanent Hong Kong judges and 11 are non-permanent common law judges.

When hearing and determining appeals, the Court of Final Appeal is constituted by five judges, comprising the Chief Justice, three permanent judges, and one non-permanent Hong Kong judge or one non-permanent common law judge.

Pursuant to Article 88 of the Basic Law and the Judicial Officers Recommendation Commission Ordinance (Cap. 92), judges of the courts of the Hong Kong Special Administrative Region shall be appointed by the Chief Executive on the recommendation of the Judicial Officers Recommendation

Commission (JORC). In addition, Article 90 of the Basic Law provides that in the case of the appointment of judges of the Court of Final Appeal, the Chief Executive shall obtain the endorsement of the Legislative Council.

As it was anticipated that two non-permanent common law judges would unlikely be available to sit in the near future, and taking into consideration that other non-permanent common law judges have various professional and personal commitments, there is a need to expand the number of non-permanent common law judges to provide greater flexibility for dealing with the caseload of the Court of Final Appeal and to ensure its effective operation. The JORC has recommended to the Chief Executive the appointment of Lord COLLINS and Lord CLARKE as non-permanent common law judges to the Court of Final Appeal.

The curriculum vitae of the two judges were set out in the paper of the Administration to the Legislative Council issued on 11 April 2011. Lord COLLINS was appointed to the Court of Appeal of the United Kingdom in 2007 and he became a Justice of the new Supreme Court of the United Kingdom in October 2009. Lord CLARKE was appointed to the Court of Appeal of the United Kingdom in 1998. He became a Justice of the new Supreme Court of the United Kingdom in October 2009.

The two judges have eminent standing and reputation in the legal sector. The Chief Executive is pleased to accept the recommendation of the JORC on their appointments as non-permanent common law judges to the Court of Final Appeal. Subject to the endorsement of this Council, the appointment would take effect in June 2011.

In accordance with the procedures previously endorsed by the House Committee, the Administration informed the House Committee on 11 April 2011 that the Chief Executive had accepted the recommendations of the JORC on these appointments. Representatives from the Administration and the Secretary to the JORC attended the meeting of the Subcommittee on Proposed Senior Judicial Appointments set up under the House Committee on 21 April 2011 and answered questions of Members. The appointments were supported by the Subcommittee.

I invite Members to endorse the appointments.

The Chief Secretary for Administration moved the following motion:

"RESOLVED that the appointment of —

- (a) the Right Honourable The Lord Collins of Mapesbury; and
- (b) the Right Honourable The Lord Clarke of Stone-cum-Ebony,

as judges of the Hong Kong Court of Final Appeal from other common law jurisdictions pursuant to section 9 of the Hong Kong Court of Final Appeal Ordinance (Cap. 484) be endorsed."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Chief Secretary for Administration be passed.

DR MARGARET NG: Deputy President, in my capacity as Chairman of the Subcommittee on Proposed Senior Judicial Appointments, I wish to report briefly on the deliberations of the Subcommittee.

The Subcommittee has considered the curriculum vitae of the Right Honourable The Lord COLLINS of Mapesbury, the Right Honourable The Lord CLARKE of Stone-cum-Ebony and Mr Justice Andrew CHEUNG Kui-nung as provided by the Administration. At the request of the Subcommittee, the Judiciary Administration has provided for members' reference further information on the major publications of and judgments made by the recommended appointees.

In the course of deliberations, members have expressed views on the procedure for considering judicial appointments by the legislature. Members agree that the fundamental principles of separation of powers and judicial independence should be respected in considering judicial appointments. Members generally share the view that it is not intended that the legislature should duplicate the process the Judicial Officers Recommendation Commission (JORC) has gone through in coming up with recommended judicial appointments. While the legislature's power to endorse judicial appointments is substantive, it should only act as the final gatekeeper not to endorse a judicial appointment

which is manifestly contrary to public interest.

The Subcommittee supports the proposed appointments of Lord COLLINS and Lord CLARKE as non-permanent judges from other common law jurisdictions to the Court of Final Appeal. The Subcommittee also supports the appointment of Mr Justice Andrew CHEUNG as the Chief Judge of the High Court.

Deputy President, I will now state my personal views on the proposed senior judicial appointments.

The rule of law is the bedrock of Hong Kong's stability. An independent Judiciary is essential to the rule of law.

In his last address at the Opening of the Legal Year, Hong Kong's former Chief Justice, Andrew LI took this as his theme. He said, and I quote, "The independent Judiciary has a vital constitutional role to ensure that the acts of the Executive and the Legislature comply fully with the Basic Law and the law, and that our fundamental rights and freedoms, which are at the heart of Hong Kong's system, are fully safeguarded." Unquote.

Our courts, at every level, have in years past heard and decided cases which attracted public interest and political controversy, and had, in the course of doing so, given many judgments of great constitutional significance.

In 1999, the NG Ka Ling case, the Court of Final Appeal decided on the right of abode of mainland-born children of Hong Kong parents. More recently, the Court decided on the legality of a Select Committee of this House in summoning witnesses before it. In the Congo case, the Court of Final Appeal is being asked to decide whether absolute or restrictive immunity is the applicable law in the HKSAR. Judgment has just been handed down this morning. By a majority of three to two, the Court decided to refer a question on Articles 19 and 13 to the NPC for interpretation. I am sure that this judgment will be closely studied. But even at the Magistrates' courts, on occasions, the verdicts and sentences had aroused community-wide debate and discussion. Justice under the law, including the Basic Law, is being tested in our courts every day.

The role our judges perform daily through hearing and adjudicating cases

by applying the law is of fundamental importance. Our system of justice places a heavy responsibility on our judges. Their judgments decide the liberty and property and affect the interests of the persons before them. In the highest courts, they decide questions of legal principle which have far-reaching effect beyond the parties immediately involved, and often set the direction for the future development of the law.

Because the courts have control over their processes, because they give or withhold leave, award, measure or deny costs, judges also regulate the access to justice. The wrongful denial of access can be the greatest injustice of all.

Thus, the selection and appointment of judges to whom these great powers and functions are entrusted are matters of the highest importance. In the words of a very distinguished judge, and I quote: "The selection and appointment of judges unable to, or incapable of, properly applying law to true fact, without 'fear or favour, affection or ill will' would soon undermine the efficacy of any justice system. It would undermine public trust in it, and would ultimately call into question a country's commitment to the rule of law. A quiescent and timorous judiciary, unable or unwilling to act impartially or independently of the parties before it would lose public confidence. Its decisions would soon lose respect and with that would go respect for law and the rule of law. At its worst, decisions reached under the improper influence of parties, such as the Executive, could provide a false patina of legitimacy to tyranny." Unquote.

This passage is taken from a paper on "Selecting Judges: Merit, Moral Courage, Judgment and Diversity" by one of the candidates recommended for appointment as one of our non-permanent Judges, Lord CLARKE. He published this in 2009, when he was the Master of the Rolls.

How then should judges be selected, and who is the right person to be appointed to a judicial office?

Lord CLARKE pointed out both merits and good character are essential. Merits include legal knowledge and experience, intellectual and analytical ability, and sound judgment. But foremost in "good character" is moral courage, and I believe that this is of great relevance to the situation in Hong Kong. In the

words of another Chief Justice, I quote, "Judges must also have moral courage to make decisions that will be unpopular whether with politicians or the media, or indeed the public, and perhaps most important of all, to defend the right to equality and fair treatment before the law of those who are unpopular at any given time". Unquote.

However, it is equally important to beware, as Lord CLARKE pointed out that, and I quote, "There is a risk that this criterion could be expanded beyond this in impermissible ways. Good character might, for instance, be used to refer to political or social beliefs or practices which the recommending or appointing body did not agree with. It might be used, for instance, impermissibly to refuse appointment to an individual on the grounds that their political beliefs were inconsistent with or opposed to those of the executive or legislature." Unquote.

In the HKSAR, to do so would, I submit, be contrary to Article 92 of the Basic Law.

The selection process in Hong Kong is laid down by the Basic Law. Article 88 provides for the establishment of the JORC. Articles 90 and 73(9) provide for the recommendations of senior appointments to be endorsed by this Council. In our own endorsement exercises, issues which have come under discussion include whether the composition of the JORC is sufficiently independent; whether the selection process by the JORC can be made more open and accountable without affecting its independence; and whether some kind of "confirmation hearing" as is practised in the United States of America may be adopted without the selection or endorsement process being politicized.

Deputy President, in the United Kingdom, the Judicial Appointments Commission was established by the 2005 Constitutional Reform Act to make the process of selection and judicial appointment more open and accountable. Neither the Hong Kong community nor the United Kingdom would countenance a United States-type confirmation hearing. But as the United Kingdom has learned from our system, we can also learn from theirs, in terms of provisions for accountability and openness of the selection process under the law, for instance, regarding the constitution of the Commission which does the selection.

The individuals sitting in the JORC ought properly to be made independent

of the executive or legislature. In the United Kingdom, the Judicial Appointments Commissioners are appointed through open competition according to the principles applicable to public appointments. In carrying out their role, they exercise their powers independently of the Government and of the legal profession. The *ex officio* presence of the Secretary for Justice and the three public figures directly appointed by the Chief Executive makes the executive hand too heavy in our own system. Further reform on the constitution and operation of the JORC need to be explored and considered.

Deputy President, having made such elaborate arrangements to ensure the selection and appointment of the right persons to uphold the rule of law by an independent Judiciary, it should be obvious that the executive should implicitly respect the judgment of the court, no matter how inconvenient the practical consequence may be, and not set a bad example by undermining the judicial process by casting disparagement on the bench or the bar with inappropriate comments outside court. Not infrequently, a barrister or solicitor who has been defending a case before a court may leave the court in bitter disappointment of the outcome or even the court's reasoning. But undermining the authority of the process is not a price we can pay to assuage our wounded pride.

Last but not least, I would like to take this opportunity to stress the high expectation of the community and their own calling that judges must be fearless and detached from all personal considerations in applying the law, even if it is at the expense of political pressure on the courts.

In 1999, as a result of the decision on NG Ka Ling case upholding the rights of the mainland-born children of Hong Kong parents under Article 24 of the Basic Law, the Court of Final Appeal came under fierce attack. Personal abuse was heaped especially on the then Chief Justice by Members in this very Chamber and by imagined loyalists of the State outside it. On 26 June 1999, the NPCSC issued an interpretation effectively overturning the Court's decision. In solemn black and complete silence, the legal profession marched to show their support for the court. Eleven years and many courageous judgments later, when the same Chief Justice gave his farewell address, he was given prolonged applause and a spontaneous standing ovation by the audience which included the profession, judges and lawyers from other jurisdictions and representatives of the community. It was a scene that few who were present could easily forget.

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

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): If not, I now call upon the Chief Secretary for Administration to reply. This debate will come to a close after the Chief Secretary has replied.

CHIEF SECRETARY FOR ADMINISTRATION: Deputy President, I would like to thank Members for their support of the proposed appointments and for your views.

Lord COLLINS and Lord CLARKE are judges with eminent standing. Their appointments will contribute to the Court of Final Appeal in continuing its important role in upholding the rule of law. I invite Members to endorse the appointments.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Chief Secretary for Administration be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

DEPUTY PRESIDENT (in Cantonese): Proposed resolution under Article 73(7) of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China.

I now call upon the Chief Secretary for Administration to speak and move

the motion.

PROPOSED RESOLUTION UNDER ARTICLE 73(7) OF THE BASIC LAW OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA

CHIEF SECRETARY FOR ADMINISTRATION: Deputy President, I move that the motion under my name, as printed on the Agenda, be passed, that this Council endorses the appointment of the Honourable Mr Justice Andrew CHEUNG Kui-nung as the Chief Judge of the High Court.

(THE PRESIDENT resumed the Chair)

The Chief Judge of the High Court is the President of the Court of Appeal and the court leader of the High Court. He presides in the Court of Appeal in the more important appeals as well as other appeals. He also leads the High Court administratively and is accountable to the Chief Justice, who is the Head of the Judiciary and is charged with the administration of the Judiciary.

Pursuant to Article 88 of the Basic Law and the Judicial Officers Recommendation Commission Ordinance (Cap. 92), judges of the courts of the Hong Kong Special Administrative Region shall be appointed by the Chief Executive on the recommendation of the Judicial Officers Recommendation Commission (JORC). In addition, Article 90 of the Basic Law provides that in the case of the appointment of the Chief Judge of the High Court, the Chief Executive shall obtain the endorsement of the Legislative Council.

The office of Chief Judge of the High Court became vacant on 1 September 2010 when the Honourable Chief Justice Geoffrey MA, who was the Chief Judge of the High Court immediately prior to that date, assumed the position of the Chief Justice. The Honourable Mr Justice Robert TANG Ching, Justice of Appeal and Vice-President of the Court of Appeal of the High Court, has been acting in the office of Chief Judge of the High Court to meet essential operational requirements since 1 September 2010 until the vacancy of the Chief Judge of the High Court is substantively filled.

The JORC has recommended to the Chief Executive the appointment of Mr

Justice CHEUNG as the Chief Judge of the High Court.

The curriculum vitae of Mr Justice CHEUNG was set out in the paper of the Administration issued to the Legislative Council on 11 April 2011. Mr Justice CHEUNG joined the Judiciary as District Judge in 2001. He started sitting as a deputy High Court judge in December 2001 and was appointed a Judge of the Court of First Instance of the High Court in 2003.

Mr Justice CHEUNG is a man of high integrity. He has dealt with a number of high-profile and controversial cases and commands the respect of judges and the legal profession. He is an outstanding lawyer and has the proven ability to handle difficult and complex cases. Mr Justice CHEUNG also has the potential of being a good administrator and is familiar with the administration of the High Court. The Chief Executive is pleased to accept the recommendation of the JORC on the appointment of Mr Justice CHEUNG as the Chief Judge of the High Court. Subject to the endorsement of this Council, the appointment would take effect in June 2011.

In accordance with the procedures previously endorsed by the Legislative Council, the Administration informed the House Committee on 11 April 2011 that the Chief Executive had accepted the recommendation of the JORC on this appointment. Representatives from the Administration and the Secretary to the JORC attended the meeting of the Subcommittee on Proposed Senior Judicial Appointments set up under the House Committee on 21 April 2011 and answered questions of Members. I would like to thank Dr Margaret NG, Chairman of the Subcommittee, and other Members of the Subcommittee for their support of the proposed appointment.

I invite Members to endorse the appointment.

The Chief Secretary for Administration moved the following motion:

"RESOLVED that the appointment of the Honourable Mr. Justice Andrew Cheung Kui-nung as the Chief Judge of the High Court of Hong Kong be endorsed."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That

the motion moved by the Chief Secretary for Administration 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 and that is: That the motion moved by the Chief Secretary for Administration 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 of the Members present. I declare the motion passed.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Proposed resolution under the Interpretation and General Clauses Ordinance to extend the period for amending the Professional Accountants (Amendment) Bylaw 2011.

I now call upon Mr James TO to speak and move the motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR JAMES TO (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

President, I am the Chairman of the Subcommittee on Professional

Accountants (Amendment) Bylaw 2011. The Subcommittee has held one meeting, but there are issues outstanding to be followed up. I thus urge for Members' endorsement of the motion to extend the period for amending the Amendment Bylaw, so as to render sufficient time for us to scrutinize the Amendment Bylaw.

Mr James TO moved the following motion:

"RESOLVED that in relation to the Professional Accountants (Amendment) Bylaw 2011, published in the Gazette as Legal Notice No. 70 of 2011, and laid on the table of the Legislative Council on 18 May 2011, 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 6 July 2011."

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

PRESIDENT (in Cantonese): Ms Miriam LAU will move a motion under Rule 49E(2) of the Rules of Procedure to take note of Report No. 24/10-11 of the House Committee laid on the Table of the Council today in relation to the Tramway Ordinance (Alteration of Fares) (Amendment) Notice 2011.

According to the relevant debate procedure, I will first call upon Ms Miriam LAU to speak and move the motion, and then call upon other Members to speak. Each Member may only speak once and may speak for up to 15 minutes. Finally, I will call upon the public officer to speak. The debate will come to a close after the public officer has spoken, and the motion will not be put to vote.

Members who wish to speak will please press the "Request to speak" button.

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

MOTION UNDER RULE 49E(2) OF THE RULES OF PROCEDURE

MS MIRIAM LAU (in Cantonese): President, I notice that the relevant public officer is not present. President, should I continue?

PRESIDENT (in Cantonese): I now declare the meeting suspended while awaiting the arrival of the public officer at the Chamber.

2.04 pm

Meeting suspended.

2.07 pm

Council then resumed.

PRESIDENT (in Cantonese): Ms LAU, please speak.

MS MIRIAM LAU (in Cantonese): President, in my capacity as Chairman of the House Committee, I move the motion as printed on the Agenda under Rule 49E(2) of the Rules of Procedure to enable Members to debate the Tramway Ordinance (Alteration of Fares) (Amendment) Notice 2011 (the Notice) in Report No. 24/10-11 of the House Committee on consideration of subsidiary legislation and other instruments.

President, I will speak on behalf of the Liberal Party to state its views on the Notice.

Yesterday, it was the first time that the Hong Kong Tramways Limited (HKT) raised its fare in 13 years yesterday. With high inflation and rising commodity prices, a number of public transport operators have increased their fares respectively one after another, resulting in substantial increase of livelihood expenses on the part of the general public in respect of clothing, food, housing and transport. With the prevailing trend of rising prices, even though the actual fare increase sought by the HKT is only \$0.3, it will invariably attract the criticism of increasing the burden of the people.

Trams have been servicing Hong Kong for more than a century, and they form a precious part of our collective memory. Trams are not only the cheapest and most environmental-friendly mode of public transport servicing the northern shore of Hong Kong Island, but also one of the signs and tourism attractions of Hong Kong. However, like other modes of public transport, trams must also face intense competition from other competitors, rising operational costs as well as decreasing patronage. Daily patronage of trams has decreased from 240 400 in 1999 to 231 200 in 2009, representing a reduction of almost 4% over the decade. In the past 10 years, the operation of the HKT has become increasingly difficult due to rising operational costs (with increasing salary of staff) and decreasing fare revenue.

Honestly, under such an intensely competitive environment, the HKT

should have put in more resources to improve ancillary facilities so as to enhance its competitiveness. However, as fare revenue is the major source of income of the HKT and non-fare box revenue from advertising being very limited and unstable, it is not easy for the HKT to maintain the established service standard and a balanced budget, let alone allocate additional resources to increase service quality. Therefore, in order to preserve this mode of transport with historic value so that its continued operation is financially viable, an appropriate level of fare increase may be unavoidable.

Since the HKT had been fully acquired by a French consortium in early 2010, the company has made determined efforts to improve the quality of tram service. Before its fare increase application was approved, that is, when the application was still being considered, the HKT was still willing to seek continuous improvements even under financial difficulties. Such improvements include adjusting the frequency of tram service, improving on-board facilities and the design of tram cars, as well as enhancing passenger information at tram stops such as the provision of route maps and tourism information. Moreover, measures have been implemented by the HKT to improve the tracks so as to reduce noise. I think many Members of this Council have been invited by the HKT to visit its tram depot and inspect its operation. As least, several colleagues and I have visited its depot. If Honourable Members want to visit its depot facilities, I think they would be most welcomed by the HKT. The Liberal Party considers the practice of the HKT commendable and it also demonstrates its determination in improving service quality.

The HKT felt disappointed that the proposed 25% increase in tram fare was not approved. Originally, the HKT hoped that with the increment, more capital would be available to implement its five-year service improvement plan, including measures to enhance the safety and reliability tram service as well as passenger comfort. The Liberal Party hopes that notwithstanding the less than desirable level of fare increase, the HKT will not be adversely affected and it will carry out the improvements as originally planned.

The original level of fare increase proposed by the HKT is 25%. Some people may say that this rate of increase is excessive, particularly considering that the level of fare increases sought by other public transport operators is just about 2% to 3%, with the level of fare increase for outlying island ferry services being 12%. At first sight, an increase of 25% is indeed very high, but the actual increase is just \$0.5. However, the Liberal Party is also aware that under high

inflation and rising commodity prices, members of the public are already having a hard time because of increasing expenditure in various aspects, and any price hike will further enhance their burden, particularly for the grassroots. Considering the economic environment and public affordability, the level of fare increase eventually granted is 15% (fares for adult, children and the elderly will increase by \$0.3, \$0.2 and \$0.1 respectively), which is less than the proposed level. As the rate of increase is mild, it will have minimal impact on fuelling inflation and the impact on the grassroots is relatively mild. I think this rate of increase is reluctantly acceptable to the public as a whole. Furthermore, in consideration of the burden of the elderly under high inflation, the HKT has decided to defer the increase of elderly fare for one year so as to reduce the pressures borne by the elderly under the current high inflationary environment. The Liberal Party supports the HKT's decision. However, we also hope that the HKT will further consider whether elderly fare can be frozen as far as possible. After all, the difference is only \$0.1. Can the HKT consider cancelling the increase of elderly fare? Or is it possible to provide off-peak fare concession for the elderly so that they will still be charged the original fare of \$1 instead of \$1.1? Most elders like to travel on tram, and honestly, their numbers are not that many.

At present, tram service is highly inconvenient for persons with disabilities. I hope the HKT will actively seek improvements in this regard. Before the design of tram car can be improved to facilitate the use of persons with disabilities, the Liberal Party hopes that the HKT can provide them with fare concessions so as to fulfil its corporate social responsibility.

In the long run, the HKT should actively increase patronage and fare revenue through flexible fare combinations, such as the provision of interchange schemes in co-operation with other public transport operators, or off-peak fare concessions, because other than the peak hours in the morning and afternoon, off-peak tram passengers are mostly the grassroots and elders. The provision of off-peak fare concessions will not only help reduce their transport cost, but also help increase the HKT's patronage and fare revenue through the concessionary fare. That is really a measure to kill two birds with one stone. The Administration should help the HKT improve its operating environment, open up new network of tram routes, and improve the condition where tram tracks are often used by other vehicles causing obstruction to tram service. The condition where tram tracks are used by other vehicles causing obstruction to tram service often happens at busy road sections or crossroads. We also hope that the Government can help the HKT increase its non-fare box revenue and enhance its

financial viability so that the HKT does not have to rely too much on fare increase to maintain its operation. As a result, the travelling public will not have to be over-burdened by increasing transport cost.

Lastly, I would like to say that when addressing the problem of escalating transport cost, the Government should improve the operating environment of public transport operators on the one hand, and consider implementing more effective relief measures for those in need on the other. In respect of the Transport Support Scheme for encouraging employment, amendments have been introduced by the Government in response to public demand. While the scheme is far from ideal, the relevant funding request has been approved by the Finance Committee of the Legislative Council on 25 February. However, the scheme will not be launched officially until October. The Liberal Party hopes that the Government can take into account the current situation and implement the scheme as soon as possible. Upon implementation, the application procedures should be streamlined as far as possible so that assistance is provided to the persons in need expeditiously.

President, I so submit.

Ms Miriam LAU moved the following motion:

"That this Council takes note of Report No. 24/10-11 of the House Committee laid on the Table of the Council on 8 June 2011 in relation to the subsidiary legislation and instrument(s) as listed below:

<u>Item Number</u>	<u>Title of Subsidiary Legislation or Instrument</u>
(1)	Tramway Ordinance (Alteration of Fares) (Amendment) Notice 2011 (L.N. 63/2011)."

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

DR MARGARET NG (in Cantonese): President, I have a particular fondness for

trams and hence, I feel very happy that tram service can continue to be provided in Hong Kong. Trams will remain a favourite mode of public transport for the people of Hong Kong through continuous improvement.

President, I am going to speak primarily on a number of provisions in the Tramway Ordinance (the Ordinance) in relation to the alteration of fares. Regarding this agenda item, the relevant amendment notice which is put under the column of "Subsidiary Legislation or Instrument" may not necessarily be an item of subsidiary legislation. During our discussion, whether this is an item of subsidiary legislation has given rise to divergent views, some Members considered that it was an item of subsidiary legislation, but others did not think so.

The provision which we are concerned about is section 50. First of all, let me point out that the Ordinance is a piece of legislation with a long history. Initial discussion on a bill about the tramway system was held between 1880 and 1882 in the then Legislative Council. The current Ordinance was first enacted in 1902 and has incorporated various amendments made ever since. Section 50 of the Ordinance provides for the payment of fares by passengers, where it is stipulated in subsection (i) that Hong Kong Tramways (HKT) "may demand and take for every passenger fares not exceeding the following rates", and that the specified rate is \$0.3. Hence, tram fare should be \$0.3 according to the express provision of the law.

However, the alteration of the rates of fares is provided in section 51. In respect of this provision, unfortunately, I must read it out in English because Members will know that the Chinese text is merely a translation of the English text. The English text of subsection (i) reads, "Subject to the consent of the Chief Executive in Council it shall be lawful for the company to alter the rates of fares for the time being authorized in respect of the whole or any portion of the tramway."

Hence, the statutory power to alter current tram fares has already been vested with the HKT by the law, although such alteration shall be subject to the prior consent of the Chief Executive in Council, or the former Governor in Council back then. Moreover, subsection (ii) provides that any such alteration shall come into force one month after its publication in the Gazette. In other words, any such alteration will not be effective without publication in the Gazette. That is also the express provision of the law. But is the notice for altering tram

fares an item of subsidiary legislation? According to some views, this is subsidiary legislation because given that section 50 has already stipulated a legal provision specifying the rates of fares, any alteration made through the mechanism of delegated authority shall necessarily be within the scope of subsidiary legislation.

However, I consider this view extremely dangerous because one only needs to carefully examine the relevant provision to see that it did not seek to regulate the acts of any person through either the subsidiary legislation or principal legislation. Instead, it sought to establish a mechanism for altering fares at the same time the law was made, that is, the authority to alter tram fares has been vested with the HKT. The HKT can alter fares at its liberty, provided that such alteration must have the consent of the then Chief Executive in Council. If the rate of alteration is excessive, the Chief Executive in Council shall withhold its consent and hence, tram fares cannot be altered as proposed. Given the above, I consider that it is not an item of subsidiary legislation.

Another reason for considering the amendment notice an item of subsidiary legislation is that when the relevant notice was published, it was placed in the first part of the legal notices of the Gazette. Under a conventional practice agreed with the executive authorities, instruments with legal effect, that is, instruments such as subsidiary legislation, will be published in the first part of the legal notices of the Gazette. Therefore, why was the amendment notice published in the first part? Does it imply that the said notice has the power of subsidiary legislation?

Insofar as the present case is concerned, no problem will arise because the rate of increase originally proposed by the HKT is 25%, as just pointed out by Ms Miriam LAU. Subsequently, the rate was reduced after negotiation between the Chief Executive in Council and the HKT. Hence, when the relevant proposal was submitted to the Legislative Council for discussion, Members generally supported the reduced rate of fare increase, while the higher rate of fare increase initially proposed was not supported by Members. Hence, there is no objection in the present case. But if Members have different views, the matter of whether the said notice is an item of subsidiary legislation and hence, whether this Council can amend the same will become a critical question.

Hence, President, I speak today primarily for the purpose of drawing

Members' attention to the problem, that is, whether the relevant instrument should be regarded as an item of subsidiary legislation. More importantly, many provisions in the subsidiary legislation involve certain established mechanisms, that is, those which have been made upon the passage of the legislation and will become activated almost automatically at a later stage. My personal view is that they should not be regarded as subsidiary legislation. Therefore, citing the Ordinance as an example, I suggest that the Administration should deal with the matter squarely by conducting some serious studies and exchanging views with the Legal Service Division of this Council so that Members can have a clear understanding of the relevant arrangements. It should not wait till problems arise and then take remedial actions.

A subcommittee formed under the House Committee is responsible for studying the powers of the Legislative Council in handling subsidiary legislation. The biggest question remains: What is meant by "subsidiary legislation"? I hope the matter would be referred to this subcommittee for study if time allows. Otherwise, I hope the Administration will conduct its own studies and come to certain conclusions and consensus with this Council so as to avoid any problems in future. Thank you, President.

MR WONG KWOK-HING (in Cantonese): President, trams have great sentimental value for the people of Hong Kong, and it is the oldest form of transport in their collective memory, just like the Star Ferry. I have deep feelings for both trams and ferries.

The objective of the Tramway Ordinance (Alteration of Fares) (Amendment) Notice 2011 is to adjust tram fares. Although the Executive Council did not approve an increase as high as 25% as proposed by Hong Kong Tramways Limited (HKT) and have adjusted it downwards, members of the public still feel helpless in the face of the adjusted rate of increase given the current rampant inflation in Hong Kong. I would like to point out that apart from vetting the rate of adjustment of tram fares, has the Administration been actively helping the HKT develop new routes and mode of operation so as to enhance the service standard of this old and environmental-friendly mode of public transport? Has the Government ever conducted studies in this regard? I do not see the Government doing anything of this sort.

On the other hand, with reclamation works carried out along the northern

shore of Hong Kong Island over time, the shoreline has been extended outwards continuously. As a result, the operation of the HKT has become increasingly difficult because both residential and commercial buildings have been built in areas further and further away from the tramway. Passengers who want to take the tram must walk a longer distance before they get to the tram stops, thus creating much inconvenience.

Moreover, in the 1950s and 1960s, ferry piers and tram stops were closely located and passengers could easily walk to the tram stops after alighting from the ferries. However, with the relocation of ferry piers further and further away, the walk from ferry piers to tram stops must take at least 15 to 20 minutes now. Therefore, the operation of tram service is hindered by many objective factors and difficulties. As a result of the increasing commuting distance for passengers, the operation of tram service must face a lot of objective difficulties.

Hence, I would like to take this opportunity to urge the Secretary and the Government to consider undertaking a relevant study so as to actively assist the HKT in restructuring and enhancing service standard. If assistance can be given to the HKT to extend its area of service and increase patronage, there is no need to resort to fare increases at the expense of ordinary folks in addressing the operational difficulties of the HKT. In this connection, I would like to raise some views for the consideration of the Administration.

Firstly, can consideration be given to providing a new service area for trams towards the north of the existing tramway? For example, the northern shore in Central and Wan Chai is in fact quite far away from the tramway. Can the Administration consider allowing trams to ply in the harbourfront area? Another example is that many new housing estates have been built in Shau Kei Wan and Sai Wan Ho. Both public housing estates and private residential flats have been built in the harbourfront area. If trams can ply in these areas, it will not only serve to provide convenient service to local residents, but also increase patronage.

Moreover, if trams are allowed to ply between Heng Fa Chuen and Chai Wan and Siu Sai Wan, I would say that the Government has done a marvellous job. In fact, the provision of tram service in the area is the earnest hope of many local residents in Chai Wan and Siu Sai Wan. Will the Government actively study this proposal and explore its feasibility? That is the first suggestion I

would like to make.

The second suggestion I would like to make to the Government is that in addition to the original routes, can consideration be given to developing new service area for trams so that the HKT can explore the extension of its service and business? For example, can consideration be given to opening up the southern shore of Hong Kong Island? If a new tram route can be provided along the southern shore of Hong Kong Island from Aberdeen to the Ocean Park, it will not only help protect the environment, but also become an ideal tourism route.

Moreover, regarding the area around the Kai Tak New Development Area, if the HKT is given the opportunity to provide service in Southern Kowloon such as Kai Tak, Kwun Tong and Kowloon City, this will not only provide an environmental-friendly mode of public transport, but also benefit the people. Can the Government consider the matter from a new perspective so that assistance and active support can be provided to the HKT to extend the service area of trams? That is the second point I would like to raise.

Thirdly, I would very much like the Government to consider introducing a trolleybus system in Hong Kong because if the HKT is given the option to operate trolleybuses, the problem of laying tracks on a steep gradient would be overcome. If the HKT is encouraged to operate the trolleybus system, the flexibility of tram operation can be enhanced, and furthermore, the use of electric modes of public transport can be actively promoted. Regarding the problem of reducing carbon emissions and alleviating air pollution, this can be a green solution to help improve the overall air quality of Hong Kong.

I would very much hope to relay, through the President, the above three points to the Government for its active consideration. I would also like to take this opportunity to call on the HKT to actively study the issue so that it will not always adopt an overly restricted view of addressing its operational difficulties through fare adjustment or increases. I hope the Government will actively respond to my views and submit a feasibility study report on the relevant proposals in the near future for Members' discussion. 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, all Members have already spoken. I now call upon the Secretary for Transport and Housing to speak.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, thanks to Ms Miriam LAU for moving the motion in relation to the report on consideration of the Tramway Ordinance (Alteration of Fares) (Amendment) Notice 2011.

Trams have always provided a convenient and cheap mode of public transport for the travelling public plying the northern part of Hong Kong Island. As we previously reported to Members through the relevant Legislative Council Brief, under section 51 of the Tramway Ordinance (Cap. 107), the Chief Executive in Council has given approval for the newly revised rates of tram fares as set out in the Tramway Ordinance (Alteration of Fares) (Amendment) Notice 2011 to become effective from 7 June 2011.

In order to ensure that Hong Kong Tramways Limited (HKT) has sound financial capability to provide efficient and quality tramway services at reasonable fares, the Administration has taken into account the following factors when assessing the HKT's fare increase application:

- (i) the service provided by the HKT and its planned improvements;
- (ii) the changes in operating costs and revenue since the last fare adjustment by the HKT in March 1998;
- (iii) forecasts of future costs, revenue, profit and return; and
- (iv) the likely public acceptability.

As the tram system has been suffering from ageing problems, and tram patronage could decline further with the commissioning of two new railway lines, namely, West Island Line and South Island Line (East), in 2014 and 2015

respectively, the HKT considers that there is a sense of urgency for introducing improvements to the tramway system so as to enhance the level of service, passenger comfort, safety and operational efficiency. As the capital expenditure required to implement all the improvement projects amounted to over \$200 million, the HKT submitted an application to the Government in August last year to increase adult tram fare by 25% from \$2 to \$2.5.

The HKT has conducted an extensive public engagement exercise with major stakeholders in the form of meetings, depot visits with on-site demonstration and briefings on its proposed improvement projects. According to the HKT, the feedback was generally positive and the HKT was urged to implement the projects as soon as possible. When the Panel on Transport of the Legislative Council was consulted on the HKT's fare increase application on 17 December 2010, Panel members generally appreciated the need for improving the tramway system and supported the improvement projects proposed by the HKT. However, they considered the proposed 25% increase (that is, to increase by \$0.5) in adult fare in one go too drastic, and suggested that the HKT should consider a phased increase in tram fares so as to mitigate the impact on passengers.

In order to allow tram passengers to enjoy economical, quality and efficient transport service, and at the same time encourage the HKT to continue to invest for service provision and sustainability, the Administration agreed after taking into account the views of the Legislative Council and the Transport Advisory Committee that on the premise of not affecting the various improvement projects, the adult fare be revised to \$2.3, that is, an increase by \$0.3, and that fares of other passenger groups be revised according to similar rates.

Trams have a long history in Hong Kong and they perform a unique role in the public transport system of the northern part of Hong Kong Island. Throughout the years, tram fare revisions have been effected by the HKT and the Government in accordance with the requirements under section 51 of the Tramway Ordinance. The relevant notice would be submitted to the Legislative Council for scrutiny after publication in the Gazette, and come to effect according to the relevant provisions.

Regarding the views expressed by Dr Margaret NG just now, we will study

them and consult the Department of Justice accordingly. As to the suggestion made by Mr WONG Kwok-hing on expanding the service area of trams, Members have to understand that trams now serve to connect the eastern and western parts of the northern shore of Hong Kong Island. But if they should go cross some busier roads, such as Harcourt Road, problems may arise because if the existing service area of trams is extended to the new reclamation area, trams must invariably go across some busier roads. Issues such as the use of road space, impact on other modes of transport, travelling speed, and so on, must have to be studied carefully. As regards whether there is scope of service by trams or other green transport modes in new development areas (NDAs), such as the view expressed by a Member just now about whether transport service in the Kai Tak New Development Area or other NDAs should be provided by trams or other green transport modes, such as electric buses or hybrid transport modes under trial, we of course welcome these suggestions, and hope that there is scope for their development in NDAs. We will certainly study the matter carefully and consult the Council in due course.

President, I so submit.

PRESIDENT (in Cantonese): Under Rule 49E(9) of the Rules of Procedure, I shall not put any question on the motion.

PRESIDENT (in Cantonese): Two motions with no legislative effect. I have accepted the recommendations of the House Committee: that is, the movers of motions each may speak, including reply, for up to 15 minutes, and have another five minutes to speak on the amendments; the movers of amendments each may speak for up to 10 minutes; and the movers of amendments to amendments and other Members each may speak for up to seven minutes. I am obliged to direct any Member speaking in excess of the specified time to discontinue.

PRESIDENT (in Cantonese): First motion: Setting out a five-year plan for elderly services.

Members who wish to speak in the debate on the motion will please press

the "Request to speak" button.

I now call upon Mr TAM Yiu-chung to speak and move the motion.

SETTING OUT A FIVE-YEAR PLAN FOR ELDERLY SERVICES

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

Since 1999, the Government has been relying on the annual service review in planning welfare services, including elderly welfare. According to the Government, the annual consultation mechanism for welfare planning currently adopted can well tally with the preparation of the policy address and the budget. However, I think this mode of governance only offers one-off measure of "handing out candies", with the objective effects of doing more in times of abundance, and projects may be called to a halt when the economy shrinks. For this reason, there is no long-term commitment in improving elderly services. In addition, with inadequacy in planning, there are problems of imbalance between the supply of and demand for residential care places, community care services and medical services, and so on; a large number of persons waiting for services and prolonged waiting time.

Today, I put forth this motion on behalf of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) to urge the Government to set out a five-year plan for elderly services, and establish service pledges in respect of various welfare services, including residential care services, community care services and medical services for the elderly, so as to provide relevant services to the elderly in need within a specific time frame, and enhance the protection of the living of the elderly. The Government should do better in policy formulation to promote social stability.

Regarding DAB's proposal on setting out a five-year plan for elderly services, we do not, as perceived by the Labour and Welfare Bureau, request for the resumption of the five-year welfare planning mode adopted before 1999. The Labour and Welfare Bureau always stresses that the existing annual planning mechanism for welfare services is more flexible than the five-year planning mechanism often mentioned by the welfare sector. Stakeholders may timely put

forth appropriate and feasible proposals on a regular basis in response to the latest social situation and demand for welfare services, so that the aspirations of society can be met within a short period of time in a swift and mechanical manner. I agree with this point.

Nowadays, social and economic changes are abrupt and drastic. Thus, the Government must timely introduce new policies. Since there are long-term demands for residential care services, community care services, medical services and social security, these demands cannot be met with piecemeal measures introduced at times. On the contrary, the Government should set medium-term development objectives, so as to resolve or alleviate the problems in an orderly manner. The formulation of these development objectives not only allows society as a whole to focus on the important issue involving the development of society, but also indicates to the public the determination of the SAR Government in addressing these important problems. The Chief Executive should capitalize on this opportunity to show his commitment to society and honour his pledge to the people.

Take the long-term care services for the elderly as an example. There is an acute shortage of residential care places for the elderly. This year, the Government has increased the funding by \$130 million for the provision of 1 270 additional residential care places for the elderly. Together with the pledges made in previous years, only an average of about 580 additional residential care places will be provided in each of the next four years. In the absence of an undertaking for a substantial increase in residential care homes and corresponding medium-term planning, the elderly have to wait for a long period of time for residential care places. The number of elderly persons waiting for various kinds of nursing home places stands at 20 395 this year. They have to wait for 33 months on average before they are offered a place in a subvented or contract residential home. Among them, 6 471 elderly persons are waiting for nursing home places, and their average waiting time is 39 months, which is only one month shorter than that in the previous year.

In the past few years, not much progress has been made by the Government in constructing additional residential care homes for the elderly, and no new sites have been earmarked for constructing such homes in the future. As for sites earmarked in the past few years, since the construction works have not yet commenced, the completion date of these residential care homes is uncertain.

Take the case in Yuen Long as an example. Though four sites have been clearly designated in the Outline Zoning Plan for constructing public facilities, which include residential care homes for the elderly, as at today, those four sites are still desolate land overgrown with weeds. In each of the past three years, while the Government had set aside funding in the budget for providing additional subsidized residential care services, the funding was returned to the coffer at the end of each financial year because the residential care homes had not yet been commissioned.

As for the bought-place arrangement, the actual effect is very limited. In this financial year, the Social Welfare Department continues to buy vacant nursing places from self-financed nursing homes and residential care homes, but the total number of nursing home places provided remains at 1 574.

In this connection, I think the Government should adopt a better and more responsible approach by establishing pledges and providing a service mechanism. With regard to the waiting time for residential care services or community care services, the Government should set the target time for receiving such services and then plan the resources to be invested in the next five years according to these targets. The government expenditure on elderly service this year was \$4.4 billion. This \$4.4 billion already includes the required expenses of all governmental and subsidized residential care services, bought-places from private residential homes, home care services and the operation of various types of elderly care centres. If the Government doubles the provision of these services, the elderly service provided will improve immediately and drastically.

I suggest that the Government should double the expenditure for elderly services to \$8.8 billion, so as to speed up the construction of various types of subsidized or contract residential care homes, and increase, within a short period of time, the number of bought places at private nursing homes and care-and-attention homes substantially, the target being a minimum of 5 000 places, so that the waiting time for elderly services can be shortened markedly.

Moreover, the Government should provide elderly services subsidies for elderly persons by making reference to the mode of the existing education voucher scheme, so as to allow the elderly to choose residential care homes that suit their needs most. This arrangement will enhance the quality of service of private residential care homes and alleviate the acute shortage of subsidized

residential care places for the elderly at present.

In addition to improving elderly services, protection for the basic living of the elderly should also be strengthened. At present, the Government has relaxed the absence limit for Old Age Allowance (fruit grant) from 240 days to 305 days, so that elderly beneficiaries only need to stay in Hong Kong for 60 days a year to be eligible for receiving the allowance year-round. Though the absence limit has been relaxed, we still consider it inadequate. Since applicants for "fruit grant" are still subject to a residence requirement, elderly persons who intend to live on the Mainland for good still have to travel strenuously between Hong Kong and the Mainland, which prevents them from enjoying a peaceful retirement life on the Mainland. To solve this problem, the DAB has all along requested for a complete abolition of the absence limit.

Moreover, we advocate the introduction of an entirely new "hometown living allowance scheme" (the allowance scheme). The allowance scheme may adopt the existing Portable Comprehensive Social Security Assistance Scheme as a blueprint. Under the scheme, Hong Kong permanent residents of Chinese nationality who decide to return to the Mainland to spend their twilight years may receive a monthly living supplement on the Mainland. Hence, the allowance scheme, which is a new social security allowance, will not have any absence limit. Once the elders decide to return to live in Hong Kong, they may apply for other social security allowances. The allowance scheme should premise on the principle of enhancing the freedom of the elderly in choosing the way of living in their twilight years. Further consideration should be given to extending the coverage of the scheme to include medical services, healthcare services and other welfare benefits, so as to achieve the objective of enabling the elderly to spend their twilight years at ease in their hometowns.

As for elderly persons who age in Hong Kong, we propose to introduce an entirely new "elderly maintenance grant scheme" in addition to fruit grant and the Comprehensive Social Security Assistance (CSSA) Scheme, so as to provide financial assistance to improve the living of elderly persons who are ineligible for applying CSSA.

In the motion today, we have put forth proposed measures in 12 aspects in total. Apart from the four aspects highlighted above, I would also like to specifically talk about offering comprehensive transport fare concessions to

elderly persons, and promoting healthy exercise among the elderly. On the one hand, the Government should motivate various public transport operators to offer comprehensive and permanent fare concessions to the elderly to provide them with more opportunities to go outdoors or visit friends and relatives, helping them to lead a healthy and happy life in their twilight years. On the other hand, the Government should introduce "recreation and sports vouchers for the elderly" and waive admission fees for the elderly in all exhibition halls under the Leisure and Cultural Services Department, so as to encourage the elderly to do more exercise, enhance their physique and enrich their retirement life.

These two measures, which have been demanded by the elderly, are relatively simple and easy for implementation. The implementation of these measures will further realize the full commitment of the Government in elderly services, and the respect paid by society to the lifelong contribution of the elderly.

President, in developing Hong Kong, apart from seeking economic growth, we should also attach importance to "people", to the well-being of the public. Given the colossal financial surplus and reserves now hold by the Government, it should not allow the problem of insufficient elderly service to deteriorate further. As we advocate justice in society, we should enhance our assistance to elderly persons who are the most disadvantaged group in society, so that they would have a better living conditions through the implementation of welfare measures.

I so submit. Thank you, President.

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

"That, given that the trend of the ageing of the society in Hong Kong is accelerating, this Council urges the Government to plan in full speed and formulate as early as possible a more comprehensive elderly policy, and also set out a five-year plan for elderly services, so as to set specific development objectives and pledges for elderly services every five years, with a view to rectifying the serious problems of imbalance between supply of and demand for services, a large number of persons waiting for services and prolonged waiting time, as well as strengthening the care for the needs of elderly persons' living, and vigorously improving people's livelihood; the relevant measures should include:

- (a) to establish a five-year plan and service pledges in respect of

residential care services for the elderly and community care for the elderly, and strive to increase the number of residential care places for the elderly and community care places for the elderly; to review the Standardized Care Need Assessment Mechanism for Elderly Services; to provide elderly services subsidies for elderly persons by making reference to the mode of the existing education voucher scheme; and to enhance complementary measures for the elderly policy of 'ageing in place';

- (b) to abolish the absence limit in respect of application for Old Age Allowance ('OAA') to enable elderly persons to spend their twilight years on the Mainland without worries, and allow elderly recipients of Disability Allowance to also receive OAA, so as to improve their living;
- (c) to intensify the policy of portable elderly welfare benefits; to provide allowances to elderly persons who return to their hometowns to live, enabling those elderly persons who choose to spend their twilight years in their hometowns to receive a monthly living supplement; to proactively study in conjunction with the relevant Mainland departments the introduction of medical insurance schemes for Hong Kong elderly persons living on the Mainland, and consider collaborating with the Mainland to run hospitals or provide out-patient services, so as to serve the Hong Kong people living on the Mainland;
- (d) to propose the introduction of an entirely new 'elderly maintenance grant scheme' in addition to OAA and Comprehensive Social Security Assistance ('CSSA') Scheme, so as to provide financial assistance to elderly persons who are not eligible for applying CSSA to help them improve their living;
- (e) to increase the amount of Elderly Healthcare Vouchers to \$1,000, lower the age requirement to 65, streamline administrative arrangements, and encourage the participation of more doctors; and to relax the elderly drug subsidization policy;
- (f) to expedite resource allocation from the Community Care Fund for

providing tooth filling and restoration allowances to the elderly, and strengthen elderly dental care services, including the establishment of dental clinics in the 18 districts, introduction of elderly dental care services and opening public dental clinics for elderly persons' use, etc.;

- (g) to expedite the establishment of public Chinese medicine clinics in the 18 districts, and establish additional elderly health centres and increase their membership;
- (h) to devote resources to strengthen occupational training related to the elderly care service industries, so as to increase manpower for elderly services and care and enhance practitioners' professional knowledge and quality;
- (i) to formulate a comprehensive and long-term elderly housing policy, examine afresh the current land planning for earmarking sites for elderly housing purposes, proactively study the introduction of the 'mixed use development' concept in private and public housing, and design a residence model which integrates elderly housing and complementary facilities;
- (j) to expedite the implementation of a 'mortgage scheme for the elderly' (i.e. 'reverse mortgage'), so as to assist elderly persons with private properties in enhancing their finances and improving living environment and lives in twilight years, and launch a scheme on 'making use of residential properties to provide for the twilight years of the elderly' for elderly property owners who have no means of living and do not have any children;
- (k) to implement the elderly-friendly policy in all public places, effectively enforce the requirements of barrier-free facilities, and provide various types of facilities for elderly persons to facilitate their entry and exit; and
- (l) to motivate various transport operators to offer comprehensive and permanent fare concessions to elderly persons; to enrich elderly persons' retirement life by introducing 'recreation and sports

vouchers for the elderly' and waiving admission fees for elderly persons in all exhibition halls under the Leisure and Cultural Services Department, and set up an 'elderly employment fund', so as to assist healthy elderly persons in sustaining their employment and giving full play to their abilities."

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

PRESIDENT (in Cantonese): Five Members will move amendments to this motion. This Council will now proceed to a joint debate on the motion and the five amendments.

I will first call upon Mr WONG Sing-chi to speak, to be followed by Mr CHEUNG Kwok-che, Mr Vincent FANG, Mr Alan LEONG and Dr PAN Pey-chyou respectively; but no amendments are to be moved at this stage.

MR WONG SING-CHI (in Cantonese): President, regarding the motion on planning for elderly services proposed by Mr TAM Yiu-chung today, a number of Members have put forth 10 to 20 proposals in their amendments. In fact, for each proposal, we can set up a subcommittee to discuss for at least a year. As I can only speak for a few minutes, I can only speak on the salient points. Most importantly, Secretary Matthew CHEUNG will remain in office for around a year or so, I wonder if he can make proactive and specific responses to this motion. Certainly, we hope that every government official in office will work responsibly for the public.

President, today, a number of Members have proposed amendments to the motion, and we consider that most of these amendments should be supported. Regarding the amendment of Mr CHEUNG Kwok-che, it is somehow different with our platform and strategy on social services. We stress the importance of "money follows the elderly", but in Mr CHEUNG Kwok-che's amendment, he deletes the wordings relating to the concept of "money follows the elderly". We have doubts about this, so we cannot support his amendment, and we will abstain from voting on his amendment. As for other amendments, they are by and large

worthy of support. We hope the Administration will not only be concerned about whether or not the motion will be passed, in fact, we hope that the Administration will respond proactively to most of the proposals.

The present planning of the authorities for elderly services is inadequate. Why do I say so? The reason is simple. The existing commitment on elderly services made by the Government is inadequate. Due to insufficient supply of residential care places, the waiting time is prolonged, and some elderly persons even passed away before they got a place. Moreover, the absence limit imposed by the Government on Old Age Allowance (fruit grant) has prevented the elderly from settling down freely on the Mainland to spend their twilight years. We notice that this group of elderly persons has to face many restrictions in pursuing their desired way of living. This is heart-rending. Elders have toiled and worked hard for more than half or even throughout their lives, we should thus take care of them unselfishly as far as practicable.

President, I have asked the Government about the waiting time for residential care places for the elderly. According to the figures, as at February this year, the average waiting time for subvented and contract residential care homes for the elderly is 34 months, and that for nursing home places is 40 months. These figures remind us that a group of elderly persons are waiting for long-term care, but they have been neglected for a long time. Hence, we hope that the Government will establish the five-year plan and service pledges for residential care services and community care for the elderly. Instead of making empty promises about what it will do, the Government should set some targets. For instance, it should undertake to offer elders with a place within 10 to 11 months from the date they are listed in the waiting list. The Government should have this concept in order to make genuine promises. If it only says that "I hope I can do my best, or I will certainly do my best", these are only empty words. We hope the Government will increase the places for residential care services and community care services for the elderly, so that the elderly may have an idea when they will get a residential care place.

We also hope that the Government will review the Standardized Care Need Assessment Mechanism for Elderly Services, in particular, the introduction of the "money follows the elderly" concept. At present, the Government only provides funding to organizations for operating residential care homes. So when an elderly person is admitted to a residential care home, he will be deprived of other

choices. Though services provided by subvented residential care homes are good, the elderly may wish to have other alternatives. Besides, no matter how bad the care services are, the elderly persons cannot leave the residential care home. Against this background, we propose to the Government the introduction of "residential care home vouchers" to subsidize the elderly to pay for the expenses, so that they can choose the residential care home they would like to stay in.

In delivering the Policy Address this year, the Chief Executive announced the relaxation of the absence limit for "fruit grant" to 305 days. Regarding this measure, I would say it is better than none, for the elderly still have to return to Hong Kong for 60 days. I really wonder how their living is during this period of stay in Hong Kong. The Government should consider providing more support to take care of these elders. However, it fails to do so at present, and these elders do not know where to stay during their 60-day stay in Hong Kong. Hence, the Democratic Party proposes that the absence limit requiring a 60-day stay in Hong Kong should be lifted once and for all. We suggest that the elderly should only be required to return to Hong Kong once a year for reporting purpose, or they can inform the Government via administrative procedures that they are still alive, so as to be eligible for receiving the "fruit grant".

Regarding the original motion proposed by Mr TAM Yiu-chung, I include a proposal on the establishment of a universal retirement protection system, which the Democratic Party has all along been striving for. Recently, many people have put forth arguments querying the value of existence of a universal retirement protection system, and they even consider that the system may affect the economy of Hong Kong. We absolutely should not only consider the issue from a pecuniary perspective. As the elderly have toiled throughout their lives, why can they not live peacefully in their twilight years after retirement? Regarding the details of the proposed scheme, such as the source of funding, the contribution method and the need to increase tax, and so on, they are open to discussion. The most important point is that there should be long-term commitment to provide retirement protection for the elderly.

Earlier, the Alliance for Universal Pension had commissioned the Centre for Social Policy Studies of the Department of Applied Social Science of The Hong Kong Polytechnic University to conduct a questionnaire survey by phone

from 26 July to 3 August 2010, and had successfully interviewed 1 057 Hong Kong citizens. According to the report issued by the Alliance on the findings of the survey on the Mandatory Provident Fund (MPF) and retirement protection, over 60% of the interviewees considered that the current MPF system failed to alleviate their worries about retirement, and 40% of the interviewees supported the abolition of the existing MPF system. The views of this group of interviewees are more radical. As many as 80% of the interviewees considered that the Government should propose to establish a universal retirement protection system in this year's policy address.

Since elderly persons applying for Comprehensive Social Security Assistance (CSSA) are required to submit a "bad son statement" signed by their children, they are reluctant to apply for CSSA, no matter how difficult their living has been. The Government often says that there is no such thing as "bad son statement". Honestly, by signing the "bad son statement", the children have admitted they will not support their parents, and these children are generally regarded as "bad sons" in society. For children who refuse to support their parents when they are capable to do so, they are definitely "bad sons". However, children who lack the ability to support their parents are also required by the Government to sign such a statement. This will give people the impression that these children refuse to fulfil their filial duties. Such a practice may harm the dignity of the elderly and certain families. The universal retirement protection system will enable the elderly to receive a pension as a living subsidy, so that they can maintain a reasonable standard of living.

In fact, the living supplement proposed by the Alliance and other Members is not set at a high level, say \$6,000 to \$7,000 or up to the minimum wage level. They only propose providing a supplement amounting to \$2,500, \$2,700, \$3,000 or \$3,500. Why is the Government still unwilling to consider such proposals and refuses to make commitment?

Regarding the proposal on setting up an "elderly employment fund" to assist elders who are in good health to keep working and give full play to their abilities, the Government should provide the corresponding platform. In our view, the Government has to enhance and improve elderly services, so that the elderly may live in contentment in their twilight years. In this connection, we hope that the Government would provide a better platform or framework to

enable elders enthusiastic in serving the community to do their best and make contribution to society.

As for the housing policy for the elderly, the Mortgage Scheme for the Elderly will be introduced later this year. We hope the elderly will welcome this pilot scheme. If the response is good, the scheme may be further promoted. The Government is obliged to encourage more banks to provide financial support, so that the elderly do not have to worry about problems like building maintenance, the risk of collapse, or their daily expenses on essential needs. Some elderly persons may have to purchase their own property in their twilight years, and this will make their living even more difficult. Hence, we hope that the Government will give thorough consideration to elderly services. It is hoped that the Secretary will give us a clear and specific account in this respect during his remaining term of office of one year or so.

President, Mr Albert HO, Chairman of the Democratic Party, will also speak on this motion shortly. Thank you.

MR CHEUNG KWOK-CHE (in Cantonese): President, in the first year I joined the Legislative Council, the first motion I moved was to urge the Government to formulate a comprehensive policy for the elderly. To my surprise, two years later, the Government has made no progress in the planning for elderly services. It is really disappointing. I agree with the original motion proposed by Mr TAM Yiu-chung. My amendment to the original motion only seeks to reinforce certain services or measures to benefit more elderly persons. Today, I will give a detailed account of my amendment.

I would like to first explain why I propose to delete the words "provide elderly service subsidies for elderly persons". Actually, I do not oppose issuing elderly service vouchers. I only consider that at the present stage, the proposal on elderly service vouchers still has to be extensively discussed in society, as a number of issues relating to the supporting measures have to be considered. For example, will there be adequate choices of private residential care homes? Is information about these residential care homes provided in a transparent manner to enable the elderly or their carers to know how to choose? How much subsidy should be provided by elderly service vouchers? Should the elderly be required

to pass means tests? All these issues have to be extensively discussed in society.

Hence, in my amendment, I only urge the authorities to review the financing system for long-term elderly care services, so as to arrive at a better approach to enhance the existing policy on residential care services, ensuring that the elderly will receive better services and be offered better choices. I have to stress that I do not oppose the introduction of elderly service vouchers, but I hope that more consultation will be carried out before the arrangement is introduced.

I believe Members are relatively more concerned about the prolonged waiting time for residential care services. I agree with Mr TAM's request for a substantial increase in the number of residential care places and community care places for the elderly. But how many places should be increased? I think we should at least be able to address the problem of prolonged waiting time within a short span of time. The problem is most serious in nursing home places and care-and-attention home places. At present, a total of over 20 000 people are waiting for these two types of residential care places.

I hope the Government will have the determination to expeditiously arrange residential care places for the 20 000 elderly persons on the waiting list. Really, I hope the elderly would not pass away before they could get a residential care place. Regarding the future increase in residential care places, the Government should no longer do it in a "toothpaste squeezing" fashion, increasing the number little by little; instead it should adopt a systematic approach. I think the Government may refer to the ratio of elderly population growth to ensure that adequate residential care places will be provided to accommodate elderly persons in need.

Moreover, I consider it necessary to strengthen dental checkup services for the elderly. First, the authorities should immediately review the existing pilot project on dental checkup and dental care services for the elderly in residential care homes. Under the existing project, elderly persons in residential care homes will only be provided with dental checkup, scaling, polishing and tooth removal in the event of tooth decay, but not dentures. In the long run, I hope the project will be extended to the whole territory, so that all elderly persons may enjoy the services, including scaling, tooth removal, dental prosthetic services and dentures.

Although health centres for the elderly are now located in 18 districts, there

is only one centre in each district, which is seriously inadequate given the strong demand of the elderly. We know that the elderly have to wait extremely long, about 20 to 30 months, for services provided by the centres. In 2007, the waiting time was as long as 38 months.

In the past two years, the waiting time has been shortened, but I guess it is because some elders have been scared away by the prolonged waiting time. This also explains why the number of registered elders at healthcare centres for the elderly only accounts for less than 5% of the total number of elders aged 65 or above, and that percentage keeps decreasing. I hope the Government will provide additional resources to open more centres, particularly in districts with more elderly persons, and open the membership to all elders, so as to ensure that more people will benefit.

Both the elderly and their carers acknowledge that it is more desirable to encourage the elderly to age in place. Hence, I strongly support the two schemes currently implemented by the Hong Kong Housing Authority, namely the Elderly Persons Priority Scheme, which encourages two or more elderly persons to live together, and the Harmonious Families Priority Scheme, which encourages the younger generation to take care of the elderly.

However, stringent criteria are now imposed in respect of the two schemes, which are no different from those on the application for public housing, only that flats will be allocated earlier. Take the means test as an example, I think the requirement can be slightly relaxed by setting a separate standard to attract more applications. As for the Harmonious Families Priority Scheme, it allows young families to apply with elderly relatives for a public housing flat in the urban area and live together, but if they apply for two separate flats in the vicinity, the applicants can only choose flats in the New Territories. These restrictions keep the number of applications for the two schemes on the low side.

It is true that many elderly persons may wish to enjoy life and delight themselves in playing with their grandchildren after their retirement. On the other hand, many elderly persons who are physically strong and with an enthusiasm to work may wish to achieve something in their twilight years. As the average lifespan of Hong Kong people is extending, there are voices in society calling for flexible retirement age. Perhaps the Government may take the lead in reviewing the retirement age of civil servants and encouraging

enterprises to extend the years of services for their employees or even to adopt flexible retirement schemes, such as employing them on a half-time or contract basis after their formal retirement. This will enable the elderly to continue to bring their strengths to full play without limiting the promotion opportunities of the younger generation.

Upon retirement, the elderly have fulfilled their social responsibilities, and I think it is time for society to repay them. This accounts for my proposal of providing elderly retirement protection. In fact, elderly retirement protection is similar with the universal retirement protection put forth in the community. As for the detailed information and justifications for providing universal retirement protection, I believe the Government knows them well. Here, I only hope that the Government will give a second thought about this and pay respect to the elderly, enabling them to lead a peaceful life in their twilight years and sparing them from the hustle and bustle of making a living.

Lastly, I would like to talk about the planning for elderly service. As I mentioned in the beginning of my speech on my amendment, the Government must establish long-term planning for elderly policy. It should follow the practice of formulating a five-year plan on social welfare planning adopted before 1998, so that various stakeholders, the sector and the Government may lay down specific targets for relevant policies during the said period. Certainly, five years is not a short period, during which regular reviews have to be carried out and assessment of the effectiveness of measures implemented have to be conducted to ensure the suitability of the services provided.

Naturally, the Government may consider that the five-year plan lacks flexibility, but some planning is better than none. As far as the development of society is concerned, we cannot take one step at a time without knowing what the next step will be. We should try to make the five-year plan more comprehensive instead of adopting a broad-brush approach of forsaking it. Otherwise, in the near future, the shortage of welfare services as a whole, including elderly services, in Hong Kong will become more and more serious, failing to meet the demand. By then, it definitely will be more difficult to alleviate the problems and more social resources will have to be spent.

Though Secretary Matthew CHEUNG has not yet responded to Members'

speeches, I believe the responses from the Government this time will be similar to those in the past. He will give a very detailed account of the exiting measures and policies implemented by the Government, just like enumerating one's valuables. President, I can tell the Secretary in definite terms that if the Government continues to act like an ostrich, it can in no way solve the social problems in Hong Kong, and it will only be detrimental but not conducive to the future development of Hong Kong.

In fact, the Government has long since conducted an analysis indicating that in 2033, that is, some 20 years later, one in every four persons in Hong Kong will be an elderly person in average. I do not understand why the Government is unwilling to face the reality and adopt some effective measures to address this imminent social problem.

I know that the term of office of the Chief Executive, Secretaries of Departments and Directors of Bureaux will soon expire, but this does not mean that these duties can be shifted to the next Government. If the accountability system is set up for the sake of shifting responsibility, it should better be abolished. Perhaps it should be left to the civil servants to formulate and implement policies, where forward-looking policies with continuity will be formulated.

President, I so submit.

MR VINCENT FANG (in Cantonese): President, all developed countries and regions around the world are facing the problem of an ageing population, which is also a great challenge to Hong Kong. According to the projection of the Census and Statistic Department, the proportion of population aged 65 or above will increase significantly from 13% last year to 28% in 2039. As such, caring for the elderly will be an issue of great concern in the future.

In fact, the Liberal Party has always been extremely concerned about the demand for elderly services in Hong Kong. We agree that proper planning in this respect should be made by the Government as soon as possible. However, we consider that comprehensive and long-term planning must be made on elderly policies as a whole, and that reviews should be carried out regularly, say every five years, to review the latest situation and the effectiveness of the policies.

Under this arrangement, the needs of the elderly will be better taken care of.

Take residential care homes for the elderly as an example. The shortage of residential care places has always been a cause of criticism. According to the information of the Social Welfare Department, a total of only 24 000-odd subvented places, including brought places, are provided in various types of residential care homes in the territory. However, the number of elderly persons waiting for such places far exceeds the supply. As at the end of April this year, over 26 000 elderly persons are waiting for such places.

In view of the acute shortage of residential care places and the prolonged waiting time, many elderly persons passed away before they were allocated a place. Last year, over 4 700 elderly persons died while waiting for residential care places, which was a substantial increase of 40% in comparison with the 3 300-odd persons five years ago. It is evident that the shortage of residential care places is aggravating. This poses a grave threat to the elderly for leading a dignified life in their twilight years.

For cases where elderly person passed away before getting a residential care place, even one such case is unacceptable. Hence, the Government must adjust the supply of residential care places according to demand. Regrettably, the efforts made by the authorities in increasing residential care places are far from adequate. Despite the continual increase in elderly population, information shows that only 2 280-odd additional residential care places will be provided in the next four financial years from now till 2014-2015, which is less than 10% of the number of persons now on the waiting list. How can the needs of the elderly be satisfied in that case? Therefore, I think the Government should make resolute and proactive efforts to increase the supply of residential care places in the light of the waiting situation.

To ensure that the elderly waiting for residential care places would receive appropriate care, the Liberal Party proposes to introduce elderly care vouchers of \$5,000 for these elderly persons. With these vouchers, they may purchase suitable residential care or home care services until they are formally admitted to a residential care home.

Certainly, in the face of the challenge of an ageing population, we cannot shift all the responsibilities to the Government. Hence, we have to identify ways to encourage the new generation to share the responsibility of taking care of the

elderly and promote inter-generational integration. In view of the heavy cost for taking care of the elderly in Hong Kong, coupled with the problem of an ageing population and declining fertility rate, children are facing heavier burden in supporting their parents. Therefore, the Liberal Party has all along been striving for increasing the allowance for maintaining parents and grandparents to \$60,000, to be on a par with the child allowance, so as to alleviate the pressure of middle-class children in supporting their parents and encouraging them to support their parents.

Moreover, according to the existing requirement, children must live with their parents in the same unit to be eligible for the aforementioned allowance. However, such requirement obviously lacks flexibility. The Liberal Party has all along advocated the relaxation of that requirement, so that children living in the same estate or the same building with their parents and are willing to take care of them are eligible for this allowance.

To alleviate the burden of children in taking care of their parents who are frail or incapable of taking care of themselves, we urge the authorities to introduce a "tax allowance for home care" to encourage children to employ local home care workers trained by recognized institutions to take care of their elderly parents at home. I believe this arrangement will definitely boost local employment in some measures.

Moreover, we understand the heavy housing demand of the elderly. For instance, the specialized housing for the elderly introduced by the Hong Kong Housing Society is very popular. The two projects completed lately have all the units rented out. Besides, many elderly persons are waiting for such accommodation, and it is evident that there is a shortage of supply. Hence, the authorities should make efforts in land planning to develop housing projects which meet the housing needs of the elderly, so that they may have more choices in accommodation. Surely, the enhancement of the development projects of "mixed use development", which encourages children to live in the same building with their parents, will enable them to look after each other. However, we believe that the effect of relaxing the tax allowance requirement for living with parents will be more prominent and direct.

Certainly, at present, many elderly persons choose to return to their

hometowns to spend their twilight years in view of the lower cost of living on the Mainland. It is believed that with further integration of Hong Kong and the Mainland, and with enhanced convenience in transport, the number of elderly persons choosing to return to their hometowns will increase rather than decrease. However, due to the existing absence limit on Old Age Allowance (fruit grant) and Comprehensive Social Security Allowance (CSSA), many elderly persons are compelled to return and stay in Hong Kong frequently so as to retain their eligibility for the allowance. For the frail elders, it is kind of torture to make a arduous journey between Hong Kong and the Mainland. In last year's Policy Address, the Government only relaxed the absence limit from 240 days to 305 days, giving the public the impression it was mean and driving a hard bargain.

Hence, the Liberal Party hopes that the Government will by all means abolish the absence limit for the elderly for receiving the "fruit grant" or the CSSA. It should allow the elderly to return to Hong Kong once a year to be eligible for the relevant benefits, so that the elderly may decide freely whether to return to the hometown to spend their twilight years according to their needs.

Finally, I notice that some amendments mentioned the establishment of a universal retirement protection project. However, we must be aware that employers and employees already have to make contributions to the Mandatory Provident Fund, which already poses some kind of burden. In particular, after the implementation of the minimum wage, the business environment has been severely affected. If a retirement protection project requiring tripartite contributions from the Government, employers and employees, it will add further burden to the parties concerned. I am afraid that this will deal a more severe blow to small tenants now facing difficulties in operation. Besides, there are no successful and sustainable universal retirement protection schemes overseas for us to draw on for reference.

Hence, despite agreeing and acknowledging that the Government must identify ways to enable the elderly to lead a dignified life, we have reservation about the proposal of introducing universal retirement protection system when the concept is still unclear and lacks details.

President, I so submit.

MR ALAN LEONG (in Cantonese): Right after Mr Vincent FANG has spoken,

I would like to discuss the universal retirement protection scheme. The universal retirement protection scheme as currently proposed does not have a predetermined option. The major problem is that, when we go to the grass-roots community, it is not difficult for us to find elderly persons who would rather make a living by picking sprouts, scavenging for cardboards, aluminum cans or newspapers in the street than receiving Comprehensive Social Security Assistance (CSSA).

The Government has frequently referred to the three pillars, however, at the Subcommittee chaired by Mr CHEUNG Kwok-che not long ago, we learnt that the three pillars have already been outdated as the World Bank is now talking about the five pillars.

Back to the three pillars, the elderly persons whom I have just mentioned have certainly not applied for CSSA, and one of the reasons is the "bad son statement" that I am going to discuss later. They do not have savings; otherwise, they do not have to collect aluminum cans or newspapers or pick sprouts. The Mandatory Provident Fund (MPF) has nothing to do with them because when they were young, the MPF scheme had not been established. Even if there was a MPF system, they would not be contributors because of the nature of their work — they were low-income earners and many of them did not have a permanent job.

President, these examples are abundant. They clearly manifest and prove an objective reality in our society, that is, the three pillars are outdated.

However, these elderly persons have sweated for Hong Kong and they have contributed to our present-day success. With the ageing of society, this problem will become increasingly serious and we estimate that the peak will appear around 20 years later. President, these are practical and objective problems that the Government must take the lead to tackle.

Should the universal retirement protection scheme be implemented on the basis of the proposal currently raised by the Joint Alliance for Universal Retirement Protection (JAURP)? Should half of the MPF contributions be allotted? Should the Government, employers and employees make contributions according to the methods proposed by the JAURP? President, these issues can be discussed. Therefore, I hope Honourable colleagues would understand that

this is an imminent problem that has to be addressed urgently. If the problem is not addressed, it will be even harder to tackle in the future.

We can discuss the solutions. Some members of the public whom I have contacted and some organizations and groups that have been fighting for universal retirement protection said that they have an open mind on this issue. The Government seemed anxious to solve the problem in 2003, and it had asked the Central Policy Unit to conduct a study. Yet, to our great regret, since then and up till today in 2011, the Government is still unwilling to share with us the outcome of the study of the Central Policy Unit. We feel most helpless, and I do not think this is justifiable.

President, you may have noticed that the Civic Party basically supports Mr TAM Yiu-chung's original motion. I am discussing retirement protection right now and President may have noticed that I have completely deleted the wordings "to propose the introduction of an entirely new 'elderly maintenance grant scheme' in addition to OAA and Comprehensive Social Security Assistance (CSSA) Scheme" in item (d) of Mr TAM's original motion. Nevertheless, the deletion does not mean that I am not supportive; it is simply because the universal retirement protection scheme that I proposed, that is, item (e) of my amendment, has already included the idea in item (d) of Mr TAM Yiu-chung's original motion. I simply do not want to be repetitive.

President, the Civic Party is very much concerned about universal retirement protection, and we hope that the Government would race against time and grasp the opportunity to have open and meaningful dialogues with various sectors of the community, academics and actuaries, to find some solutions to solve the livelihood problems of elderly persons after retirement. I would also like to talk about the "bad son statement".

The "bad son statement" is also mentioned in item (c) of the amendment proposed by me on half of the Civic Party. President, you certainly understand very well that the "bad son statement" has distorted the normal human relationship. As a result, many elderly persons have to live alone in a way as previously described by me; to say in a vulgar way, "they are miserable old folks who can hardly survive". The situation can actually be avoided. An organization conducted a survey a few years ago, and it was found that 100 000 low-income elderly persons had neither received CSSA payments nor supported

by their children. There were as many as 100 000 elderly persons living under such circumstances.

If you ask these elderly persons, many of them will tell you that they do not want their children to be labelled. Many children would like to support their parents but the younger generation is living from hand to mouth. There are fewer opportunities in our society today and there are major obstacles to move upward. Although some children are eager to take care of their parents, they are incapable of doing so.

If these parents want to apply for CSSA, their working children will become obstacles. Yet, they do not want their children to be labelled as "bad sons" and "bad daughters", thus they would rather pick sprouts and collect aluminum cans. Concerning this policy, I really have to make an appeal in this Chamber, even though the Government is unwilling to immediately implement universal retirement protection, it should at least do something in this respect so that people will not have an impression that the Government is apathetic and cold-blooded.

President, I would also like to discuss elderly dental care vouchers. Dental health has significant effects on the living conditions of elderly persons as they cannot eat if they have no teeth. Even though we now have the Outreach Primary Dental Care Services for the Elderly, including dental check-up, scaling, polishing, pain relief and emergency dental treatments, the dental conditions of many elderly persons may have already affected their health. They sometimes need fillings, extractions, false teeth implanting, dental implants or dentures, which involve high costs. If the Government is not ready to implement universal retirement protection, can it make life easier for the elderly in this area?

President, I would like to spend the last minute of my speaking time to express again on behalf of the Civic Party that I must express for record purpose that the Civic Party is dissatisfied because the Government is still unwilling to make a five-year plan despite various exhortations, advices and appeals.

President, we all know that, plans are essential in whatever we do and we also say so when we teach children. Our Motherland has formulated five-year and 10-year plans as well. What objective criterion should be adopted to assess

progress without any plans? If certain measures are introduced all of a sudden, what should we do if we do not have the manpower and the land required? This is exactly what is happening now. Hence, I hope the authorities would think twice and formulate a five-year plan.

DR PAN PEY-CHYOU (in Cantonese): President, planning for elderly services is a major issue. Owing to the time constraint, I will only focus my discussion today on two issues. First, private residential care homes for the elderly; second, the care of dementia patients.

I would like to talk about private residential care homes for the elderly first. This is a very important issue and we can approach this issue from two angles. First of all, we can approach this issue from the angle of caring for the elderly. Private residential care homes for the elderly currently provide 53 369 places, accounting for 70% of all places in these homes. 14% of these places are bought by the Government while the fees for the remaining places are payable by the residents. Given such a large volume of services, if there are problems with the whole private residential care homes services industry, tens of thousands of elderly persons will become homeless, and we really do not know what we should do at the time.

We can also approach the issue from the perspective of workers. At present, private residential care homes for the elderly in Hong Kong employ more than 10 000 workers to take care of the elderly. If there are problems with the industry, the livelihood of more than 10 000 workers will be affected. What is the current situation of the industry? I would use the expression "it never rains but it pours" to depict the current situation, and some industry players have even said that the difficulties they are facing have reached the critical point.

The operation of the industry is beset with difficulties in three areas: first, the venue problem; second, the manpower problem; and third, the problem of costs. I would try to explain these areas.

The first point is about the venue problem. The operation of a residential care home for the elderly needs a property of considerable areas. In fact, there are few such properties and private developers will not purposely construct commercial units suitable for the operation of residential care homes for the elderly. There are also many restrictions on the operation of residential care

homes for the elderly. Besides complying with fire restrictions, these homes should comply with safety and load restrictions, and they cannot be more than 24 m above the ground. Furthermore, the operation of restaurants, cinemas, warehouses, garages and laundry shops beneath these homes is not allowed. The residents nearby may raise opposition after eligible venues have been identified. So, it is a tough task to identify suitable venues for the operation of residential care homes for the elderly. Even if industry players can rent the venues, they will face rising rents. When they are forced to move elsewhere upon the expiry of the leases, where else can elders who are living in these homes move? This is the venue problem.

Second, the manpower problem. The work of taking care of the elderly is actually rather obnoxious and labour-intensive, and a worker who has to support and lift elders frequently will easily sprain his back. Dementia patients would curse and beat their carers; thus those who are willing to engage in elderly care deserve our respect. However, these workers have relatively low pay and recruitment is difficult under the current full employment situation. Although the trade has attempted to solve the manpower problem by importing workers, regrettably, many imported workers do not understand the local language and culture, causing a communication breakdown and the quality of service is affected.

Lastly, there is the problem of operating costs. Inflation is rampant in recent years. As estimated by the trade, rents increased by 33% in the past 12 years; salary increased by 27%; and the increase rates of food and commodities were more astonishing. However, the amounts spent by the Government on bought places decreased by 1% in the past 12 years. Some elderly persons pay the home fees with their CSSA and higher disability allowance. Yet, the relevant amounts dropped by 3% the past 12 years. Hence, with increasing cost and decreasing income, it is very difficult to operate residential care homes for the elderly.

Recently, a self-financing home operated by a well-known social service organization had cease operation in July. This is rather shocking to the trade and it can be said that an alarm has been sounded. How should we solve the problem? I would try to consider the matter from the three areas mentioned above.

First, insofar as land is concerned, I think that the Government should work

out short-, medium- and long-term strategies. Concerning short-term strategies, the Government should temporarily earmark vacant premises due to closure of schools as residential care homes for the elderly. As regards medium-term strategies, I think the Government should consider increasing land use flexibility. At present, the Government keep advocating the revitalization of industrial buildings and operation of various industries, including hotels, in industrial buildings. Why can residential care homes for the elderly not be operated in industrial buildings? Why is the Government so reluctant to allow the operation of elderly homes in industrial buildings? This is the problem.

A long-term solution to the problem requires allocation of land. In my opinion, the Government must reserve land for residential care homes for the elderly in its plan. First, when the Government plans for allocating land for public housing estates, it should reserve land to build multi-purpose buildings, which include the operation of residential care homes for the elderly. Furthermore, the Government should adopt the practice of constructing low-priced industrial buildings years ago. It should construct some buildings at certain areas which are suitable for the operation of residential care homes for the elderly, and then sublease them to the trade for operating the elderly homes. If the Government can do so, it would be able to solve the land problem for the trade. I mention industrial buildings in particular because these low-priced industrial buildings created many job opportunities for Hong Kong people years ago and allowed Hong Kong to make the first pot of gold. In brief, the Government must think out of the box to solve the land problem.

The Government should enhance manpower training. As far as costs are concerned, the Government should increase the amounts of CSSA and disability allowances and enhance the provisions on bought places. More importantly, the mechanism for reviewing the relevant amounts must stay close to the market reality.

I would like to use the remaining time to discuss the problem of dementia patients. Why do I mention this disease? How different is it from other degenerative diseases? In terms of symptoms and patients' needs, dementia is very different from other degenerative diseases, and the impacts are greater. As there are now many dementia patients, the impacts on individuals, families and

our society are significant.

Firstly, the number of dementia patients is great; 9.3% of elderly persons in Hong Kong aged over 70 suffer from dementia. According to a study conducted by The Chinese University of Hong Kong and the Department of Health, 70 000 elderly persons living in the community suffer from dementia. With an ageing population, the number of dementia patients will be on the increase.

Secondly, dementia patients have long period of illness. At the early stage, the patients will suffer from slight memory loss. In the medium term, the patients will lose the ability to identify objects, and their abilities and language skills will deteriorate. At a later stage, the patients will lose some basic skills for living, for example, they will have incontinence. At the medium and later stage, the patients will lose most of their capacity for physical activity, and they need to be confined to bed. Dementia is a long-term illness and the average period of illness is 10 years. The actual periods of illness range from five years to more than 20 years.

Dementia has diverse symptoms. Apart from declining memory and cognitive abilities, the patients also have many emotional problems. For example, they will be depressed, indifferent to people around them or hot-tempered. These are common symptoms. In addition, these patients have some behavioural symptoms, such as wandering; they do not sleep at night and they like evening activities. Some patients even have violent, impulsive and uncontrolled behaviours. Some patients also have symptoms of psychosis such as auditory hallucination, visual hallucination and delusion, and they think that family members or people around them try to harm them. The symptoms are extremely complicated.

Dementia has serious impacts. For an individual, dementia affects his ability in handling matters, and a patient cannot manage his own property and business, handle family and personal matters or take care of his health, and eventually, he cannot bear legal liabilities and responsibilities.

Family members need to work around the clock to take care of dementia patients during the medium and later stages. It is already very difficult to take care of patients who are obedient; if the patients act wilfully, it will be torturous for family members to take care of them. Some people even describe that it is a

living hell to take care of dementia patients.

The community as a whole should bear the responsibilities for taking care of dementia patients and supporting their family members. Besides providing them with sufficient services, we should ensure that those services meet their needs. We should bear in mind that the number of dementia patients will continue to increase with an ageing population. This problem is just like an influx of flood, and we should immediately hold discussion, forge consensus and work out plans to cope with the imminent problem. I so submit.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I would like to thank Mr TAM Yiu-chung for moving this motion today, and I would also like to thank Mr WONG Sing-chi, Mr CHEUNG Kwok-che, Mr Vincent FANG, Mr Alan LEONG and Dr PAN Pey-chyou for moving various amendments.

Just like many economies in various parts of the world, Hong Kong is now facing the challenge of an ageing population. According to the latest projection, the number of elderly persons in Hong Kong aged 65 or above will increase considerably in the next 30 years. At present, one in every eight persons in Hong Kong is an elderly person; in 2039, one in every four persons in Hong Kong will be an elderly person. Moreover, the old age dependency ratio reflecting our population structure will become substantially higher. In 2039, approximately every two working persons will have to support an elderly person while they may also have to raise their own children.

Under such circumstances, the resources to be invested in elderly welfare will definitely increase, and there will be increasing pressure on the younger generation to support their dependent parents. The Government must definitely address these issues squarely, we cannot evade or hide away from the problems. We must meet the challenges with a positive and pragmatic attitude, and we have to introduce appropriate measures with a view to achieving the policy objectives of providing the elderly with a sense of security, a sense of belonging and a sense of worthiness.

The services and support that we currently provide to the elderly cover

various areas, including financial assistance, elderly services, healthcare services and housing. We also encourage active participation of the elderly in social affairs in order to keep pace with the times. Before debating this motion, let me first introduce briefly the Government's main support measures for the elderly.

Concerning financial assistance, we all know that the Government helps the elderly persons in need to meet their basic needs of life through the Comprehensive Social Security Assistance (CSSA) Scheme. Under the CSSA Scheme, there is a more generous means test for the elderly and the standard amount for an elderly recipient is higher than that of an able-bodied adult. The Government also provides them with special allowances and grants to meet their needs. Currently, around 190 000 elderly persons who have reached the age of 60 are given assistance under the CSSA system. If these elderly persons are singletons, they can in average receive a monthly assistance of approximately \$4,363.

Elderly persons in better financial conditions will benefit from old age allowance or disability allowance under Social Security Allowance Scheme. These allowances help elderly persons in coping with their special needs arising from old age or serious disability. In late April this year, around 510 000 persons receive old age allowance of \$1,035 a month; another 60 000 elderly persons aged 65 or above receive normal disability allowance of \$1,325 a month or higher disability allowance of \$2,650 a month.

At the end of last year, nearly 80% of elderly persons who reached the age of 65 received different kinds of assistance or allowance under the social security system; and the ratio of elderly persons over 70 years of age who received assistance or allowance had reached 89%. The estimated expenditure on CSSA, old age allowance and disability allowance for the elderly reach \$17.9 billion in the year 2011-2012, accounting for some 40% of the Government's total recurrent expenditure on welfare.

Apart from providing financial support to the elderly, we have put in efforts to provide a range of subsidized elderly services for elders with long-term care needs. The Government's policy direction is "ageing in place as the core, institutional care as back-up", which complies with the wishes of most of the elders to age in place as far as possible.

At the community level, we provide elderly persons with long-term care

needs with centre-based day care services as well as home-based services. In April this year, approximately 25 800 elderly persons are using the community care services subsidized by the Government. The Government also provides various support services and measures for the carers of the elderly, helping them fulfil family responsibilities while reducing their pressure.

Furthermore, we have continuously allocated additional resources for providing subsidized residential care places for frail elders in need of residential care, and we have made efforts to enhance the quality of residential care homes for the elderly. In this financial year, the Government's estimated expenditure on elderly services is \$4.39 billion, 11.8% more than the revised estimated expenditure of \$3.93 billion last year. \$2.7 billion is spent on subsidized residential care services, as compared with \$2.4 billion last year, the amount still accounts for more than 60% of the Government's expenditure on elderly services.

I agree that it takes time to make plans for elderly care services, especially in constructing residential care homes for the elderly, as nothing can be done overnight. It is appropriate to test the effects of new service modes under a pilot project before comprehensive implementation is being considered. Actually, the residential care places and services to be gradually introduced in the next few years are the fruits of earlier planning, which show that the existing mechanism is well-tested. Looking ahead, we will continue to work hard to improve services and increase supply in order to cope with growing demands.

In catering for the healthcare needs of the elderly, the public healthcare services currently provided by the Hospital Authority (HA) mainly serve the elderly. In recent years, the Government has considerably increased the HA's funding, from \$29.8 billion in 2007-2008 to \$36.8 billion in 2011-2012, for improving and increasing appropriate public healthcare services, so as to cope with the tendency of population ageing and the increase in healthcare demands. Also, the Department of Health provides comprehensive primary healthcare services to elders who have reached the age of 65 through 18 elderly health centres distributed throughout the territory, including health assessment, physical examination, health education, individual counselling and treatment services.

To enhance primary healthcare services for the elderly, the Government launched in January 2009 the Elderly Health Care Voucher Pilot Scheme for three years to partially subsidize the use of private primary healthcare services in the

neighbouring communities by elders aged 70. More than half of eligible elders have applied for the subsidy so far. The Food and Health Bureau has recently proposed extending the pilot scheme by three years to 2014, and also doubling the amount of the healthcare vouchers provided annually from \$250 to \$500. Furthermore, the Government introduced the Elderly Vaccination Subsidy Scheme, to provide preventive services to more elders outside the public sector through co-operation with private medical practitioners. At present, the Government, the HA and healthcare professionals have joint hands in introducing various pilot projects to strengthen primary healthcare. For instance, the support programmes for the chronically ill which mainly serve the elderly; the provision of various nursing support to meet the needs of the elderly, such as fall prevention and wound care, as well as the Pilot Project on Outreach Primary Dental Care Services for the Elderly in residential care homes and day care centres, to enable the elderly to receive more comprehensive primary healthcare services in the community.

On the housing front, the Housing Authority has always been devoted to providing public housing to people who cannot afford private rental housing. To cater for the housing needs of the elderly, the Housing Authority has, within its limited resources, introduced many priority allocation schemes, for example, elderly applicants can file applications as singletons under the Single Elderly Persons Priority Scheme, and also jointly file applications with other elders under the Elderly Persons Priority Scheme, so that elderly applicants on the Waiting List for public rental housing can be given priority in flat allocation. Approximately 40% of elderly persons are now living in public housing flats. As at late March this year, there are around 6 100 applications by elderly singletons on the Waiting List, and the waiting time is approximately 1.1 years.

In order to provide the elderly with another option in respect of financial arrangements, the Hong Kong Mortgage Corporation Limited is making preparations for the introduction of Reverse Mortgage Pilot Scheme in the middle of this year.

Many people think that the elderly must be dependent on others for care and social assistance, which is not necessarily true. Most elderly persons are in good health and can take care of themselves. With medical advancement, conscious health concerns of people and changes in social environment, there will be more elderly persons with higher education level, better health and higher

economic status in our society in the future. They need an elderly-friendly environment to facilitate their engagement in community life, and to encourage them to continue to keep pace with the times and contribute to society.

One of the main points of the Government's elderly policy is to advocate active ageing. Back in the year 1998-1999, the Social Welfare Department launched the Opportunities for the Elderly Project with support from the Lotteries Fund in order to promote a sense of worthiness among the elders and to advocate a community spirit of care for the elders. In the past few years, the Labour and Welfare Bureau and the Elderly Commission have co-operated in the implementation of a series of projects promoting active ageing. For example, through the Neighbourhood Active Ageing Project and the production of radio programmes, the elderly and members of the community can share their thoughts and life experiences. To facilitate the elders' access to the world of online information and expand their life space, the Government launched a new dedicated portal "eElderly" in June 2010. With an elderly-friendly interface, the portal provides one-stop information on elderly services and the silver hair market.

The Elder Academy Development Foundation, jointly sponsored by the Government and various sectors, was established in 2009 to promote the Elder Academy Scheme to encourage elders to pursue continuous learning. With support from school sponsoring bodies and social welfare agencies, a total of 113 elder academies have been established in tertiary education institutions, and primary and secondary schools in various districts in Hong Kong.

Other government departments or organizations have also provided elders with different concessions and conveniences. For instance, elders can participate free of charge in recreation and sports activities organized specifically for them by the Leisure and Cultural Services Department (LCSD), and they can enjoy a 50% discount for booking of LCSD facilities and enrolment in other recreation and sports activities. Also, people aged 65 or over are eligible to apply for the Senior Citizen Card which allows them to enjoy various concessions, discounts or priority services offered by government departments, public companies, as well as private and commercial establishments.

Mr TAM Yiu-chung and other Members who moved the amendments have

made more than 40 suggestions and recommendations, covering different aspects of the elders' life such as food, clothing, housing and transport; and these are topics for diversified discussions. I will give an overall response after Members have spoken.

President, I so submit.

MR WONG KWOK-HING (in Cantonese): President, "show respect for the aged in one's family and for those of other families" is the fine tradition of Chinese people and we must care for and respect the elderly. Hong Kong is now facing the problem of an ageing population. According to the Hong Kong Population Projections 2010-2039 published by the Census and Statistics Department, the proportion of the population aged 65 and over is projected to rise markedly from 13% in 2009 to 28% in 2039, that is, one in every four persons will be an elderly person aged 65 and over. Has the SAR Government achieved the objective of "showing respect for the aged in one's family and for those of other families" so as to give the elderly a sense of support upon their retirement?

In his initial response a while ago, the Secretary said that the Government has done a lot, which is true. However, we would like to ask whether the work undertaken by the Government is enough, comprehensive, forward-looking and well planned? The answer is certainly no.

I would like to discuss the poverty problem of the elderly in Hong Kong. This problem has been discussed for years but we still notice that many elderly persons are living in cubicles and collecting cardboards in the streets; the situation is really sad.

President, I would also like to talk about the suicide rate of the elderly. This is a topic that makes us most distressed and we really do not want to mention the relevant figures though we must do so. According to the Annual Report of the Samaritan Befrienders Hong Kong, the total number of suicide in 2009 was 1 015, among them, 327 people aged 60 or above committed suicide and died, accounting for 32.2% of the total number of suicide deaths; the suicide rate of elderly persons aged 60 or above has also increased: the suicide rate in 2009 was 25.95%, up by 0.52% from 2008. These are figures written in blood. We must reflect on why the number of elderly suicide has increased continuously. To be

frank, why would elderly persons take their lives if they are happy?

Although the Government keeps talking about the ageing problem, has it seriously and actively reflected on the problem? I have looked up the relevant information on the website of the Government's advisory committee, the Elderly Commission, and I have found that the latest study reports of the Commission were published in 2001 and 2002. In the past, the Government introduced five-year or 10-year plans on various policy areas; but within the recent 10 years, most government policies lacked long-term planning. Evidently, the Government was just taking stopgap measures.

At present, the Government does not have a comprehensive elderly policy, and it just makes minor patch-ups at different levels in order to solve immediate problems. Take the absence limit for "fruit grant" as an example, after years of striving, the Hong Kong Federation of Trade Unions (FTU) hopes that the absence limit can be completely abolished. Yet, the result we get is like "squeezing toothpaste out of a tube" as the limit is just relaxed bit by bit year after year. The authorities have now extended the limit from 240 days to 305 days, but they still require an elderly person to reside in Hong Kong for not less than 60 days in a payment year; otherwise he will not be eligible. We really do not understand why the Government has to make life difficult for these people. Even if they have lived on the Mainland for 305 days, they still have to find a place to stay in Hong Kong for 60 days, which is all the more difficult. They are not returning to Hong Kong for vacation; why bother to do so?

The Government implemented the Elderly Healthcare Voucher Pilot Scheme in 2008 and there have been voices in the community requesting for an increase of the amount to \$1,000. Although the amount has recently doubled to \$500 and the implementation period has been extended for three years, why is there still a big gap from the amount of \$1,000 as requested by mainstream society?

Furthermore, we have strived for years to allow elderly persons to have teeth to enjoy food in their twilight years. The Government made a breakthrough early this year and launched a pilot project to provide outreach primary dental care and oral healthcare services to elderly persons. Yet, the breakthrough is limited in scope as the project only applies to elderly persons in residential care homes and day care centres for the elderly. Also, the services

only include dental check-up, scaling, polishing, pain relief and emergency dental treatments; but not crowning or filling which are badly needed by elders. Is it possible that elderly persons not living in residential care homes and not using day care centres do not need dental care? The Government is just taking one step at a time.

Insofar as housing is concerned, the Enhanced Transfer Scheme for Harmonious Families for public housing is contradictory to the existing Housing Subsidy Policy as younger members of a household will be driven out, leaving elderly members only, and turning housing estates into elderly estates. I have precisely given these examples to illustrate that the Government is taking stopgap measures and taking one step at a time.

We propose an amendment to item (l) of Mr TAM Yiu-chung's motion, that is, item (p) of Dr PAN Pey-chyou's amendment about offering comprehensive and permanent fare concessions to elderly persons. At present, the elderly have a sense of pride when they are in Shenzhen but they feel inferior when they return to Hong Kong because they can have free rides on Shenzhen metro and buses. Why has the MTR Company Limited only designated one day as senior citizen's day? Why has it only designated one day out of 365 days a year? With these examples, I would like to urge the Secretary to conduct a comprehensive review of our elderly policy and make comprehensive plans. Thank you, President.

MR WONG YUNG-KAN (in Cantonese): President, I am concurrently a Tai Po District Council Member and my major service targets are residents of Tai Wo Estate and Po Nga Court. This district is a typical grass-roots community, and it has been 23 years since the completion and intake of the two housing estates.

In recent years, most people who sought assistance from my office were elders and some people sought assistance for their elderly family members. The proportion of such cases is high and demands for elderly services have become increasingly diversified and deepened. Some elders ask for assistance in respect of splitting of households so that they can apply for public housing flats as independent applicants. Some sought assistance to enter into a public residential care home for the elderly; some ask for information on the absence limit of "fruit grant" and Comprehensive Social Security Assistance (CSSA); and some query

whether they are still eligible for CSSA if they stay on the Mainland for an extended period.

Each year, after the announcement of the Budget, the elderly are greatly concerned about whether the authorities will hand out candies, whether an extra month payment will be given in respect of "fruit grant" or CSSA, or in the case of this year, the cash handout of \$6,000 for everybody. As elders have little knowledge about the complicated procedures, they come to my District Council office once every four to five days, asking when the Government would hand out the money. There is a poster in my office about fighting for dental benefits for the elderly; the elders have not read it carefully and they keep asking me which dental clinics they should visit because they think the programme has already been implemented.

Some "special" trades have emerged in Tai Po Market only a river away. I am not sure if the trades support the grannies or the grannies support these trades. There are some other "special" trades. Upon completion of certain activities (I mean health talks behind closed doors), the staff concerned would give each elderly person a bottle of soya sauce or white flower oil, and then they would continuously coax the elders to buy the so-called "magic pillows" costing a few thousand dollars.

The above is actually the miniature of an ageing population in Hong Kong. From this phenomenon in the district that I served, we understand that elderly problems are always associated with financial, housing, healthcare and care problems. Among all these problems, financial problems are the core, while the other problems are subsidiary. Being financially inadequate, the elders have other problems and they therefore need social assistance. Even if some elders live alone in their self-owned property and have some savings, as God has not told them how long they can live or when they will be sick, they dare not use their savings casually. Hence, their quality of living always lags behind their total assets and they have become negative equity owners. For this reason, I strongly support the motion on elderly services moved by Mr TAM Yiu-chung today.

Mr TAM's motion asks the Government to set out a five-year plan for elderly services. I think that the measures set out in his motion are exactly the needs of the elderly. There are proposals requiring the Government to make amendments to existing laws and policies, as well as putting in resources. I am

going to express my views on the following points.

On amending the existing laws and policies, I think absence limit should not be imposed on recipients of "fruit grant", disability allowance or CSSA offered by the Social Welfare Department (SWD). Regarding the CSSA, thanks to the help of Mr WONG Kwok-hing in assisting the elderly to apply for a judicial review; otherwise, the Government will not abolish the current absence limit before applications are made. Nevertheless, it seems that the problem has still not been completely solved. I hope the SWD and members of the community would abolish the requirement that recipients should, in euphemistic term, "stay and spend money in Hong Kong", but in reality, this requirement is based on the misconception that "we do not want to let the opportunities slip to others". In this way, elders can live on the Mainland with cheaper commodity prices or lower cost of living, hence they can spend their twilight years there.

Concerning the elderly living with their children, if their children have limited means, these elderly persons should be allowed to apply for CSSA on an individual basis. Currently, the Government only considers granting CSSA to elders not living with their children, which will encourage in disguised form elders moving out and then apply for public housing, thereby indirectly increasing the public housing demands.

Social gatherings and pastime activities such as cultural and recreational activities are essential to the mental well-being of the elderly. Talking about cultural and recreational activities, many elders go swimming for medical needs; however, the Government asks them to pay admission fees for public swimming pool. The elders have strong views on this. The Government should waive admission fees for elders so that they can do exercise and this will also relieve the Government's burden on medical services.

Furthermore, some elders cut down their expenses on food and clothing in order to participate in cultural and recreational activities. In this connection, Mr TAM Yiu-chung has proposed motivating various transport operators to offer comprehensive and permanent fare concessions to elderly persons, introducing "recreation and sports vouchers for the elderly" and waiving admission fees for elderly persons in all exhibition halls under the Leisure and Cultural Services Department. These are excellent measures for the elderly.

I believe the above measures are more practical in nature. I hope the

Government would take the easier step first and implement other measures proposed by Mr TAM one by one, so that the elderly persons who had contributed to our economic development when they were young can enjoy a fruitful and dignified life in their twilight years.

President, I so submit.

MR IP WAI-MING (in Cantonese): President, I would like to thank Mr TAM Yiu-chung for proposing this appropriate subject for debate today; I think the original motion is substantial in content, and the amendments of other Members, including those of the Hong Kong Federation of Trade Unions (FTU), are based on the substantial content of the original motion and add in supplementary information.

President, regarding elderly services, we always hold that the Government lacks long-term planning, which reflects that our social welfare policies also lack long-term planning, especially after the reunification. The Government has frequently emphasized flexibility but it seems that this saying is not generally accepted by members of the community, including the social welfare sector or the elderly services sector.

President, I graduated from The Hong Kong Polytechnic University in 1992 upon completion of a social work programme. During our school days, we learnt about the white paper on social welfare development and the green paper on rehabilitation. Since then, the Government has rarely issued similar papers to inform the public of the direction of future development, government plans or policy objectives. Therefore, I am delighted that Mr TAM has mentioned today that the Government is expected to let us not talk about welfare policies, in respect of elderly services, has the Government set out any five-year plans and long-term objectives? This is a question that we frequently asked.

It is an indisputable fact that Hong Kong is ageing, and many Honourable colleagues have just given various data to reflect this fact. Even though the Government is facing a serious problem of an ageing population, it remains conservative and it adheres to its previous practice, that is, it is unwilling to propose long-term plans for solving the imminent problem of an ageing

population.

As we have noticed, it is mentioned in the original motion the absence limit in respect of application for Old Age Allowance, the introduction of an elderly maintenance grant scheme, the provision of allowances to elderly persons who return to their hometowns to live and the implementation of a reverse mortgage scheme, all these reflect that why have we and members of the community repeatedly made such proposals? It is precisely because the retirement life of the elderly is not protected at present, and quite a few elderly persons have encountered hardships upon retirement. As some Honourable colleagues have just reflected, if an elderly person applies for CSSA, he has to wait until he has used up all his savings and he can only apply when he is almost penniless. Should the way of our development be like that in the future?

This proves that the elderly services policies that we are now discussing President, we have discussed retirement protection for many years and various sectors of the community have made various proposals, including the universal retirement protection proposal and the proposal made by the FTU; nonetheless, the Government is still unwilling to implement these proposals and it just repeatedly talks about the three pillars, including the Mandatory Provident Fund (MPF) Scheme and CSSA.

If these three pillars are really reliable, why are many elderly persons still in dire straits? While the Government still claims that we can rely on MPF, one of the pillars, many people have pointed out the disadvantages of MPF. Even if the Government and the Chief Executive have talked about perfecting the MPF, our idea of perfecting the system is totally different from that of the Government. By perfecting, the Government will just enhance the implementation of the MPF Employee Choice Arrangement and reduce administrative costs.

Has the Government ever considered how MPF can really play the role of protecting the elderly after their retirement if it really wants to perfect the system? We think this is how MPF can be perfected. However, President, we are very disappointed, especially because the Government has so far evaded the matter and it has been unwilling to deal with the issue that MPF contributions may be used to offset severance payment and long service payment. I do not intend to dwell on this point as the FTU will continue to follow up this issue on other occasions.

As stated in item (c) of Dr PAN Pey-chyou's amendment, we hope that the

Government can provide senior citizens with more entertainment through radio stations and television stations because many elderly persons do not have much entertainment. Actually, we have recently received complaints from a number of elderly persons. RTHK5 has many opera programmes and programmes for the elderly, and many elders like to listen to these radio programmes. Yet, President, RTHK5 will broadcast the regular meetings of the Legislative Council every Wednesday and programmes well-liked by the elderly persons will be cancelled, thus they can only listen to the radio broadcast of the Legislative Council meetings. Since Honourable colleagues have been very enthusiastic in expressing their views in recent years, very often the Council meetings are not just held on Wednesdays but also on Thursdays and Fridays, taking up much time for elderly programmes. For this reason, we hope the Government would consider designating a specific frequency for broadcasting the meetings of the Legislative Council and other subcommittees when digital channels are introduced in the future. If so, the time for elderly programmes will not be occupied and elderly persons can really enjoy the entertainment and receive other information; hence, they will not be disconnected with the community. In renewing the television licence, we also hope that the Government would ask television stations to allot more time for leisure entertainment programmes for the elderly. We hope that the Government would provide the elderly with more entertainment. Thank you, President.

MS LI FUNG-YING (in Cantonese): President, we are not unfamiliar with the problem of an ageing population in Hong Kong, and an ageing population is an important component of our population policy. When Mr TUNG Chee-hwa was the Chief Executive, the SAR Government had already set up the Task Force on Population Policy which recommended reviewing annually the implementation of relevant decisions and programmes, with a view to publishing a report every two to three years. However, this desirable recommendation was never implemented. On reading Mr TAM Yiu-chung's motion on "setting out a five-year plan for elderly services", I cannot help recalling that Mr TUNG Chee-hwa made a more comprehensive proposal years ago about publishing a population policy report every two to three years. I am not saying that Mr TAM's proposal is undesirable. If the SAR Government can publish a progress report on population policy every two to three years, it would be compatible with Mr TAM's proposal.

In discussing the problem of an ageing population, we cannot evade

discussions about retirement protection for the elderly. The so-called three pillars, that is, Comprehensive Social Security Assistance (CSSA), Mandatory Provident Fund (MPF) and personal savings as currently emphasized by the Government cannot solve the problem of retirement protection for the elderly, and this is an indisputable fact. President, the Federation of Hong Kong and Kowloon Labour Unions to which I belong supports a universal retirement protection system. Early this year, my office and the students from the Department of Applied Social Sciences of The Hong Kong Polytechnic University conducted a questionnaire survey on universal retirement protection. In over 70% of the 600-plus valid questionnaires we collected, the respondents considered that the existing MPF system failed to protect people's retirement life, and more than 90% of the respondents expressed their hope that the Government would inject funds for setting up a universal retirement protection system.

Last week, when the Subcommittee on Retirement Protection under the Panel on Welfare Services of this Council had discussions about universal retirement protection, the Government restated that universal retirement protection was impracticable; and a more constructive approach is to refine the present retirement protection system. President, by enhancing the retirement protection system, we have to plug the retirement protection loopholes at present, including a lack of retirement protection for the unemployed labor force, and the MPF system being insufficient to cover the living expenses after retirement. To improve these two deficiencies, we can only make changes in two areas: first, changing the occupation-oriented MPF system to an age-based system; second, adding funds into the MPF accounts that fail to provide basic retirement protection. I believe the Government can only effectively respond to the problem of incomplete retirement protection in Hong Kong this way.

President, I must talk about another problem about elderly services, that is, residential care. I fully agree to the proposal in the original motion on increasing the number of residential care places and community care places for the elderly. Nevertheless, I have noticed one point in the report on the consultancy study on residential care services for the elderly conducted by a research team from the University of Hong Kong engaged by the Elderly Commission in 2009, that is, the introduction of a voucher scheme for residential care services may induce demand for residential care places, leading to premature and unnecessary institutionalization. We must tackle this issue very carefully when we propose the introduction of certain forms of vouchers for elderly

services.

In respect of residential care services and ageing in place, as stated in the consultancy report, the high institutionalization rate in Hong Kong may be attributable to a number of factors, including the decreasing ability of the family in shouldering the care responsibility due to reduced family size, the decreasing trend of co-residence between adult children and their elderly parents, and the limited space available in Hong Kong. If the causes set out in the report are not addressed, the Government's present proposal on advocating ageing in place will only reflect its wishful thinking.

President, a number of proposals in the original motion and amendments on elderly services have been repeatedly discussed in the Panel on Welfare Services, such as abolishing the absence limit in respect of application for Old Age Allowance. With modern information technology development and the integration of Hong Kong and Guangdong, I believe it is possible to develop a mechanism for applications for Old Age Allowance to be filed on the Mainland and for the relevant tests to be conducted on the Mainland. This elderly-friendly mechanism can also ensure the effective use of public resources.

Thank you, President.

MR LEUNG YIU-CHUNG (in Cantonese): President, there are a number of amendments to the motion for debate today. In my opinion, if we enhance our communication with the public, we will find that the ideas stated in the original motion and amendments are nothing new; they are basically common topics being discussed by the public.

If the Government claims that it is unfamiliar with these problems, it reflects that the Government is very much detached from the general public. If the SAR Government is aware of these problems but does not take any actions, this indicates that the Government is not truthful to its words. The Chief Executive always says that his policy objectives are people-oriented. The original motion and the amendments today are about the appeals of elderly persons but the authorities have not responded practically throughout the years; how can people not feel sad? Anyhow, among all the appeals, I consider the appeal as stated in the subject in the motion the most important, that is we should

ask the Government to set out a five-year plan for elderly services.

Why do I consider this appeal so special? I strongly agree to Mr IP Wai-ming's remark just now that, during the era of the British-Hong Kong Administration before the reunification, we often had social welfare plans, such as policies were formulated through publishing green papers and white papers. President, what was the significance of this practice in policy formulation? The essence was that targets were set. When a review was required after a certain period of time, we could consider what the Government had done on the basis of these targets, and find out whether its work had been inadequate or excessive. Unfortunately, such targets have not been set since the reunification and the Government has just claimed that it has made the efforts that we requested. For instance, concerning inadequate residential care, the Policy Address this year has stated that there will be hundreds of additional places. Nevertheless, this is meaningless. An increase in places is mentioned every year but the number is still lagging far behind demand.

Some Honourable colleagues have said just now that more than 20 000 people are now waiting for care and attention home and nursing home places; how can an increase of only a few hundred places a year meet the demand? We also understand that certain things will not happen overnight and some time is needed. Yet, if no targets, plans or time frames were set, and the Government is just casually asked to do something, the Government will say that the work is being done and drive us away. Evidently, plans are crucial as we will then be able to set targets, and we cannot conduct a review without a target. So, I think that this point is the most important.

There is no conflict between a five-year plan and a review every one to two years as Ms LI Fung-ying has just mentioned. I think we can still conduct a review every year after a five-year plan has been formulated, in order to follow up issues that have not reached the targets each year and drive us to work harder. This is a good deed and I believe that it would be more satisfactory for the two to supplement and complement each other.

In talking about planning, President, we must also discuss the present situation which is really sad. What are the reasons? President, let me illustrate this with an example. There are many such cases and I just giving an example for illustration. An old woman sought treatment as she was ill. As the doctor

considered that she needed someone to take care of her, he referred her to a residential care home, so that she would not live alone in a flat in a public housing estate. The doctor, though with good intention, had done a disservice because this old woman who lived alone in a flat in a public housing estate was a CSSA recipient; and the private residential care home charged her more than \$3,800 a month. As she only received CSSA payment of more than \$3,500 a month, she still had to pay some \$300 out of her own pocket. She had a lot of grievances about the extra sum she had to pay and she kept asking for a lower charge. However, the person in-charge told her that they have not increased the fees even after the implementation of minimum wage and she was only charged with the old fees. The new fee would be even higher. President, we all know that 80% or more of elders living in residential care homes are CSSA recipients but their CSSA payments basically fail to meet their expenses on residential care homes.

I have asked the staff of the Social Welfare Department (SWD) and they told me that these elders usually keep asking the elderly homes to waive that extra several hundred dollars or the family members of these elders would urge for a lower fee. Yet, they are not successful and residential care homes still charge them more than \$3,800; and there is no room for negotiation. In the end, SWD staff can only ask doctors to prescribe more nutritional food for the elderly so that they can buy powered milk for the elderly. Hence, each elderly person is given a few hundred dollars more for nutritional foods. Supposedly, the money is used for buying nutritional powered milk, but in reality, the money is used to pay residential care home fees. President, not all problems can be solved in this way. Elders can only be taken care of in residential care homes but the amount they receive is insufficient to pay for the relevant fees.

The Government is unwilling to buy more residential places or construct more residential care homes for the elderly; yet it wants the elderly to enter private residential care homes. How can the problem be solved then? It can never be solved. Therefore, apart from supporting setting out a five-year plan and conducting a review every year as Ms LI Fung-ying has suggested, the existing problem must be solved. It is because 80% of these elderly persons are CSSA recipients but the amounts they received are insufficient to pay for the fees of residential care home.

Secretary, I hope the Government can expeditiously solve this problem;

otherwise, these elderly persons would really be worried that they would not have any place to live. Even though they would have a place to live, elderly persons in these homes are constantly pressurized; how are they benefited? They just want to live a stable and secure life, why should they live in fear in these homes, not knowing when they cannot live there any longer? Indeed, the old woman has made many phone calls seeking assistance because she is worried about where she can live; she is also worried that she may have to sleep in the street if she has been driven out of a residential care home.

Hence, if the Government fails to increase CSSA payments or the number of bought places to help the elderly solve the problem of residential care home charges, the problem can hardly be solved. There are numerous elderly persons in such plights. President, this is a pressing task.

I so submit, President.

MR LEE CHEUK-YAN (in Cantonese): President, we have already had many debates in this Council on the motion moved by Mr TAM Yiu-chung. Even though the issue has been repeatedly discussed, the Government has been acting in a slapdash manner. Just like "squeezing toothpaste out of a tube", the Government merely squeezes out some residential care home places each year, and it will then say that it has tried its best and it will continue to work hard in the future. In the past, Secretary Matthew CHEUNG and other bureau directors had given similar responses each time. Although these issues have been discussed for more than 10 years, they have remained deep-seated structural problems that the Government has always been reluctant to make up its mind to solve them.

President, we need to deal with two major issues. The first major issue is about elderly retirement protection. The Government launched the Mandatory Provident Fund (MPF) Scheme in 2000 and it has frequently mentioned that Hong Kong has three pillars. Nevertheless, I think we have three short piles. What do I mean to say? The three pillars are respectively MPF, people's savings and the Government's Comprehensive Social Security Assistance (CSSA) and Old Age Allowance systems. When we look carefully at these three pillars, we will find that they are just three short piles. A structural deficiency of the MPF scheme is that it is merely for wage earners. This is the first structural

deficiency.

Second, female workers often work for shorter period, they are particularly being discriminated against. Some women do not go out to work because they have been housewives, thus they do not have any MPF savings. They do not have the opportunities to become financially independent and they will not have such opportunities in the future. This is unfair to women.

The third structural deficiency is that there is only 5% MPF contribution from employers and another 5% contribution from employees. In other words, only 10% of an employee's wages become MPF contributions. Nevertheless, the total contribution is 30% in Singapore while it is only 10% in Hong Kong. Honestly speaking, how long can the public depend on the 10% contribution for a living? If a low-income earner (a worker with a monthly salary of only \$6,000 to \$7,000) contributes \$700 a month, he will only have \$8,400 a year; what is the total MPF contribution that he will make in 40 years? Also, many people may not be able to work for 40 years. As they only started to make contribution in 2000, they may only work for 10 years or more before retirement. How much MPF savings will they have within the relevant period? Even if people can have MPF savings for 40 years, they can use up their savings in a few years' time, and they will then have no retirement protection. Owing to these structural deficiencies, the MPF system cannot be a success.

Another issue that has been discussed for years but the Government is still unwilling to deal with is the arrangement for MPF savings to offset severance pay. If a worker is made redundant a few times (for example, he was made redundant four times within 40 years) and he receives severance pay each time, he will not get any more money when he retires.

It is most infuriating that Directors of Bureaux are really hypocritical; they frequently express concerns about the arrangement of the MPF system and say that they want to provide the public with retirement protection. For this reason, the Secretary will not approve a worker to draw on MPF payments when he is unemployed, for it is specified that he must only receive MPF payments when he retires. He cannot receive MPF payments even if he falls ill because he can only receive such payments when he retires at the age of 65.

However, employer can pay severance payment to a worker with his MPF

savings when the worker becomes redundant. Why does the existing policy only consider the interests of employers and the business sector, allowing them to use MPF savings to offset severance pay? When workers have the need, why do the authorities disallow them to receive MPF payments? The Secretary has said that this arrangement is made after their retirement life has been taken into consideration. Yet, if the authorities are really concerned about their retirement life, they should abolish the offset arrangement and disallow employers to make severance payments with employees' MPF savings.

When the Secretary responds later on, he will certainly say that this is a previous arrangement. I would like to say that we objected to this arrangement when the law was enacted. Why can amendments not be made now? If amendments are not made and employers are still allowed to use MPF savings to offset severance pay; the problem can never be solved if things continue this way. This is another major deficiency.

Yet another major deficiency is about the CSSA system. Under the present system, elders are forced to move away from their family members and enter residential care homes in order to be eligible for CSSA, hence 80% of elders in private residential care homes are CSSA recipients. They cannot apply for CSSA if they do not move away from their children. Therefore, elders will not be eligible for CSSA unless they have moved away from their family members. Some people may certainly blame their children for being irresponsible. However, under the present circumstances, children cannot fulfil their responsibilities even if they would like to do so. How can they fulfil their responsibilities given their cramped living environment and low wages?

If the Government wants to change this situation (it has often mentioned "home care"), it is most important to allow elders living with family members to file applications for CSSA independently. So long as the Government opens this door, many problems will readily be solved and elders can then live with family members. Under the present arrangement, many elders living with family members have become badly off, and they are even more miserable than CSSA recipients. This also explains why many elders have to collect cardboards.

If the problem of eligibility for CSSA is not solved though the Government often says that it will enhance the relevant arrangement, I really do not know what the enhancement proposal is all about. I believe the Secretary

cannot tell us later what the enhancement proposal is because we all know that the Government has not finalized any proposal. The Government wastes time each year telling us that it will enhance the arrangement; what exactly is the proposal? We are not clear about that.

As academics have said at a meeting of the Subcommittee on Retirement Protection, the authorities only need to take minor enhancement measures, for example, allowing elderly persons living with family members to apply for CSSA; it can then improve the living of poor elderly persons who are dependent upon Old Age Allowance. Even though this is an enhancement proposal, we know that the Government is unwilling to accept it; hence, the problem has remained unsolved.

If the Government is not ready to do anything, and if it will not enhance the arrangement or introduce universal pension, after the conclusion of the debate today, I believe that the Secretary would do nothing but wait for the termination of his term of office next year (I am not sure if the Secretary would remain in office next year). The next Chief Executive will wait for the next the Chief Executive to handle the matter, and the same will happen in the term after next. This is extremely sad.

In my opinion, the unresolved problem is that our government (either the previous term or all the terms in the past) is unwilling to face up to the elderly poverty problem. I really do not know how long we have to wait before this structural problem would be solved. As far as I remember, none of our Chief Executives was determined to solve the elderly poverty problem. If the Secretary is not ready to take another step and implement universal pension, I do not think there is hope for Hong Kong. The Chief Executive has expressly stated that universal pension will not be implemented; thus he has already shelved the proposal irresponsibly. Hence, we are not at all optimistic about solving the elderly poverty problem.

Thank you, President.

MR ALBERT HO (in Cantonese): President, when we discuss the long-term elderly policies of Hong Kong, we should first clarify the ideas that form the basis for the formulation of these policies. Unfortunately, many people regard

the problem of an ageing population a very knotty problem that creates increasing social burdens. As the Government, in formulating policy, tends to reduce expenditures as far as possible, it has come up with many proposals such as relaxing the absence limit for "fruit grant" in order to reduce future expenditures. As the standard of living on the Mainland is lower, there may be less pressure on the Government to increase the amount of "fruit grant" — if the case is not handled by means of CSSA. However, this is a negative approach; do the authorities have complementary medical facilities in helping the elderly living on the Mainland?

Another issue is the provision of community care to the elderly because there are insufficient residential care homes. However, there is frequently a lack of support for community services, which results in elderly abuse problems. Do the authorities have adequate support for handling these family problems? Concerning the second issue, as Mr LEE Cheuk-yan has just mentioned, some elders live with family members, but as their family members live from hand to mouth, the elder cannot have a dignified living and the whole family cannot have a better life. Therefore, these elders basically need to receive CSSA. Nevertheless, the system imposes an obstacle, that is, the children are required to sign some declarations or take an oath to prove that they are unable to take care of their elderly family members (that is, their parents). These elders are unwilling to do so as they would like to uphold the dignity of their children. As a result, though the elders live with family members and supposedly they should be taken care of, but in reality, they live in poverty. Their children may not know as they go out to work during the day, they think that they taken reasonable care of elderly family members living with them, which is actually not true.

In fact, we should adopt a more positive attitude towards elderly problems. If there are good complementary policies, many elders are still the asset of society and they may not become burdens. A large number of elderly persons are still productive and I believe that many people, including President and I, may still work when they are 70 or 80 years old and they can still contribute to our society. Yet, the Government must have long-term vision. First, it must enhance primary healthcare services and provide the elderly with adequate medical care, instead of purely providing treatment or admitting them to hospitals when they are sick. There should be desirable complementary measures to help them remain physically and mentally healthy.

Therefore, we strongly support enhancing primary healthcare services to

ensure healthy living for elderly persons and provide the elderly with a friendly and barrier-free environment, so that they can easily go out. Certainly, the issue of travelling expenses is involved. In our view, elderly persons who have reached a certain age should be given more or even full fare concessions so that they would not be hampered from participating in normal social activities because of a lack of resources. This is a very important point as they would then still be able to enjoy social life which can ensure their physical and mental well being, as well as a balanced development.

For this reason, we support providing the elderly with concessions and various medical services. Take healthcare vouchers as example, we think the present arrangement is not satisfactory, and we have repeatedly asked the Government to improve the situation.

The Government can also implement some employment policies to give the elderly opportunities to give full play to their strengths. As far as employment is concerned, some jobs are certainly paid but quite a number of work involve community services. The elderly can participate in some voluntary services programmes so long as the Government provides sufficient policy support. Hence, I believe that long-term planning is essential. For elders who need more comprehensive care, for example, those who basically cannot be taken care of at home, the Government should provide them with adequate residential care home places. We have repeatedly pointed out that the Government must have a set of service targets and commitments, so that the elders in need can receive proper care and attention. This is the Government's responsibility and it should not shirk its responsibility to the elders' family members or use community care as an excuse.

To sum up, I strongly agree to the remarks just made by a few Honourable colleagues — we lack longer-term planning in respect of community services (including elderly services). In the past, the Government published white papers on five-year to 10-year plans, and it also published green and white papers on mental rehabilitation; why is it not doing the same now? Why are accountability officials unwilling to bear responsibilities after the implementation of the accountability system? We think we should have appropriate indicators for measuring the extent to which the targets have been reached; and we can then develop our work as planned. Our society has the ability to do so and we should also make efforts. If the Government still wants to shirk its responsibilities, it is

doing a disservice to the elderly.

MR RONNY TONG (in Cantonese): President, whenever elderly persons in the community ask me why the SAR Government's policies and welfare support for the elderly are so apathetic, President, I really do not know how to answer. The Government is definitely aware of the elderly problems and it has tried to tackle these problems in the past years. However, the efforts made were just to hold discussions in this Council year after year. Why do the elderly policies of the SAR Government fail to address the problems and help the elderly in need?

President, if I remember correctly, Mr TAM was Chairman of the Elderly Commission from 1997 to 2004, he was appointed by the Chief Executive, TUNG Chee-hwa. At the time, Mr TUNG's policy objectives included a slogan: "providing the elderly with a sense of security, a sense of belonging and a sense of worthiness". To reach these objectives, the Government proposed many policies on elderly welfare, including enhancing Old Age Allowance, CSSA for the elderly, provision of housing and institutional care, mental health service, even the introduction of a MPF scheme for retirement protection of the elderly. The idea of the elders' welfare protection back then was based upon the three pillars identified by the World Bank in 1994. Mr LEE Cheuk-yan has also described the retirement protection proposal as three "short piles", which include CSSA protection, fixed contribution and personal savings plans. It is agreed that an important point is that family members should take care of the elderly, so the elderly should live with their family members who will take care of them.

President, theoretically, these proposals should be effective but Mr TUNG's conception was a far cry from reality. According to a report published by the Hong Kong Council of Social Service, the Government required all CSSA applications to be filed on a household basis from 1999 onwards; CSSA applications could not be filed independently unless on special grounds. With this requirement, the number of applications filed by the elderly decreased considerably. Later, from 2000 to 2008, the rate of increase in applications lagged behind the rate of increase in the number of elderly persons. The SAR Government may consider this as an effective measure, which resulted in fewer applications for welfare benefits by elderly persons. In fact, the fact is that many elderly persons would rather earn their own living than apply for CSSA. A major reason is the Government's implementation of the system requiring the

provision of a "statement on non-provision of financial support", commonly known as a "bad son statement". I know the Secretary will certainly argue with us, saying that the problem of a "bad son statement" does not exist in Hong Kong. He has ignored the reality in saying so because all of us in Hong Kong know that the statement is known as a "bad son statement" and the Secretary is the only one who does not regard it as a "bad son statement".

President, it does not matter what the statement is called as the crucial point is that this fundamental concept is contrary to Chinese people's family concepts. The elderly must meet certain requirements before they can apply for CSSA independently, and their family members are also required to make statements indicating that they will not support their elderly family members or they will give these family members limited support. This is discrimination against the elderly. Basically, applicants for CSSA are required to make certain statements, and they should bear legal liabilities if the statement is invalid or constitutes fraud. Why does the Government not trust the elderly? Why can they not make the declarations themselves? The fact that others are required to make the statements is contrary to the concept of respect for the elderly or family concepts in Hong Kong. This measure is highly unacceptable and it restricts elderly persons' applications for welfare benefits, thus, it should be abolished immediately. Unfortunately, the Secretary has been arguing year after year that the statement is not a "bad son statement". I think he has just focused on the name of the statement but not on whether the statement is conducive or detrimental to elderly persons' application of CSSA.

President, I must also discuss the universal retirement protection system. I have just learnt that, Mr Vincent FANG from the Liberal Party has stated that the system cannot be implemented because it will put a heavier burden on small businessmen. President, many people have said that the universal retirement protection system can definitely not be implemented because such a protection will certainly lead to a tax increase. Nonetheless, President, different proposals have been made by the community, including the proposal made by the Alliance for Universal Pension and the one made by the labour sector. These proposals vary but one of the focal points is: the premise is that there should not be a tax increase or excessive burdens on businessmen or small and medium sized enterprise. For this reason, the principal point of the proposal made by the Alliance is to ask the SAR Government to allocate \$50 billion as a seed fund and to allocate a half of the existing MPF contributions for contributions under the

universal retirement protection scheme. Under this premise, the retirement protection amount is limited to \$3,000 a month, which is very moderate. Therefore, if the Liberal Party or other people opposing this proposal have carefully studied the contents of this proposal, they will not stand up and present a proposal that they cannot accept, claiming that this will increase the financial burdens of small and medium enterprises or small businessmen. In this connection, the Government definitely has the responsibility to consider proposals acceptable to all and seek social consensus for this will really be a long-term solution to the problem of an ageing population.

President, I hope that the problem can really be alleviated and improved, and that we no longer need to have ongoing discussions about this problem year after year. Thank you, President.

MS STARRY LEE (in Cantonese): President, we often visit the community and I believe the elderly are the ones who often and are the most willing to voice their views to us. I wish to take this opportunity to tell the Secretary that we have received numerous views from the elderly expressing their wishes that the Secretary should pay more attention to their aspirations in planning elderly services.

The first point that I often hear about (I believe that President, you may have also heard of it) is that Hong Kong does not have a statutory retirement age. We are at a loss when it comes to the different age requirements applicable under different welfare or *ex gratia* policies for the elderly. We hope that a specific line can be laid down.

Despite the fact that at present there is no formal age of retirement, most employees (including civil servants) retire at the age of 60. However, the retirees are not entitled to any benefits from 60 to 65 years of age. They have to pay full transport fares and they are not eligible to apply for the Senior Citizen Card until they reach 65. They are not eligible to receive the Elderly Healthcare Vouchers, which were introduced by the Government earlier, until the age of 70. Major political parties, including the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), are actively lobbying for the lowering of the age restriction to the age of 65. I think this precisely shows that the Government has not specifically considered at what age should be regarded as the age of

retirement. When we consider providing welfare benefits for the elderly, should we not standardize the age restriction? Why are people eligible to apply for the Senior Citizen Card but not the Elderly Healthcare Voucher scheme at the age of 65?

I certainly understand that the Government may have to consider its financial viability for doing so, but given the present financial status of Hong Kong, I believe the Government absolutely has the means to lower the age restriction for receiving the Healthcare Vouchers from 70 to 65. We should not ask the elderly to strive for years before the age restriction is lowered. This is the first point we wish to make and I hope the Government will give due consideration. The public hope that, ideally speaking, the Government can set the age requirement for future *ex gratia* measures for the elderly at the age of 60. However, if the age requirement is to be set at 65, which is the same as the age requirement for the Senior Citizen Card, it is groundless why the age requirement for some welfare benefits is set at 70. This gives the public the impression that the Government lacks commitment. This is my first point.

Secondly, most of the elderly (particularly those who frequently visit the parks or community centres by public transport) are indignant that public transport operators cannot offer full fare concessions for elderly passengers. They often compare Hong Kong with our neighbouring cities, saying that (President, you may have heard of this many times) they only need to pay \$2 for taking the mass transit railway in Shenzhen or Guangzhou and the transport fares in these places are much lower than those in Hong Kong. After years of hard work, why are the retirees not given any fare concessions in Hong Kong? Of course, I can understand why. Public transport operators are private corporations. They may not be able to offer fare concessions in the near future unless the Government can subsidize the fares.

However, this subject has been discussed in the community for some time. I believe the Government should give priority consideration to this subject. It is indeed very discouraging if retired elderly have to pay \$20-odd every day to travel to and from another district in order to participate in community activities or visit their friends. This is particularly the case for elderly persons living in remote districts. If there are fare concessions, they can enjoy a more colourful retirement life. This is not a simple issue of transport expenses, but one that affects the scope of activity of the elders after their retirement. This is the

second point which I have most often come across.

Moreover, in my home visits or other visits, the elderly and their family members often opined that the queuing time for elderly residential care services is too long. I believe this is not the only time that the Secretary has heard this view and this problem has been discussed in the Legislative Council for a number of times. It is common to find the proposal of increasing the number of residential care places for the elderly in every budget or policy address. Despite the fact that the residential care places have already been increased, every time when we made community visits, the elderly and their family members still relayed to us heart-broken and saddening examples of elderly persons who had waited all their life but were not allocated a residential care place before they died. We do not wish to see any more such examples.

I remember in a discussion with the President earlier, the DAB suggested that if the authorities could double the resources that were now spent on residential care services, more elderly persons who had been queuing for a residential care place could be benefited and we would not hear people expressing their grievances when we visited the district. In this connection, I hope that instead of increasing a small number of residential care places, the Bureau can proactively and decisively set out a five-year plan for residential care services, just as Mr TAM Yiu-chung has suggested. Other Members have also point out just now that the Government should put in place a short-term planning to let the elderly know when they can be allocated a residential care place.

Apart from the three points above, I believe Members often hear about another view, which is about the absence limit from Hong Kong, that is, the absence limit in respect of application for Old Age Allowance (OAA). The authorities have answered our call in this regard. After years of lobbying, in last October the Chief Executive announced in his Policy Address that the annual absence limit for the OAA will be relaxed, but he did not completely lift the absence limit for the OAA. We think that this is not enough. While I understand that there are some technical issues to be considered concerning this subject, if the absence limit is not further relaxed, it would discourage the elderly persons who wish to return to their hometowns to spend their twilight years.

In addition to the points above, the DAB also frequently urges the authorities to further examine the policy of portable elderly welfare benefits. With increasing integration between Hong Kong and the Mainland, more and

more elderly persons may opt for spending their twilight years in their hometowns. However, in deciding whether they would do so, whether they have family members to look after them is just one factor they would consider; more importantly, they would consider whether the authorities' policy can tie in with their mainland retirement plan, so that they can continue to receive the welfare or medical benefits that they are now receiving in Hong Kong. This indirectly encourages them to return to their hometowns for retirement. At present, some elderly persons may choose to retire in Guangdong and Fujian through the Portable Comprehensive Social Security Assistance Scheme launched by the Government. The simplest thing that the Government can do is to extend the Scheme to Hainan province, which is also what some organizations have frequently relayed to us (*The buzzer sounded*)

PRESIDENT (in Cantonese): Ms LEE, the speaking time is up.

MS STARRY LEE (in Cantonese): President, I so submit.

PROF PATRICK LAU (in Cantonese): President, I clearly remember in 2008 when I proposed the motion on "Elderly Housing Policy", a number of Members stressed that it is only meaningful to discuss elderly housing policy if a good elderly policy has been first formulated. I very much agree with this point. I am thus very happy that Mr TAM has proposed the motion on "Setting out a five-year plan for elderly services" today.

I am always of the view that irrespective of the state of our economy, the Government must expeditiously provide resources to take care of the elderly because they have made life-long efforts to contribute to the development of Hong Kong. However, if we wish to set up a sound elderly policy, we must make an effort to understand what the elderly think: what are their greatest concern and needs?

First of all, it is very important for the elderly to be able to "live in peace". I very much support the proposals in the original motion, such as to establish a five-year plan and service pledges in respect of residential care services for the elderly and community care for the elderly; to increase the number of residential

care places for the elderly and community care places for the elderly, and to enhance complementary measures for the elderly policy of "ageing in place". It is of particularly importance for the elderly to be able to age in place because, if the situation permits, elderly persons generally prefer staying at their own home and in the community which they are familiar with, so that they can go to the shops they frequently shop at and visit their friends in the district. I know the Secretary has spent a lot of time and effort to find out how to step up work in this regard and to encourage private or non-profit making institutions to provide more serviced flats for the elderly. However, the provision of one-stop household services, which take care of their medical, healthcare, catering, home-cleaning and entertainment needs, is also very important. Hence, an ideal home should also be equipped with a full set of community facilities and open spaces.

President, the Housing Society has constructed several such senior citizen residences which, I think, have brought overwhelming success. Apart from having flats of different sizes which facilitate elderly persons to live together, these residences also provide these services and facilities at the lower storey for the occupants. Hence, as far as this issue is concerned, before more residential care homes are built, we should first examine how to make better space planning of the existing residential care homes.

President, as an architect, I have participated in many such projects. One of the problems I have encountered is that many existing residential care homes are already very old and need to be re-developed. The case is the same as that of urban renewal, except that we have to figure out how to relocate the elderly persons from their original residence. I recently participated in a project in which the elderly persons were first relocated to a new residence equipped with newly constructed facilities before their original residential care home was re-built. Many such establishments are indeed too old. Their living environment will be substantially improved after the renovation. I hope the Secretary will consider this renewal scheme because this problem exists throughout the urban area. Hence, the housing problem of the general public is actually the same as that of the elderly, that is, buildings in the community need to be re-constructed. In this connection, I hope the Secretary can find a solution to this problem.

Many members of my sector are now working in the Pearl River Delta Region. They have visited several elderly homes in the area, including the one sponsored by the Hong Kong Jockey Club which specifically provides residence

for elderly persons from Hong Kong, but they found that very few elderly persons from Hong Kong prefer living there. Hence, I am of the view that we should first concentrate our resources and focus on a plan to encourage elderly persons to live with their family or live in the vicinity first, and at the same time properly improve the care-and-attention homes in the territory and provide senior citizen residences.

President, in fact, many people erected unauthorized building works to provide more room for the elderly. The Government should thus examine whether it is feasible to increase the living area of a home. This is worth doing and we can define it by legal means.

I support Mr TAM in proposing that the amount of Elderly Healthcare Vouchers be increased to \$1,000 and the age requirement be lowered; the administrative arrangements be streamlined so as to encourage more doctors to participate in the scheme, and the elderly drug subsidization policy be relaxed because these subsidies and services are indispensable to them as they grow old. As consultation fees and medicine charges increase with inflation, it may cost the elderly at least \$500 to consult a specialist doctor.

Last but not least, in addition to abolishing the absence limit for applying the Old Age Allowance (OAA) and allowing elderly recipients of Disability Allowance to also receive OAA, it is also high time for the Government to review the amount of OAA because the amount is already out of tune with our inflation rate and economic environment. More importantly, the Government should also review whether OAA should be regarded as our token of thanks and our respect to the elderly. Indeed, it should better not impose too many restrictions in this regard.

Thank you, President.

MR FREDERICK FUNG (in Cantonese): President, talking about the proposal for the authorities to "set out a five-year plan for elderly services", I do not know if the pro-establishment party is inspired by the National "Twelfth Five-Year Plan" to move this motion which can be said as a collage of different issues. I am not sure if the election year is the reason that has prompted Member to pool everything together. The motion is so long that it is out of focus or a focal point.

I am not sure if the political party would use this to claim that it has successfully secured this and that later.

Actually, President, I have said a number of times that if a motion moved in this Council each Member can certainly have their own approach to present their motion but if the motion contains too many minor points or topics, together with its amendments, it will easily turn into a vicious cycle and lose its focus. This will, in fact, become a great help to the accountability officials. Needless to say, I believe the Secretary will later behave like last time and read out a voluminous speech like water off a duck's back, spelling out what the Government will do and has done in about 10 000 words. Then, the motion seems to be dealt with, but in fact, the issue has not been addressed at all. President, I hope Members can focus on the loopholes in the way the Government has dealt with welfare issues, which is far better than proposing an all-inclusive motion.

President, let me go back to the main topic. In fact, the planning of elderly services is nothing new. A relatively long-term planning has all along been laid down in our social welfare policy. The white paper on social welfare has set out the specific policy objectives, a five-year planning cum specific service objectives as well as a regular review mechanism and district welfare planning.

However, with much regret, the Government resolutely abandoned the practice which had been used for years in 1999 and later launched the lump sum grant subvention system which emphasizes expenditure control. Our welfare services have thus entered an era of no planning and severe imbalance of service demand and supply. As a result of such imbalance, people waiting for the service increased tremendously and the queuing time greatly lengthened. Most ironically, some elderly persons were not allocated a residential care place by the time they died.

President, the social welfare policy has become so short-sighted that expenditures are estimated only by the annual budget which provides for the service expenditures for the following year. Thus, finding a piecemeal and stopgap solution every year has become the guiding thought of the welfare policy. As a result, the social welfare policy completely fails to meet service demand and tie in with social development, nor can it respond to the changes in the

demographic structure or meet the challenge brought by the deep-rooted social problems.

Despite the fact that the Hong Kong Association for Democracy and People's Livelihood (ADPL) has urged the authorities for years to revert back to a long-term social welfare planning and use this planning to guide the long-term development of welfare services, the Government has time and again procrastinated on this subject and in the end hammered out an under-consulted Long-term Social Welfare Planning in Hong Kong which contains only the principle but without a vision and substance. The consultation document has incited strong discontent from the social welfare sector which criticized the Government for lacking vision and commitment.

President, today, we not only need to formulate a five-year plan for elderly services, but also need to establish a long-term and comprehensive planning for the social welfare services in Hong Kong. We need to formulate this long-term planning from a holistic and prospective angle with reference to the social and economic development, changes in the demographic structure and estimated service demand.

I support most of the proposals stated in the motion today. In fact, the proposals are a hodgepodge of the proposals of different political parties and groupings. For instance, the ADPL has been fighting for years to increase the number of elderly residential care places and their community care places, relax the absence limit in respect of application for Old Age Allowance (OAA), increase the amount of Elderly Healthcare Vouchers, establish an elderly dental care scheme, establish public Chinese medicine clinics in the 18 districts and motivate transport operators to offer fare concessions to elderly persons.

However, there is one point I wish to mention. When we discuss the elderly issue, we often regard the ageing population as something negative, or we may even demonize it, just as what the SAR Government has done. In response to his worry that the rapidly ageing population might become an unaffordable burden on public finances, the Chief Executive proposed a means test for the OAA scheme in 2008. The proposal has sparked strong response among the community. In times of economic downturns, or whenever the Government has to slash expenditures and services, or whenever the narrow tax base and healthcare financing are under discussion, the Government would use "the ageing population" as an "all-applicable" excuse. As time goes by, "the ageing

population" has become the synonym to the stumbling block that crumples public finances and impedes social progress.

President, we cannot help but ask: is "the ageing population" really as horrible as the deluge or a ferocious beast? Has "the ageing population" really become an easy excuse for politicians or even the Government to make their offer? Society with an ageing population is regarded as something negative and elderly welfare benefits and services will thus have to be cut down in order to deal with the rapidly ageing population in future. An ageing population is an estimated projection, but how are we going to deal with it positively and alleviate its impact? Can we make use of the experience of the elderly and their contributions made to society and let them continue to contribute to society in their twilight years?

For example, we often associate an elderly person with inability. In fact, we have made that judgment in terms of their capacity and physical energy. However, Hong Kong has now developed into an analytical, reasoning and knowledge-based society. Do we still count so much on physical energy? Is an elderly person really cannot match up to a young person in term of analytical, reasoning and intellectual power?

In fact, in a wisdom-based society, an elderly person is not a burden. Some senior officials who acquired an appointment after their retirement are better remunerated than when they worked for the Government. Even in the case of the grassroots, we may have seen elderly persons whose back are arched, but they can still pick used and unwanted articles for re-sale. These people often age over 65, but they can still make a living. Hence, we had better not jump too quickly to the conclusion that elderly persons have to depend on us.

Among the Comprehensive Social Security Assistance (CSSA) recipients, 65% are elderly persons, which is equivalent to only 150 000 people. This 150 000 people account for 12% of the people aged over 65. In other words, 88% of the elderly persons do not need to apply for CSSA. They can make a living on their own. Hence, we should not regard the elderly as strange creatures or a burden. Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr TAM Yiu-chung, you may now speak on the five amendments.

MR TAM YIU-CHUNG (in Cantonese): President, five Members have moved amendments to the motion I proposed today. The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) supports the amendments of Mr WONG Sing-chi, Mr Vincent FANG and Dr PAN Pey-chyou. As for the amendments of Mr CHEUNG Kwok-che and Mr Alan LEONG, certain proposals with originality from the original motion are deleted in the amendments. Mr CHEUNG Kwok-che said that deletion did not mean objection, for he only hoped that more consultation would be conducted. As for Mr Alan LEONG, he said that though he deleted the proposal, it did not mean he did not support it, only that he considered the relevant proposals had already been included and repetition deemed unnecessary. However, in my view, those original proposals are put forth after serious thoughts, if deletion is proposed arbitrarily where no opposition is indicated, I think the deletion will be unnecessary. They can instead add their proposals after the original motion. Hence, after examination, we disagree with the amendments of the two Members.

In a number of amendments, Members have proposed the establishment of a universal retirement system, and the DAB agrees with this. As early as 1994, the DAB had promoted the Old Age Pension Scheme with other organizations. However, a consensus failed to be reached in society at that time. Then, in 1995, the Government turned to the setting up of the individual-account-based Mandatory Provident Fund (MPF) scheme, but the scheme had only been implemented five years later in December 2000. By now, the DAB still considers it necessary to set up a dual-tier social security system, because apart from the MPF, it is necessary to set up a social security insurance payment scheme with the participation of the Government and funded by the tripartite contribution from employers, employees and the Government, so as to maintain a sustainable and stable pension reserve.

The DAB is willing to continue to examine the feasibility and various

details of the scheme with all sectors in society. In fact, in implementing retirement protection system of any mode, three questions have to be answered. First, where will the money come from? Second, how much retirement insurance payment can one receive? Thirdly, how we can ensure that this receive-and-pay mode of social security payment is sustainable in the long term? Decisions about these questions can only be made after extended consultation and discussion. At present, members of society still have many doubts about these three issues. To minimize disputes and foster consensus, a swift and effective improvement in elderly services is of utmost importance. Hence, I have not set out a request for the establishment of a universal retirement scheme in particular in the motion today.

Mr CHEUNG Kwok-che proposed a deletion of the proposal on elderly service voucher put forth in the original motion. He stated repeatedly that he did not oppose it. However, in my view, his proposed shelving of the introduction of elderly service vouchers due to the imperfect quality assurance mechanism of residential care places for the elderly is obviously unconvincing. According to the experience of the implementation of the education voucher scheme, financial support provided by the Government will directly alleviate the financial burden of the public. Moreover, users can decide for themselves when to use the vouchers, and with the monitoring of the Government and the stringent requirements imposed on the eligibility for receiving subsidy, the quality of services provided have been improved accordingly. In view of the slow pace of the Government in constructing residential care homes, we consider that the introduction of elderly service vouchers will be a measure with imminent effect, for it will expeditiously shorten the waiting time of the elderly for residential care homes and community care services. Moreover, Mr CHEUNG Kwok-che has also deleted the proposal on the setting up of an elderly employment fund, yet we consider this a very important point, for it may help the elderly find employment.

Mr Alan LEONG opposed the introduction of an entirely new "elderly maintenance grant scheme", but we disagree with his views. We consider that the introduction of the elderly maintenance grant scheme is not contradictory to the implementation of the universal retirement protection system. Even if a universal retirement protection system is introduced in future, we consider additional financial assistance can be provided to the elderly in need. Besides, a full implementation of a universal retirement protection system will take five to six years the shortest and over 10 years the longest, and the authorities cannot

turn a blind eye to this problem.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, first, I have to thank Mr TAM Yiu-chung for proposing such an important motion today and the 16 Members for speaking earlier. They have put forth concrete proposals, which we will definitely analyse and examine in detail. Since the subject of the motion today and the areas covered by the amendments are quite extensive, please allow me some time to give a relatively comprehensive and focused response. As I have to explain the positions, as well as the latest opinions, of various Policy Bureaux one by one on their behalf, may I ask Members to be more patient with me.

Honourable Members are much concerned about the mode of welfare planning, and request the Government to establish a five-year planning for elderly services. However, Members are well aware that changes in society and economy are rapid nowadays, and social problems are becoming more complicated. If service targets are set according to a "five-year plan" and monitoring work is carried out on the same basis, the services provided will generally lack flexibility and fail to respond promptly to welfare needs. For these reasons, as Members know, the Government stopped adopting this approach in welfare planning in 1999 and changed to a more flexible approach, which enable the authorities to keep abreast of the times. At the same time, the authorities adopt supplementary measures to consult the views of the welfare sector, with a view to promoting long-term and sustainable development in welfare polices and services in Hong Kong. I hope Members will not think wrongly that the change of the planning mode means a change for piecemeal and short-sighted welfare measures. Some Members said earlier that our welfare measures lacked vision, foresight and long-term effect, which were piecemeal remedies in a hotchpotch style, and they also considered that the Government has made fewer commitments. These are all misconceptions. Why? For long-term policies and sustainable measures in improving elderly benefits are included in each year's policy address. We do so every year. Many of those measures have been considered thoroughly and prepared for a long time, while some measures are put into full implementation after pilot schemes proved to be successful. Hence, the current planning is systematic, as well as time-honoured and effective.

In respect of the content of policies, I notice that in the debate earlier,

Members were mainly concerned about strengthening services in three areas, namely social security, elderly services and medical services. As I pointed out in my first speech, it is the policy objective of the Government to improving the living of the elderly. In this financial year, the total estimated expenditures of the Administration in these three areas, social security, elderly services and medical services, amount to \$39.6 billion, close to \$40 billion, accounting for 16.4% of the recurrent expenditure of the SAR Government as a whole. It speaks volume about the commitment of the Government. As for the three areas under the purview of the Labour and Welfare Bureau, namely, the Comprehensive Social Security Assistance (CSSA) for elderly persons, Old Age Allowance (OAA) and elderly services, the total estimated expenditures for this financial year amount to \$21.1 billion. In comparison with the expenditure of \$12.6 billion in the year 1999-2000 when the "five-year planning" was discontinued, there is an increase of 67%.

I will now focus on the responses to these three areas.

First, I would talk about applications for CSSA by the elderly. I hope Members would understand the principle for applying CSSA is that applications should be made on a household basis, for family members should help each other. Hence, independent elderly applicants, whether or not living with family members, are required to submit declarations about their financial status. This arrangement seeks to verify whether the elderly applicants have other sources of income and assess the assistance they needed. Earlier, some Members mentioned the "bad son statement", commonly referred to in the community, or the "statement on non-provision of financial support". It is not a proper name for the statement, which may easily bring about the effect of labelling and cause misunderstanding.

Some Members proposed the introduction of an "elderly maintenance grant scheme" in addition to CSSA and OAA. As I pointed out in my speech at the beginning, there are now close to 80% of elderly persons receiving various types of assistances or allowances under the social security system. The asset restrictions on elderly applicants of CSSA are laxer than those on ordinary able-bodied adults, and their owner-occupied property is exempted from being reckoned as part of the asset, this point is of vital importance. Besides, the standard rate of CSSA payments for the elderly is higher than that for able-bodied adults. Moreover, other measures are implemented to provide assistance to the

elderly in meeting the various needs in the daily life, including elderly services and food assistance in kind, and so on. Members all know that under the current social security system in Hong Kong, financial assistances are provided on a non-contributory basis and fully funded by public money. Since this involves a large amount of money, we must handle with great cautiousness. The system will be reviewed from time to time for improvement, but at the present stage, we do not intend to introduce a new or separate elderly maintenance grant scheme.

A number of Members have mentioned the universal retirement protection system. The three-pillar model of retirement protection has all along been adopted in Hong Kong, which should be familiar to Members. Members may recall that at the Question and Answer Session of the Legislative Council held on 19 May, the Chief Executive said unequivocally in this Chamber that the existing Mandatory Provident Fund (MPF) system was the consensus of society reached after many years of discussion. In the face of the problem of ageing population, the population of the younger generation capable of making contributions under the universal retirement protection system will be diminishing. To ensure the sustainability of the universal retirement protection system, the Government will have to raise tax inevitably to take on greater commitment under the system, and employees and employers will unavoidably have to shoulder heavier contribution burden. In our views, it will be particularly difficult and impractical to request society to reach a consensus on a social reform with significant and far-reaching effect to such an extent within a short term. A more constructive and pragmatic approach is to enhance and consolidate the existing retirement protection system.

These enhancement arrangements are not piecemeal and minor remedies, but measures conducive to the long-term development of the system. Take the MPF system as an example. Members know that the Administration and the Mandatory Provident Fund Authority (MPFA) are working in close co-operation in reviewing and enhancing various operating arrangements under the MPF system. Moreover, the coverage of the Community Living Supplement (CLS) under the CSSA Scheme will be extended to the elderly from the later half of this year, whereas the amount of the monthly CLS will be increased from the existing \$120 to \$250. The Central Policy Unit (CPU) is now refining its study on the sustainability of the existing three-pillar model retirement protection system, having regard to the latest developments, and it will listen to the views of various sectors in the process. We will draw reference from the findings of the study of the CPU and continue to work hard on enhancing the exiting retirement

protection system.

I would also like to talk about the Disability Allowance and the OAA, for some Members proposed allowing applicants to receive the two allowances simultaneously. I would like to explain that the Disability Allowance is for people who are severely disabled regardless of age; whereas the OAA is for people who are not severely disabled but are eligible under the Scheme. Therefore, people who meet the eligibility criteria for both the Disability Allowance and the OAA can only choose to apply for either one of the allowances. The objective of this arrangement is to avoid receiving double benefits. Moreover, since the Scheme is non-contributory and largely non-means-tested, retention of the rule that one cannot benefit from both allowances simultaneously would help ensure the sustainability of the Scheme. The Government has no plan to review or change this rule for the time being.

As for the absence limit for the OAA and the portability of benefits, Members know clearly that the absence limit has been relaxed from 240 days to 305 days a year from 1 February this year. Recipients are only required to reside in Hong Kong for not less than 60 days for the year concerned to be eligible for the allowance for the whole year. There are views that the absence limit for the period prior to the application or after the approval of the OAA should be completely lifted or relaxed. Members know that we are now facing the challenge of a judicial review. We undertake that we will definitely examine the way forward of the entire scheme when the situation clears up.

However, as the relationship between Guangdong and Hong Kong grows closer, and the transport support between the two places enhanced, some elderly persons would like to spend their twilight years in Guangdong. Members have also mentioned this issue earlier. We understand that many elderly persons, in deciding whether or not to return to their hometowns to spend their twilight years, have to consider many factors, such as the provision of medical services, welfare services and supporting networks, and so on. The Steering Committee on Population Policy, chaired by the Chief Secretary for Administration, is now conducting an in-depth study on facilitating and supporting elderly persons to settle on the Mainland after retirement if they so wish, hoping to lay down the way forward. As society has put forth the proposal for providing allowances to elderly persons who return to their hometowns to live, the Labour and Welfare Bureau is also examining the feasibility of this proposal and the legal, financial

and technical implications involved.

Apart from elderly persons choosing to settle on the Mainland, some Members are also concerned about elderly persons returning to Hong Kong from the Mainland. According to our understanding, like those who decide to return to the Mainland to spend their twilight years, the elderly persons will consider various factors in deciding whether or not to return to Hong Kong, including family needs, individual and family financial status, the living standard and environment on the Mainland and that in Hong Kong, and so on. If they need welfare support after returning to Hong Kong, they will be provided with various suitable welfare services if they can prove their needs and are eligible for application.

Several Members have mentioned the shortage of elderly care services. I would like to talk about the community care services first. We will increase the annual recurrent funding by \$76 million to provide 1 500 places for the Enhanced Home and Community Care Services and 185 day care places for the elderly, which we believe will effectively shorten the waiting time for services. Actually, from 2005 till now, the Government has increased the community care service places substantially from 2 700 places to 6 200 places, an increase close to 1.3 times. This year, the Government has put in as much as \$626 million of resources in home care services.

Apart from regular community care services, the Government has introduced a number of new services in recent years to help the elderly to age in place. These services include the Integrated Discharge Support Programme for Elderly Patient, commonly known as the one-stop discharge programme, Home Environment Improvement Scheme for the Elderly, the District-based Scheme on Carer Training and the Pilot Scheme on Home Care Services for Frail Elders, and so on.

I understand that many Members are concerned about the heavy demand for residential care places and the prolonged waiting time. We know that the waiting time for subsidized nursing home places, which provided higher level of care, is rather long. Hence, we have concentrated our resources on increasing subsidized residential care places providing nursing care or continual care. With this multi-pronged approach, adding the continual construction of new contract residential homes for the elderly, 1 205 additional nursing care places will be

provided between this financial year and 2014-2015. The additional places provided account for over 50% of the existing nursing care places, which is close to a 50% increase. Moreover, the Government will provide 283 additional long-term care places offering continuum of care services, so that even when the functional capacity of elderly persons deteriorates, they may stay in the same residential care home rather than transferring to other nursing care homes.

At the same time, in this and next financial year, the Government will additionally provide 793 higher-quality (that is EA1) places under the Enhanced Bought Place Scheme (EBPS). We hope that the provision of the additional places will alleviate the problem of prolonged waiting time and encourage more quality private residential care homes to join the scheme. To further improve the EBPS, the Social Welfare Department has already set up a working group. Representatives and professionals in the trade are invited to join. The first meeting will be held in the middle of June to examine the operation of the EBPS, discuss improvement measures and enhance the service quality of the scheme. Dr PAN Pey-chyou is concerned about the prices of bought-places and the quality of services. At present, the SWD will give adequate consideration to the operational expenses of residential care homes, including staff salaries, rental and inflation, and so on. Moreover, the authorities will follow the established mechanism to conduct annual reviews and adjust the subsidies provided by the Government to ensure that the service quality of residential care homes is maintained at a certain standard.

Dr PAN Pey-chyou also mentioned the voluntary accreditation system for residential care homes for the elderly. We always encourage the trade to participate proactively in independent quality accreditation schemes to enhance the management and service quality of residential care homes. Take the EBPS as an example. In screening the applications, the SWD will award additional scores to residential care homes which have participated in and passed the quality accreditation programmes in the market, such as the Project on Accreditation System for Residential Care Services for the Elders in Hong Kong implemented by the Hong Kong Association of Gerontology and the Quality Elderly Service Scheme implemented jointly by the Hong Kong Health Care Federation and the Hong Kong Productivity Council.

Some Members proposed increasing the supply of residential care places by allocating sites for operating private residential care homes for the elderly. The Government always encourages the development of private and

self-financing residential care homes for the elderly. We have introduced a series of measures to increase the supply of premises which can be used as residential care homes for the elderly. These measures include:

- stipulating that from February 2001 onwards, the deed of mutual covenant of all newly-completed residential buildings should not contain any provision which prohibits the operation of a residential care homes for the elderly;
- introducing a premium concession scheme in July 2003 under which purpose-built residential care home premises with a total area of not more than 5 400 sq m incorporated by developers into their new private developments will be exempted from payment of premium. This measure seeks to encourage developers to provide residential care home premises in their private developments; and
- continuing to actively consider applications made by non-profit-making organizations for the use of suitable sites at nil or reduced land premium for developing self-financing residential care homes.

We well understand the heavy demand for nursing staff in the welfare section. From 2006 onwards, the SWD has co-operated with the Hospital Authority (HA) in running training programmes for Enrolled Nurses for the welfare sector. So far, eight classes have been organized and two more classes will be launched. The 10 classes in total have offered 1 150 places. Among the 300 trainees graduated from the first three classes, nearly 90% have engaged in the welfare sectors. It is evident that the training arrangement is effective. Apart from nurses training, at present, some 30 training organizations have obtained the approval of the Director of Social Welfare to offer Health Worker training courses. Graduates of these courses are qualified to register as Health Workers. Various training organizations will introduce courses on elderly services and adjust the places offered according to the demand of the trade.

Mr CHEUNG Kwok-che proposed linking elderly care training with the Qualifications Framework. We are now examining the formulation of the qualifications framework for the nursing service industries with the Education Bureau to assist employees in the trade to set clear goals and directions for

learning, so that people may enhance themselves via continuous learning. This will reinforce the professionalism of employees in the industry and promote their sense of belonging to the sector, and more people will be attracted to join or stay in the welfare sector.

Some Members proposed the introduction of "elderly care vouchers" to provide elderly service subsidies for the elderly. However, subsidies provided to elderly persons for residential care services seldom come in this form. The main reason is that it has been a global trend to encourage the elderly to age at home. The Elderly Commission is now examining more flexible and diversified modes of service delivery and provision of subsidies, including subsidy vouchers — but this is for "ageing in place" and not residential care services — to provide community care services that can better meet the needs of the elderly, and through which social enterprises and the private market are encouraged to develop home care services. The study will soon complete and the Elderly Commission will give a detailed report and explain the findings to the Panel on Welfare Services later.

Moreover, some Members pointed out that the Standardized Care Need Assessment Mechanism for Elderly Services (SCNAM) should be reviewed. We understand that the elderly may disagree with the assessment results, and an appeal channel has thus been put in place under the SCNAM. We consider the SCNAM has been time-honoured and effective since its implementation. In view of the ageing population, we have to ensure that limited public resources are used to serve elderly people who have genuine care needs. The Government does not have plans to change the mechanism for the time being. The SWD will continue to maintain close contact with the relevant non-governmental service providers to listen to their views about the mechanism.

Various sectors of society are concerned about the rights and benefits of patients suffering from dementia. The Government has implemented measures in various aspects to help the patients and their family members. First, on the medical side, the HA and the Department of Health provide health assessments, treatment and rehabilitation services for demented elderly persons. Since many demented elderly persons live in residential care homes, the HA will beef up its outreach services in the next three years to cover more medium to large scale residential care homes. We will provide an additional funding of \$13 million to the HA in this financial year for expanding the outreach services to 80 more

residential care homes.

In view of the special situation of dementia patients, the SWD has stepped up the support for them through various measures, including the provision of the Dementia Supplements to subsidized residential care homes and day care centres for the elderly, the enhancement of facilities in residential care homes and day care centres, the training of staff and the provision of supporting services for carers of dementia patients.

At present, comprehensive laws have been put in place in Hong Kong to safeguard the rights and benefits of dementia patients. The Guardianship Board is empowered by the Mental Health Ordinance to appoint a guardian. Moreover, the Board may also grant statutory power to the guardian for making important decisions on personal matters on behalf of the person under guardianship. Furthermore, the Enduring Powers of Attorney (Amendment) Bill 2011 has undergone First Reading on 25 May this year at the Legislative Council. The Bill seeks to relax the requirement on the time limit for the signing of the power of attorney by the donor and the solicitor under the Enduring Power of Attorney Ordinance. The donor may appoint another person to act on the donor's behalf by means of an enduring power of attorney. An enduring power of attorney survives the onset of the donor's mental incapacity, such as suffering from dementia.

Since dementia patients may become subjects of deception, the police publicize this message extensively via television broadcast and other media. It will organize fright crime carnivals and seminars for the elderly from time to time, and distribute leaflets at crime blackspots to curb street deception activities. District Response Teams have been established by the police to strengthen the liaison between the police and banks in various police precincts, so that banks will notify the police immediately in the event of dubious withdrawal of large amount of money by elderly persons.

President, as a number of Members have put forth many proposals on medical services, I will now respond briefly on behalf of the HA and the Food and Health Bureau.

First, it is about the proposals on healthcare vouchers. Members know that the Food and Health Bureau has recently proposed to extend the Health Care Voucher Pilot Scheme for a further three-year period till 2014 and increase the

annual voucher amount from \$250 to \$500. In the extended pilot period, optometrists with Part I registration will be allowed to join the scheme, thus expanding the coverage of the services available. To encourage the elderly to use preventive care services, we will promote a voluntary and protocol-based elderly health check programme at affordable prices for the elderly. At the current stage, we do not recommend adjusting the age requirement and other rules.

Regarding the subsidies for drugs, the HA will further expand the coverage of the Hospital Authority Drug Formulary in 2011-2012. We will continue to provide subsidy through the Samaritan Fund to needy patients whose clinical conditions meet the requirements for the use of these drugs but who have financial difficulties meeting the expenses in the purchase of specified self-financed drugs.

As for the dental care services for the elderly, the DH will provide free emergency dental services for the public through its 11 government dental clinics. As regards curative dental services, they are mainly provided by the private sector and non-governmental organizations (NGO). To cater for the needs of those with financial difficulties, under the CSSA Scheme, dental grant would be given to elderly CSSA recipients to cover their expenses on dental services. The grant covers dental treatments including extraction, dentures, crowns, bridges, scaling, filling and root canal treatment, and so on. The Steering Committee on the Community Care Fund will propose specific scheme in providing dental care (including the replacement of missing teeth) subsidy to the elderly.

In addition, starting from April 2011, a three-year Pilot Project has been launched in partnership with NGOs to provide elderly persons residing in residential care homes or receiving services in day care centres with outreach primary dental care and oral healthcare services free of charge.

A number of Members expressed concerns about the waiting time for elderly health centres. To address this problem, elderly health centres have streamlined the procedures on handling health assessment questionnaire and the assessment of old members. The elderly may choose to register at centres where the waiting time is shorter. In the long run, with an ageing population, the demand for primary healthcare service for the elderly will only increase rather than decrease. We cannot rely on elderly health centres to satisfy the healthcare

needs of all the elderly. To strengthen primary healthcare service, the Food and Health Bureau has introduced other pilot projects in co-operation with the private sectors to offer more choices to the elderly. At present, the Government has no plan to increase the number of elderly health centres.

As for public Chinese medicine clinics, the Government has committed to establish a total of 18 public Chinese medicine clinics (CMCs) to develop "evidence-based" Chinese medicine, which means the integration of best research evidence with clinical expertise and patient values, and to provide training opportunities for graduates of local Chinese medicine degree programmes. To date, a total of 15 CMCs have been set up in various districts in the territory. As for the CMC in Kowloon City District, the site has been confirmed and the clinic is planned to be opened this year. As for the remaining Yau Tsim Mong and Islands Districts, we will continue to identify suitable sites in the districts, so that the plan to set up public CMCs in 18 districts will be realized as soon as possible.

President, I have just responded to the proposals put forth by Members mainly on the three aspects of financial support, elderly services and medical services.

I will now come to the area of housing. The Government's policy on subsidized housing is to provide public rental housing flats to people (including the elderly) who cannot afford private rental accommodation. At present, elderly households applying for public rental housing, including elderly one-person applicants and all-elderly households, may choose any one of the four waiting list districts, as the restriction which disallows new applicants from opting for the urban district does not apply to elderly applicants. Under the Harmonious Families Addition Scheme, eligible adult offspring, including singletons or those with family, may apply for adding themselves to the tenancy of their elderly tenants. Also, young family members, including singletons, may apply with their elderly members for public rental housing flats in any district under the Harmonious Families Priority Scheme and enjoy a credit waiting time of six months. They may choose either to live under one roof or separately in two nearby public rental housing units. Existing elderly public rental housing tenants may apply for transfer to public rental housing estates near to that of their offspring through the Harmonious Families Transfer Scheme, or apply for amalgamation of tenancies with that of their offspring and be transferred to a public rental housing unit of suitable size under the Harmonious Families

Amalgamation Scheme.

At present, under the series of Harmonious Families Priority Scheme, a quota is only set aside for the Harmonious Families Transfer Exercise at 1 000 units per annum. Since the implementation of the scheme in 2007-2008, four exercises have been carried out, and the number of applications received each year was 300-odd in average, which means the quota can well meet the demand. The Transport and Housing Bureau considers there is no actual need to increase the quota at present.

In order to provide the elderly with more diversified housing options, the Government granted two sites in Tseung Kwan O and Jordan Valley to the Hong Kong Housing Society (HS) at nominal premium a few years ago for the implementation of the Senior Citizens Residence Scheme on a trial basis. The Scheme aims to provide middle-class elderly people with elderly housing where services such as rental housing, recreational as well as medical and nursing care are provided on a one-stop basis. Besides, the Government has approved the HS to carry out two other elderly housing development projects at the former Tanner Hill Estate site in North Point as well as in Tin Shui Wai Area 115.

Some Members proposed formulating policy to earmark sites for elderly housing purposes. The mode of "elderly housing" may provide an additional alternative to the elderly, but requiring a large number of elderly persons to reside in a certain location may not be conducive to the promotion of mutual assistance among family members and intergenerational integration among neighbours. Given the limited land resources, we must be cautious and prudent in considering the proposal of Members in formulating policy for earmarking sites for elderly housing.

Mr TAM Yiu-chung pointed out that some elderly persons who have properties may have no means to support their daily expenses and they have no children to support them. In this connection, the Hong Kong Mortgage Corporation Limited (HKMC) is planning to launch a pilot scheme of reverse mortgage in the middle of this year. It is believed that the plan may help the elderly persons concerned. The targets of the plan are elderly persons aged 60 or above with self-occupied properties. These elderly persons may use their properties as collateral to apply for reverse mortgage from banks, so that they can receive a fixed amount of supplemental cash every month while continuing to

reside in their own homes till they pass away. If necessary, the elderly may also apply for a lump-sum loan withdrawal to meet medical expenses or property repairs charges. The HKMC will announce the details of the scheme in due course.

Mr TAM is also concerned about the convenient access of the elderly in public places, which is indeed an issue of barrier-free environment. The Hong Kong Housing Authority (HKHA) has all along put in efforts to provide a safe, convenient and barrier-free living environment for the elderly, so that they can "age in place". Over the years, the HKHA has made continuous efforts to improve the designs of housing estates and buildings, which include adopting the "universal design" in all of its new projects starting from 2002, introducing various types of elderly-friendly designs. Moreover, the Housing Department has also commenced building improvement works in stages to improve the barrier-free facilities of existing buildings. The first and second phases of such improvement works have been completed in around 150 public housing estates, and the third phase will soon commence.

President, as I mentioned in my speech in the beginning, we wish to build an elderly-friendly environment and promote the concept of active ageing. I have briefed Members of the various activities at different levels we held in collaboration with the Elderly Commission. Dr PAN Pey-chyou hoped that we could put in more efforts in education. The school-curriculum in Hong Kong always attaches importance to whole-person development. In various subjects like General Studies, Liberal Studies and Chinese Language, as well as various Key Learning Areas, the content of learning includes positive values like respecting others, love and care and the spirit of being responsible, aiming to develop good character in students. The Education Bureau has introduced diversified and real-life learning materials and websites, and organized professional training support for teachers.

The wealth of experience of the elderly is asset of vital importance. All along, we have been encouraging capable and enthusiastic elderly persons to continue to contribute to the community. Mr CHEUNG Kwok-che proposed the implementation of flexible retirement age. In Hong Kong, there is no statutory retirement age at present. The Administration has been implementing various measures to promote the removal of age discrimination. For instance, it has urged employers to lay down standardized selection criteria, ensuring that clear

assessment criteria are adopted for recruitment, promotion and transfers, and so on, and that those decisions are not affected by the age of employees.

Mr CHEUNG Kwok-che also proposed that the Government should review the retirement age of civil servants. If the retirement age of civil servants is to be delayed at present, I believe it will affect the succession planning of the entire Civil Service team and affect the promotion opportunities of existing staff. At the same time, it will slow down the rate of natural wastage for a certain period, thereby preventing new recruits from joining the Government and reducing the government vacancies in the job market. Hence, the Government has no plan to change the retirement age of civil servants at the present stage, but it will pay close attention to the discussion of the issue in society.

Mr TAM Yiu-chung proposed the setting up of an "elderly employment fund", which I believe seeks to promote and facilitate the employment of the elderly. In fact, the Labour Department now provides comprehensive placement services for people of various ages, including the middle-aged. We will give priority to job-seekers aged 50 or above in handling applications and providing services. Hence, age is not an issue, for we will facilitate them in various aspects.

In the amendment of Mr Vincent FANG, he particularly put forth a number of proposals aiming at encouraging tax payers to support their elderly parents. In the budget this year, the Financial Secretary proposed a 20% increase in dependent parent/grandparent allowance. The additional allowance for taxpayers living with these elderly persons for the whole period of the financial year will be increased by the same percentage. For taxpayers whose parent/grandparents are living in residential care homes, they will enjoy a 20% raise in deduction ceiling for elderly residential care expenses. This proposals will benefit about 510 000 taxpayers, resulting in a reduction of government revenue of \$570 million. The Bill concerned had gained the support of Members and passed the Third Reading at a meeting of the Legislative Council some time ago.

Mr Vincent FANG proposed the provision of a "tax allowance for home care". I would like to point out that there is no difference between the employment of home care workers and that of domestic helpers in general, for both cases are regarded as private expenses and expenditures. If private

expenses or expenditure items are included as allowable items, it will affect the primary principle of the current tax regime that expenses or expenditure of a private nature are non-deductible.

Regarding the proposal from Dr PAN Pey-chyou in increasing elderly broadcasts and programmes, Mr IP Wai-ming has given supplementary information about this. Out of the respect for editorial autonomy of broadcasters, the Administration has no plan to require radio stations to provide dedicated channels for the elderly. However, the two existing commercial radio stations and the two television stations providing free broadcasts are required to follow their licensing conditions in providing a certain hours of programmes every week to cater for the need of elderly persons aged 60 or above. Moreover, Radio 5 of the Radio Television Hong Kong (RTHK) produces magazine-style programmes everyday for the elderly. The Television Division of the RTHK often produces elderly programmes. For instance, it has produced a total of six series of Golden Age ("黃金歲月") in collaboration with the Elderly Commission at different times. This summer, it plans to work with the Elderly Commission again in the production of an informative series about neighbourhood.

Mr TAM Yiu-chung proposed enhancing a number of concessions for the elderly, and I will respond to each of them briefly. In respect of transport concessions, all major public transport operators have now provided fare concessions for the elderly. As for the offering of comprehensive and permanent fare concessions to elderly persons, it is commercial decisions of individual public transport operators. The Government respects the principle of free business operation, yet it will continue to encourage operators to make proactive responses to the aspirations of society.

In my opening speech, I have mentioned that the elderly may participate, free of charge, free recreational activities provided to them specifically by the Leisure and Cultural Services Department (LCSD) and they may rent leisure facilities and enroll in other recreational activities at a concessionary rate of 50%.

Moreover, seven of the museums managed by the LCSD and a number of exhibition halls are open to the public free of charge. As for the other seven fee-charging museums, senior citizens aged 60 or above are offered concession tickets with 50% discount. The LCSD will continue to monitor the need of the

elderly in visiting museums and review the situation from time to time.

President, I can hardly list all the supporting measures offered by the Government to the elderly in detail, for I have already spent a lot of time in giving a comprehensive account. However, I would like to stress one point. From my earlier responses, Members should have noticed a concept recognized by all Policy Bureaux and departments concerned, that is, we will take care of the needs of the elderly in formulating policies and measures to let them lead a peaceful life in their twilight years and to ensure their convenience. We will continue to work together with Honourable Members and various sectors of society to make long-term and pragmatic planning for the well-being of the elderly to rise to the challenge arising from ageing population.

President, I so submit.

PRESIDENT (in Cantonese): Mr WONG Sing-chi, you may now move the amendment to the motion.

MR WONG SING-CHI (in Cantonese): President, I move that Mr TAM Yiu-chung's motion be amended.

Mr WONG Sing-chi moved the following amendment: (Translation)

"To delete 'given that' after 'That,' and substitute with 'at present,'; to delete 'and' after 'exit,'; and to add '; and (m) to ensure that the elderly will be able to maintain a reasonable standard of living, and establish a universal retirement protection system' immediately before the full stop."

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

PRESIDENT (in Cantonese): I now put the question to you as stated. Will

those in favour please raise their hands?

(Members raised their hands)

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

(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 already been informed, as Mr WONG Sing-chi's amendment has been passed, Mr Vincent FANG has withdrawn his amendment.

PRESIDENT (in Cantonese): Mr CHEUNG Kwok-che, as Mr WONG Sing-chi's amendment has been passed, you may now move your revised amendment.

MR CHEUNG KWOK-CHE (in Cantonese): President, I move that Mr TAM Yiu-chung's motion as amended by Mr WONG Sing-chi be further amended by my revised amendment. I have nothing to add. Thank you.

Mr CHEUNG Kwok-che's further amendment to the motion as amended by Mr WONG Sing-chi: (Translation)

"To add"; and (n) to conduct a review every five years thereafter, and allow the relevant stakeholders to participate in the planning and review process for elderly services; (o) by first address issues relating to the relevant services received by all waiting applicants and then increasing, according to the ratio of elderly population growth, the number of residential care

places for the elderly and community care places for the elderly; to review the financing system for long-term elderly care services; (p) to immediately review the existing experimental Pilot Project on Outreach Primary Dental Care Services for the Elderly in Residential Care Homes and Day Care Centres, and extend the scheme to all elderly persons in Hong Kong who are in need of the relevant services; (q) to establish additional elderly health centres and increase fully open their membership, so as to benefit all elderly persons in Hong Kong; (r) to link the elderly care service industries with the Qualifications Framework; (s) to enhance the Elderly Persons Priority Scheme and Harmonious Families Priority Scheme, which are currently implemented by the Hong Kong Housing Authority, and relax their restrictions, so as to encourage more children to live with their elderly parents; (t) with a view to giving the elderly a sense of worthiness, the Government should comprehensively review the elderly employment policy, including the promotion of flexible retirement age, and the Government may also take the lead in reviewing the retirement age of civil servants and encouraging enterprises to extend the years of services for their employees or even to adopt flexible retirement schemes, such as employing them on a half-time or contract basis after their formal retirement' immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr CHEUNG Kwok-che's amendment to Mr TAM Yiu-chung's motion as amended by Mr WONG Sing-chi 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)

Mr IP Kwok-him rose to claim a division.

PRESIDENT (in Cantonese): Mr IP Kwok-him has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong, Ms LI Fung-ying, Dr Joseph LEE, Mr Paul CHAN, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr IP Wai-ming, Dr PAN Pey-chyou and Mr Paul TSE voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Ms Miriam LAU, Mr Tommy CHEUNG, Mr Vincent FANG, Prof Patrick LAU, Dr LAM Tai-fai and Mr IP Kwok-him abstained.

Geographical Constituencies:

Mr Albert HO, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Frederick FUNG, Ms Audrey EU, Mr WONG Kwok-hing, Mr LEE Wing-tat, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Mr WONG Sing-chi, Mr WONG Kwok-kin, Mrs Regina IP, Mr Alan LEONG, Mr LEUNG Kwok-hung and Miss Tanya CHAN voted for the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan and Dr Priscilla LEUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 22 were present, 11 were in favour of the amendment and 11 abstained; while among the Members returned by geographical constituencies through direct elections, 24 were present, 17 were in favour of the amendment and six abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

MS MIRIAM LAU (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Setting out a five-year plan for elderly services" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

I order that in the event of further divisions being claimed in respect of the motion on "Setting out a five-year plan for elderly services" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Mr Alan LEONG, as the amendment by Mr WONG Sing-chi has been passed, you may now move your revised amendment.

MR ALAN LEONG (in Cantonese): President, I move that Mr TAM Yiu-chung's motion as amended by Mr WONG Sing-chi be further amended by my revised amendment.

Mr Alan LEONG's further amendment to the motion as amended by Mr WONG Sing-chi: (Translation)

"To add'; (n) to abolish the requirement that family members of elderly persons should submit a declaration on their financial conditions (commonly known as a "statement on non-provision of financial support" or "bad son statement") before elderly persons can become eligible for applying for Comprehensive Social Security Assistance on their own, so that elderly persons can spend their twilight years in contentment; and (o) to alleviate the basic livelihood problems faced by the working poor and unpaid homemakers in their retirement lives, and when the labour force in the society is still sufficient at present, to enable the three sides of employees, employers and the Government to implement community savings plans, so as to properly prepare for the crisis arising from the peak of population ageing in the future' immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Alan LEONG's amendment to Mr TAM Yiu-chung's motion as amended by Mr WONG Sing-chi be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Vincent FANG rose to claim a division.

PRESIDENT (in Cantonese): Mr Vincent FANG has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong, Ms LI Fung-ying, Dr Joseph LEE, Mr Paul CHAN, Dr LEUNG Ka-lau and Mr CHEUNG Kwok-che voted for the amendment.

Mrs Sophie LEUNG, Ms Miriam LAU, Mr Tommy CHEUNG and Mr Vincent FANG voted against the amendment.

Dr Raymond HO, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Prof Patrick LAU, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Wai-ming, Mr IP Kwok-him, Dr PAN Pey-chyou and Mr Paul TSE abstained.

Geographical Constituencies:

Mr Albert HO, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Mr WONG Sing-chi, Mr Alan LEONG, Mr LEUNG Kwok-hung and Miss Tanya CHAN voted for the amendment.

Mrs Regina IP voted against the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG and Mr WONG Kwok-kin abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 22 were present, seven were in favour of the amendment, four against it and 11 abstained; while among the Members returned by geographical constituencies through direct elections, 24 were present, 14 were in favour of the amendment, one against it and eight abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Dr PAN Pey-chyou, as Mr WONG Sing-chi's amendment has been passed, you may now move your revised amendment.

DR PAN PEY-CHYOU (in Cantonese): President, I move that Mr TAM Yiu-chung's motion as amended by Mr WONG Sing-chi be further amended by my revised amendment.

Dr PAN Pey-chyou's further amendment to the motion as amended by Mr WONG Sing-chi: (Translation)

"To add ' ; (n) focusing on the varying quality of private residential care homes for the elderly at present, to take the operating conditions of the sector seriously, and study providing the market with venues which are suitable for operating private residential care homes for the elderly by perfecting the land planning and housing policy; at the same time, to ensure that purchase prices are able to meet the costs of providing quality services; and to promote the voluntary accreditation system for private residential care homes for the elderly, so as to encourage the sector to upgrade its quality; (o) focusing on the continuous increase in the number of dementia patients in the society and the impact on the healthcare, social welfare, law, public order and ethics, etc., to take the gravity of the problem seriously and formulate corresponding proposals, so as to protect dementia patients and their family members; (p) to encourage local radio stations to provide dedicated channels for the elderly, and also to encourage television stations to produce more elderly programmes, so as to provide senior citizens with more free audio-visual entertainment; (q) through publicity and education, to proactively advocate the spirit of respecting, loving and caring for the elderly; and (r) focusing on the incessant return of Hong Kong elderly persons from the Mainland to Hong Kong in recent years, to formulate a more comprehensive strategy so as to assist such poor and helpless elderly persons in settling down in Hong Kong again and living their twilight years without worries' immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Dr PAN Pey-chyou's amendment to Mr TAM Yiu-chung's motion as amended by Mr WONG Sing-chi 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 TAM Yiu-chung, you may now reply and you have three minutes and 53 seconds.

MR TAM YIU-CHUNG (in Cantonese): Secretary Matthew CHEUNG has spent more than half an hour responding to the original motion, amendments and speeches by Members. He has really made great proactive efforts, but it does not mean that we will accept all his views. I hope the Government will continue to improve the relevant policies in future.

After the reunification, the SAR Government has attached more importance to elderly policies than the previous government, and the Elderly Commission had thus been set up. I had the opportunity to participate in the Commission till 2004. Though I left the Elderly Commission, I have been concerned about elderly services and elderly policies all along. Hence, I have put forth policies on elderly services a number of times in this Council.

Regarding the 12 items of work listed in my motion today, Mr Frederick FUNG compared it to a hotchpotch, collecting and duplicating the views of various political parties without a main theme, and putting forth all kinds of proposals. However, I find every item of work important. If I only put forth two items, I think Members will at least propose another 10 or more proposals. Members may think I only attach importance to the two items mentioned and overlook the other aspects. Hence, I cannot adopt this approach. Actually, I notice that many motions proposed in this Council tend to be comprehensive to avoid misinterpretation, for we are easily mistaken these days. There is no harm to be more comprehensive. Though it may still come under criticism, I will be able stand fast. It is not an issue at all.

Mr Frederick FUNG said earlier that discussions about ageing population were too negative. However, I do not get such an impression from Members who spoke just now. On the contrary, Members have put forth various proposals to address problems relating to ageing population: How should new problems arise from ageing population be dealt with? How should elderly persons with health problems be taken care of? How should the strengths of healthy elderly persons be brought into full play? How can we provide more opportunities and favourable conditions to allow them to actively participate in community activities? Can more transport concessions be provided? Can the Leisure and Cultural Services Department provide elderly persons with more concessions, opportunities and platforms? I think we are all pursuing a common goal, for we will grow old one day. We hope society will attach particular importance to the elderly and implement policies addressing their needs. I believe this is our common goal. On the one hand, it is for the good of the elderly at present, on the other hand, when we grow old, we may enjoy the benefits.

I hope Members will pass the motion today and press on with the Government. Though Secretary Matthew CHEUNG has not responded to certain aspects, I hope the Government will more or less implement those proposals in the policy address. This is the least request. However, Secretary, we will continue to work hard on this and put forth proposals to you incessantly. It is hoped that in respect of elderly services, the authorities will not only work on it when there is money. Planning is really needed, and it is simply unjustified to do without it.

Today, many Members spoken agree that long-term planning should be formulated. Besides, a five-year plan does not involve a long period. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr TAM Yiu-chung, as amended by Mr WONG Sing-chi and Dr PAN Pey-chyou, be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: The inability of the Government's measures to help people acquire their homes.

Members who wish to speak in the debate on the motion will please press the "Request to speak" button.

I now call upon Mr James TO to speak and move the motion.

THE INABILITY OF THE GOVERNMENT'S MEASURES TO HELP PEOPLE ACQUIRE THEIR HOMES

MR JAMES TO (in Cantonese): President, I move the motion under my name. Although I rarely read out my original motion, this time I would like to read it aloud: "That, regarding people's problem of acquiring homes, the public and this Council have long since forged the consensus that the Government should resume the construction of Home Ownership Scheme (HOS) flats and reinstate the Tenants Purchase Scheme, and the relevant motions were passed by this Council, but the Government has turned a deaf ear and disregarded public opinion; after the series of measures launched by the Government, including allocating lands for constructing 'flats with limited floor area', introducing My Home Purchase Plan (MHPP) and the special stamp duty for combating property speculation, as well as putting up more land lots for sale by auction, property prices in Hong Kong have continued to rise, reflecting that these government measures are unable to help people acquire their homes; in this connection, this Council expresses grave dismay at Chief Executive Donald TSANG Yam-kuen, and urges the Chief Executive to make serious reflection and respect public opinion."

President, the ever-rising property prices have far exceeded people's purchasing power. Thus, the resumption of the construction of HOS flats has become a strong aspiration of the public. This Council held a motion debate to request the Government to resume the construction of HOS flats as early as June 2005 (which is almost six years ago).

Given the soaring property prices, people keep on requesting strongly the resumption of the construction of HOS flats. Within a short period of three-and-a-half years since late 2007, this Council had already moved a number of motions to request the resumption of the construction of HOS flats. The request was either put forth under motions on housing and subsidized home ownership, alleviation of poverty, helping the disadvantaged, or even indirectly under motions on youth policy. Seven motions have been passed on this issue, which included urging the Government to make active consideration, requesting the construction of an appropriate quantity of HOS flats, and urging the Government to resume the construction of HOS flats. However, the Government has turned a deaf ear and disregarded public opinion, which is infuriating.

President, under a special economic environment and the hegemony of developers, property prices and rental have gone out of control. According to the information provided by the Rating and Valuation Department, the price index of small flats of less than 40 sq m has surged by 70% within two years between March this year and the same period in 2009, which is appalling. Noting the plight of the general public who have failed to acquire their homes, more and more Executive Council members and real estate developers openly indicated their support for the resumption of the construction of HOS flats.

As early as October last year when the Chief Executive delivered his Policy Address, Members from the Democratic Party and the pan-democratic camp had already expressed their grave dismay and strong condemnation of the Chief Executive for disregarding public opinion, and refusing to submit to the general consensus of this Council and the community by resuming the construction of HOS flats. Unfortunately, the relevant motion was negated with the support of pro-government Members. Once again, the Chief Executive thought that he could rest assured and continue to evade from proactively responding to public opinion and this Council's strong aspiration for the resumption of the construction of HOS flats.

President, the purpose of proposing this motion again today is not to request the Chief Executive to resume the construction of HOS flats, as this is already the consensus of this Council, but to express grave dismay at the Chief Executive's disregard for public opinion. Secondly, this motion is a "demon-spotting mirror" which enables us to see clearly that Mr CHAN Kam-lam and Mr WONG Kwok-hing have proposed the deletion of the wordings "the Government has turned a deaf ear and disregarded public opinion" from the original motion. Does the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) and the Hong Kong Federation of Trade Unions (FTU) think that, even though 90% of the people supported the proposal to resume the construction of HOS flats, and the Legislative Council has endorsed seven relevant motions, including motions moved by their party members, the Government's refusal to act accordingly cannot be regarded as turning a deaf ear and disregarding public opinion?

Members from the DAB and FTU have further proposed to delete the wordings "expresses grave dismay at Chief Executive Donald TSANG Yam-kuen". As the resumption of the construction of HOS flats has been

discussed for so long, why do Members from the DAB and FTU still feel so reluctant to express, on behalf of the people, the strong dissatisfaction, anger and regret at the Chief Executive? Why do pro-government Members support the Chief Executive time and again, thus making him think that he can still oppose to the public at large? Are they doing a disservice to members of the public?

President, in the amendment, Mr WONG Kwok-hing deleted the wordings "Government has turned a deaf ear and disregarded public opinion" and "expresses grave dismay at Chief Executive Donald TSANG Yam-kuen". I am perplexed. When the Chief Executive delivered his Policy Address in October last year, Mr Frederick FUNG had moved an amendment to express deep regret at the Chief Executive, whereas Mr LEE Wing-tat used the words "strong condemnation". At that time, Mr WONG Kwok-hing had voted for these amendments.

I still remember that, on that day, Mr WONG Kwok-hing brought with him to the Chamber a Gibraltar monkey wearing a bow-tie, which had a head but not a tail. He called on the Government not to get the job started and leave it half done. He criticized the Government's housing policy, saying that when kaifongs and members of the public heard the MHPP, they were (I quote) "frustrated and agitated which means that they are indignant." (End of quote) Mr WONG Kwok-hing even urged the Government to listen to public opinions. He went further to say that 95.9% of members of the Legislative Council Panel on Housing (including Mr Abraham SHEK from the real estate sector) supported the construction of an appropriate number of HOS flats each year. They queried unanimously why the Government had disregarded public opinion, and considered that the Government already had a stance.

Is Mr WONG Kwok-hing not aware of the anger of the kaifongs and members of the public today? Does he think that refusing to resume the construction of HOS flats is not an act of disregarding public opinion? Did Mr WONG Kwok-hing himself want to be the Gibraltar monkey which has a head but not a tail? Why did he make a volte-face again? Did Mr WONG Kwok-hing want to be "Volte-face King" or "Volte-face Hing"?

President, each time the Legislative Council moved a motion on the resumption of the construction of HOS flats on behalf of the general public, the Government failed to respond proactively. Do Members of the pro-government

camp still consider that the Government has not disregarded public opinion and has not turned a deaf ear? Are they too frightened to express regret at the Chief Executive or exert greater pressure on him, thereby forcing him to respect public views?

President, the Democratic Party calls on all Hong Kong people to continue to strive hard and tell the Chief Executive and Legislative Council Members their strong aspirations. As 1 July draws near, we still remember that hundreds of thousands of people strived hard for abolishing the legislation on Article 23 of the Basic Law, as well as for upholding Hong Kong's high degree of autonomy and safeguarding Hong Kong people's human rights and freedom. Today, as the Government has neglected public views and the consensus of this Council, Hong Kong people should therefore step forward on 1 July this year to fight for democracy, human rights and freedom, as well as the rights to acquire affordable homes.

Mr James TO moved the following motion: (Translation)

"That, regarding people's problem of acquiring homes, the public and this Council have long since forged the consensus that the Government should resume the construction of Home Ownership Scheme flats and reinstate the Tenants Purchase Scheme, and the relevant motions were passed by this Council, but the Government has turned a deaf ear and disregarded public opinion; after the series of measures launched by the Government, including allocating lands for constructing 'flats with limited floor area', introducing My Home Purchase Plan and the special stamp duty for combating property speculation, as well as putting up more land lots for sale by auction, property prices in Hong Kong have continued to rise, reflecting that these government measures are unable to help people acquire their homes; in this connection, this Council expresses grave dismay at Chief Executive Donald TSANG Yam-kuen, and urges the Chief Executive to make serious reflection and respect public opinion."

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

PRESIDENT (in Cantonese): Mr CHAN Kam-lam, Mr WONG Kwok-hing and Ms Cyd HO will move amendments to this motion, while Mr Fred LI will move an amendment to Mr CHAN Kam-lam's amendment, and Mr LEE Wing-tat will move an amendment to Mr WONG Kwok-hing's amendment. This Council will now proceed to a joint debate on the motion and the amendments.

I will call upon the above Members to speak in the above order, but no amendments are to be moved at this stage.

MR CHAN KAM-LAM (in Cantonese): President, the problem of high property prices has been discussed many times in this Council in recent years. Last month, Mr CHEUNG Hok-ming also moved a motion in this Council to request the Government to look squarely at the housing problem faced by members of the public. We had also put forward a proposal to enhance the My Home Purchase Plan (MHPP). This shows that the real estate issue has become the primary concern in society these days.

Although a number of measures have been introduced by the Government in the last two years, property prices are still hiking. This reflects that the measures have failed to achieve the policy objective of enabling people to "purchase their first homes". Therefore, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) wishes to reiterate, through this motion debate, our established stance on housing policy, and put forward proposals to help people "purchase their first homes" and to live and work in contentment. We hope that the authorities would consider our views in the interests of the public at large.

The Government always compares the property prices of today with those in 1997 when the property market was at its peak. However, as Members may be aware, 1997 was actually an "extremely crazy" period when property prices peaked. Let us look again at the per-square-foot price of some major housing estates. The highest per-square-foot price of Laguna City was \$7,400 in 1997 and it was almost \$7,000 in May this year, which is pretty close to the 1997 level. Fourteen years have passed, but property prices are still so high. Another example is Taikoo Shing. The highest per-square-foot price was \$8,600 in 1997, but now it has surged to over \$10,000, which has exceeded the 1997 level by 16%. Property prices have risen to surpass the level recorded during the

"extremely crazy" period in 1997. The Government must admit that property prices have surged to an extremely high level and effective measures must be formulated to resolve the housing problems encountered by the general public.

Since the reunification, Hong Kong has experienced the financial crisis in 1997, the SARS in 2003 and the recent financial tsunami. All these events have dealt direct blows to the economy of Hong Kong. The property market has in turn experienced several ups and downs, which has affected our economy. We think that the Government should draw on these valuable and unforgettable experiences and formulate a well-planned strategy on land and housing, having regard to the prevailing local economic conditions, people's aspirations and the future development trend of Hong Kong.

Regarding the strategy on land, the Government should comprehensively plan for land use and integrate land reserve, so that the authorities can flexibly increase or reduce land supply in accordance with the needs of the community at different times. As for the strategy on housing, the authorities should undertake in-depth studies on the policies of housing supply and estate properties, so as to attain a stable development in public and private housing.

I believe that only by formulating a reasonable land policy with foresight can we avert the frequent ups and downs in the property market as experienced in the past, thereby developing again in a steady and healthy pace.

In fact, people's aspirations are clear enough: resuming the construction of Home Ownership Scheme (HOS) flats, enhancing the MHPP to a "rent-or-buy" arrangement and building additional public rental housing (PRH) flats. The DAB had conducted an opinion poll in April this year and four conclusions were drawn which may worth consideration by the Government.

Firstly, 70% of the respondents agreed that the MHPP should be enhanced to a "rent-or-buy" arrangement. Secondly, 90% of the respondents considered the number of MHPP flats insufficient. Thirdly, nearly 90% of the respondents supported the resumption of the construction of HOS flats. Fourthly, more than 90% of the respondents supported the production of additional PRH flats. These four figures have reflected people's views in a clear, simple and direct manner. We hope that the Government will appreciate people's aspirations and respond proactively.

At the Council meeting on 4 May, Mr CHEUNG Hok-ming moved a motion proposing an introduction of the "rent-or-buy" scheme, the provision of discounts on flat prices and the allocation of additional land resources. The motion received the majority support from Members and was passed. In addition, the DAB hopes that the Government would respond to the aspirations of the middle class and young people by promoting the development of the middle-class PRH and youth rental housing schemes. The soaring property prices have not only affected the grassroots. When we visit local communities, we often hear the middle class pouring out grievances, complaining their inability to acquire their own homes.

The proposed middle-class PRH scheme has made reference to the concept of the Group B rental estate units (Group B units) of the Hong Kong Housing Society (HS). It was designed to cater for people whose income has exceeded the maximum income limit for PRH but cannot afford to acquire their own homes in the private property market. If middle-class PRH flats are provided to these people at a rate lower than the market rental, I believe this would alleviate their burden of housing costs in three to five years, thereby enabling them to save the down payment for their own homes. I believe this idea can be achieved through the MHPP.

The DAB has also put forth the youth rental housing scheme to the HS and the Hong Kong Housing Authority, hoping that the Government would build some appropriate flats for young people in the light of their housing problem. I have highlighted five words in my amendment, President, and they are "having regard to the circumstances", which is a very important concept. As we all know, policies are formulated by people. While the policies written in black and white are "rigid", circumstances are "flexible" and change with the times. No matter how good a policy is, we cannot strictly adhere to old practice and think that it is applicable at all times. We must learn to make different adjustments to our policies at different times, so as to cater for the needs of the general public. However, as the saying goes, "a terrible experience may cause permanent fear". It seems that after the implementation of the "85 000" housing policy, the Government was reluctant to change, no matter how bad the property market has deteriorated. It was not until an immense pressure emerged in the community that the Government was forced to announce the abolition of the "85 000" housing policy. Today, it is still upholding the decision made in 2002 to cease the production of HOS flats, which is the cause of the present predicament.

President, after reviewing the records of proceedings of Council meetings in 1995 and 1996, we found that the current social conditions, especially in respect of housing and people's livelihood, is more or less the same as the conditions at that time. At that time, soaring property prices had aroused public criticisms against the Government's "three high" policy, which I believe Members can still remember. Many political parties and members of the public had strongly requested the Government to build more subsidized housing.

President, after reading the records of proceedings of the Council meeting on 19 March 1997, I learnt that in a debate on the Government's previous housing supply, Mr LEE Wing-tat of the Democratic Party had cast doubt on the plan to build 50 000 private and public housing flats in 2001 as mentioned in the Governor's policy address of 1995-1996, and worried that the plan would fail once again and cause disappointment. From this, we can see that housing problem must be dealt with in a cautious manner. Today, Mr James TO queries if we really think that the Government's refusal to resume the construction of HOS flats is not a disregard of public opinion. I can only say that housing policy must be dealt with in a cautious manner and massive production of flats is not the only way out. Thank you, President.

MR WONG KWOK-HING (in Cantonese): President, I propose an amendment on behalf of the Hong Kong Federation of Trade Unions (FTU) to refine the original motion. Just now, Mr James TO has smeared and attacked me time and again. This is nothing new to me as Mr TO has directed against me more than once. Therefore, I do not consider it worth refuting.

Regarding the loopholes of the housing policy, I must highlight that "the Government's various corresponding strategies and their intensity have failed to achieve any result, causing growing public discontent". I believe our comment this time is based on facts. Looking back at the previous year, the Government has introduced seven measures to respond to public views. In our opinion, these measures have failed and aroused public resentment. As for those seven measures, I will not spend time recounting them.

In my amendment, my criticisms against the Chief Executive are based on facts, and I have solemnly and seriously put forth our requests. President, let me read out the wordings of my amendment: "..... urges Chief Executive Donald

TSANG Yam-kuen to respect the consensus of the Legislative Council and the community to formulate appropriate measures to assist local people in acquiring their homes and draw up timetables for their implementation, including expeditiously resuming the construction of an appropriate quantity of Home Ownership Scheme flats annually and reinstating the Tenants Purchase Scheme, enhancing My Home Purchase Plan, introduce more housing and home acquisition measures to assist the sandwich class, striving to further increase the supply of potential sites and disposed sites for constructing residential buildings, and expeditiously formulating a long-term housing policy for Hong Kong, with a view to enabling Hong Kong people to live and work in contentment." My amendment is not intended to berate for the sake of berate, but to clearly request the Chief Executive to respond and give an account of the details. The Government will release the policy address in October, which will be the last policy address of Chief Executive Donald TSANG. I think the Government should account on this matter.

Apart from making criticisms, I have also clearly put forward six proposals and requests. My amendment originally contained not only six but nine points altogether. However, the proposed wordings were not approved by the President on the ground that the other three points were irrelevant to acquiring of homes. Well, never mind, I can make a supplement to my amendment here. The three points which I intended to incorporate into the amendment are: firstly, our housing policy is a one-stop concept under which the gaps among the lower, middle and upper tiers are bridged like a ladder. My amendment was originally drafted in such a way as to request the Government to increase the production of PRH flats by building 100 000 flats in five years with an annual production of 20 000 flats. This is the minimum requirement.

Secondly, I requested that the waiting time for PRH should be two years and not no more than three years. As for the third point, I requested a relaxation of the income limit for PRH.

My amendment originally contained these three points. I am not refuting the President. I just want to say clearly that our housing policy is a series of proposals under a well-linked system, which must be comprehensive without missing any components. Therefore, I now provide the additional information, hoping that Secretary Eva CHENG would hear what I said and give a response later on.

Furthermore, in my amendment, the Chinese punctuation mark "、" has been used to show the linkages of the points. Apart from mentioning the three points which had not been included in my amendment, I also wish to talk about the six proposals in my amendment.

The first point is related to Home Ownership Scheme (HOS) flats. Originally, the HOS is a benevolent policy of the Government. Regrettably, the Government has refused to resume the construction of HOS flats upon the cessation in 2002. This has actually given rise to the greatest public resentment. Surveys and opinion polls have all reflected that this is the greatest blunder in the administration of the Government. Looking back at the sale of surplus HOS flats in six phases between 2007 and 2010, the over-subscription rate ranged from the lowest 3.4 times to the highest 18 times. Although only 3 200 surplus HOS flats were put on sale in the last phase launched in July last year, 39 000 applications were received and the over-subscription rate was 11 times. This clearly illustrates that the Government should not go against public opinion. This is the first point I wish to supplement.

The second point is about the Tenant Purchase Scheme (TPS). The Government claimed that the "85 000" target no longer exists and I heard this from Secretary Eva CHENG. Yet, members of the public are not convinced. Residents in public housing estates want to be self-sufficient, they want to save money to purchase their own homes. What is wrong with this? A limit can be set by the Government in such a way that, for instance, the same number of flats sold to the public would be produced so as to prevent arbitrary speculation in the market. This is worth consideration by the Government. It should not refuse to resume the TPS on the one hand, and undergo asset and income tests from time to time on the other. The income of public housing tenants will certainly increase when their children grow up and go out to work. They will then be required to pay 1.5 times or double rent. This has driven the younger generation to leave the public housing estates, leaving only the elders. Such a policy is very unreasonable.

Furthermore, many public housing residents have chosen to live in PRH flats because the Housing Department had hinted to them that those flats would be put on sale in future. They decided to move into the PRH flats though the rent was a few times higher. However, the authorities have not honored their pledge. Are residents being unfairly treated?

Thirdly, we hope that the Government would enhance the My Home Purchase Plan (MHPP), be it "rent-and-buy" or "rent-or-buy". The key lies in the deferred payment of premium, that is, premium is only paid when the flat is resold. Premium need not be paid for the time being. I think this is vital. Besides, the number of flats is inadequate. It is hoped that enhancement can be made.

Fourthly, the FTU strongly requests the Government to reconsider the introduction of the Sandwich Class Housing Scheme to assist the sandwich class to acquire their own homes. In conclusion, all previous measures which are conducive to residents should be revisited by the Government.

I also wish to talk about the supply of land by the Government, which is the root of the problem. Should the Government formulate comprehensive plans on potential sites and disposed sites? Rolling programmes must be formulated to set out the annual supply, thereby preventing the Government from using excuses such as lack of supply or infeasible approach from time to time. The rolling programme is actually a guiding document on the supply of potential and disposed sites, which can enable potential home buyers to rest assured. Coupled with the fact that the Government is formulating plans on land reclamation and land formation by excavation, this necessitates the formulation of long-term plans on the supply of potential and disposed sites.

In conclusion, we hope that the Government will formulate long-term housing policies and strategies instead of short-term measures without foresight. Only by doing so can we resolve the imminent home ownership problem which is an issue of great public concern. Thank you, President.

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

MS CYD HO (in Cantonese): Deputy President, in a remark widely quoted by young people on the Internet recently, it is said that if a person starts saving \$5,000 a month since the Wei-Jin Southern and Northern Dynasties, he still cannot afford to buy the penthouse unit of The Arch today. I have spent some time trying to figure out how much one would have accumulated by now by saving \$5,000 a month since the Wei-Jin Southern and Northern Dynasties.

First of all, I have to find out when the Wei-Jin Southern and Northern Dynasties started. It fell between 220 AD and 589 AD. If I started saving from the first year and placed \$5,000 under the pillow, I would have saved up to \$128 million, which is a pretty good sum. However, the penthouse unit of The Arch costs \$340 million. Thus, if I have to buy the penthouse unit of The Arch by saving \$5,000 per month, I should have to start saving since 3655 BC. In fact, after looking up other information, I learnt that the Xia-Shang-Zhou Dynasties began only in 2205 BC.

This is nothing but a black joke. Nonetheless, a place having so many political black jokes going around actually means that public resentment has become very serious and concrete, and the community is also unstable. So, is Hong Kong that poor? According to the International Monetary Fund (IMF), in terms of purchasing power, Hong Kong's per capita GDP is US\$45,736 in 2010 and ranked the eighth in the world. For the Government, its fiscal reserve reaches \$595.5 billion and foreign exchange reserve amounts to \$2,300 billion. We are not poor at all, but downright affluent. Then, why would Hong Kong people encounter such great difficulties in accommodation under a wealthy government in an affluent city? It is not the joke of the young people that is exaggerating, but the property prices. People cannot afford to buy luxury flats even if they save for thousands of years. Certainly, we are not saying that we must live in luxury flats or flats costing \$340 million. However, the fact is that even the prices of ordinary flats have been fuelled under the crazy and bloated property market.

According to the price index of private domestic properties compiled by the Census and Statistics Department, there was an increase of over 50% within the two years from February 2009 to February this year. Just now, Mr James TO also said that the rental has surged by 70%. This explains clearly why everyone wants to buy a flat as property prices have risen beyond people's affordability. The increase in rental is even faster. According to the findings of a multinational survey released by the Royal Institution of Chartered Surveyors in February this year, the ratio of property prices to people's income in Hong Kong is 22.72 year, which is the highest in Asia. This ratio (22.72) means that after deducting all necessary expenses and tax payments from the household income, it will take 22.72 years for a family to acquire their own homes.

Our officials always urge young people not to buy a flat soon after they graduate. Well, if a person graduates at the age of 22 and then save for 22 years, it would mean that their children will still be living with the grandparents when they reach 18. Is this the living condition that we wish to see?

In fact, the income of Hong Kong people — in respect of the 10 income groups — is not too bad. Except for the income groups at the upper and lower ends, which show great disparity, the sandwich class in the middle can actually afford to acquire their homes at normal prices. Yet, the increases in both rental and property prices are appalling. With the cessation of Home Ownership Scheme (HOS) in 2003, 30% of the sandwich class families — whose monthly income fall between \$20,000 to \$30,000 — cannot afford to pay for the current crazy prices of the private property market. Worse still, they are not eligible for public rental housing (PRH). The present situation will last for as long as 20 years.

In respect of distribution, where does the sandwich class fall? If Hong Kong is divided into 10 decile groups, the sandwich class does not fall on the fourth, fifth or sixth decile group, but on the sixth, seventh and eighth decile groups. We can therefore see that Hong Kong people are actually living in dire straits. Even the implementation of the My Home Purchase Plan (MHPP) or the resumption of the construction of HOS flats, which are actually on a par with private properties, cannot cater for the needs of this group of people. The only solution is to genuinely increase the supply of PRH flats, which may appear in two types: One of a basic standard and the other of quality comparable to HOS flats. They are nonetheless all for rent but with relaxed eligibility criteria. Only by doing so can we resolve the predicament of the sandwich class.

In the speech given by Mr WONG Kwok-hing earlier, he mentioned that he had also proposed the building of additional public housing estates. However, as the proposal was ruled by the President to be out of scope, it was not included in his amendment. In fact, my amendment was also proposed in a crafty way. I said that the refusal of the authorities to build PRH has boosted the demand for private properties, which is a fact. This is because if the sandwich class is not allowed to live in PRH flats, they might have panicky demand for housing in view of the soaring prices. From the accounting perspective, we are aware that all assets depreciate year on year, probably at an annual rate of 25%, and become valueless after five to six years. Properties, however, are like antique, whose

value increases with the time. Those decades-old buildings built in 1997 have surprising recorded slight increases in value. This is a weird phenomenon unique in Hong Kong. It is this panicky demand that has enabled the suppliers to sell at high prices.

Let us look again at the 10 decile groups by household income. How many families can afford to pay for mortgage loans if they acquire their own homes at present? We do not consider it excessive for a university-graduated couple or a small family to pay the mortgage loan of a flat costing \$3 million, because flats costing \$3 million are mostly found in buildings aged 40 years in remote locations. However, after paying the 30% down payment for the \$3-million flat, they are still required to repay a mortgage loan of \$2 million. In other words, they are still subject to a monthly repayment of \$14,000. Given that the median household income of the sixth decile group is only \$20,000, how can they afford to repay the \$14,000 mortgage loan after paying the necessary tax payment and household expenditures? It can therefore be seen that only families belonging to the ninth and 10th decile groups, which account for 20% of the households, can afford to buy a flat, even though they might have acquired their homes and are not troubled by any housing problems. Then, what are we going to do about the housing needs of the remaining 80% of the households? Half of them still cannot move into PRH flats nor afford to pay for the mortgage loan or buy a flat.

Donald TSANG said that there is no need to be afraid for we have two markets. Speculative activities may be prevalent in the luxury property market with per-square-foot price reaching tens of thousands of dollars, but the remote areas in the New Territories belong to another market. It is completely wrong for him to say so because price increases in luxury flats would boost speculation. The selling prices of luxury flats will affect the second-hand property market, and the price of "flour" after land auction may prompt property owners in the same district to freeze the sale or increase the asking prices at once.

Therefore, we do not have two markets. Private properties have their own market, and seemingly speculative activities have spread from luxury flats to medium-priced flats, and further to grass-roots flats. Now even industrial buildings have become the subject of speculation. The only way to ensure the existence of two markets is to increase the supply of PRH, so that people can live in contentment. Whoever has saved up enough money, whoever is willing and

is capable of speculating in the property market should go ahead. Without subsidized housing, there is no way we can help the people and genuinely separate the two markets.

Deputy President, the rent of private properties was affordable in the past. However, following the demolition of a large number of private buildings for urban redevelopment, people were forced to build unauthorized structures on rooftops. In fact, many people did so merely to secure a place to live. And yet, we can see that the Government is pretty high-handed in removing these unauthorized structures, which can meet the basic housing need of the people. Worse still, the Government failed to move these people into PRH flats immediately after the demolition. The village house which the Under Secretary is living has 2 100 sq ft with a rooftop of 2 800 sq ft, but still there is an unauthorized balcony of 160 sq ft. In handling this case, the authorities were not so tough in their enforcement action. How can Hong Kong people refrain from asking if this is tantamount to allowing senior officials to build unauthorized structures but not allowing the common people to get a shelter?

Deputy President, I beg the officials not to ask why young people cannot become another LI Ka-shing (*The buzzer sounded*)

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

MS CYD HO (in Cantonese): All we need is a measure which can genuinely resolve the housing problem.

MR FRED LI (in Cantonese): Deputy President, I do not want to read from my script because the points therein have been discussed by many Members earlier. Over the past 20 years as a Member, I have not seen any motion of similar content being endorsed in this Chamber for as many as seven times. What is more, the time gap between each motion is not big and a total of seven discussions had been held within three to four years.

I remember clearly that the responses given by the Secretary — still the same Secretary — and the Chief Executive on the resumption of the construction

of Home Ownership Scheme (HOS) flats were pretty negative. They said that resumption was impossible as it was not easy for the Government to completely pull out from the market. Furthermore, the frantic speculative activities are currently only confined to luxury flats — I remember very clearly that the Chief Executive said luxury flats only — and small and medium flats are not seriously affected. It therefore has no intention of resuming the construction of HOS flats. Secretary Eva CHENG, on the other hand, said that there are still plenty of flats costing \$2 million available in the urban areas, and the situation was not that bad. Why do people feel so scared? According to them, the problem was not that serious and property prices have yet to climb to their height in 1997 — property prices had surged crazily at that time — the resumption of the construction of HOS flats is therefore out of the question.

However, nowadays, the prices of some residential flats have exceeded those of 1997; not to mention luxury flats, whose prices have already surpassed that of 1997. Even for flats for first-time home buyers, which are of our utmost concern I used to live in a 500 sq ft flat at Laguna City in 1991 which cost some \$1 million at that time, and the price has now gone up to \$5 million or \$6 million. I had also lived in a flat of 900-odd sq ft, but I do not think I can afford to buy a flat of this size with my salary. The salary has failed to catch up with the soaring property prices. I was able to purchase my own home because it only cost some \$1 million at that time.

I wish to discuss with the Secretary about the site for constructing "flats with limited floor area" of less than 500 sq ft in Yuen Long. In the land auction, the per-square-foot value of the site is \$5,000 to \$6,000. What does she think the per-square-foot price of these flats will be upon completion? I guess it will be \$8,000 to \$9,000 per square foot. And yet, they are only flats in Yuen Long. Where else can we choose?

Mr James TO's constituency is Mei Foo and my mother also lives there. While the price of a flat was \$1 million in those days, it has now reached as high as \$5 million to \$6 million. It is beyond our imagination that the per-square-foot price of a flat aged over 40 years can still stand at some \$6,000. If my wife and I were young fresh university graduates, we could not afford to buy this kind of flat. The Secretary told me not to bother about the flats in Mei Foo, but turn to single tenement buildings in Sham Shui Po, Kowloon City or Kwun Tong, which are dilapidated buildings without lifts. Flats costing some \$2 million may still

be available. But can we get a 70% loan from banks for the purchase of these flats? This is the question. Property prices have risen to a level that people actually feel the pain of the high price. As evident from the survey conducted by the Democratic Party once or twice a year, more and more people support the resumption of the construction of HOS flats. If radio stations have phone-in programmes on this topic, I think many people will call in to air views.

The motion moved by Mr James TO today can no longer request for resuming the construction of HOS flats as previously, a motion of this subject had been moved in this Chamber. The point is that we have already stated strongly our stance, and motions supporting the resumption of the construction of HOS flats and the sale of PRH had also been endorsed. These motions were even supported by the Democratic Alliance for the Betterment and Progress of Hong Kong and the Hong Kong Federation of Trade Unions. Why do I have to amend Mr CHAN Kam-lam's amendment? Because he has deleted from Mr James TO's original motion wordings which criticize that the Government has "turned a deaf ear and disregarded public opinion" expressed in relation to the motion endorsed by the Legislative Council on the resumption of the construction of HOS flats. He even deleted the phrase "expresses grave dismay at the Chief Executive". What kind of attitude is that and what does that mean? He was pretty eager when we strived for the resumption of the construction of HOS flats.

Mr WONG Kwok-hing just now said that as Mr James TO had apparently directed against and smeared someone time and again, he did not bother to refute. Certainly, this is not worth refuting because there is nothing he can refute. What can he say? The abovementioned case did not happen long ago; not a decade ago but just one and a half year ago. At that time, he used a monkey as a prop to chide the Government, like staging a show. Yet, when a motion is proposed to express dismay at the Government and accuse it for disregarding public opinion — which is neither a very serious accusation nor a strong condemnation, but merely an expression of grave dismay — he deleted the relevant wordings and refused to support it. I think even if his amendment is not passed, he will not support Mr James TO's original motion and will at most abstain from voting. What does this mean? Has he suffered from schizophrenia? He sounded superb when he chided the Government, but he backed off when he has to state his stance.

I have listened attentively to the 10-minute speech given by Mr CHAN Kam-lam, who said ambiguously towards the end that the Government should be cautious about resuming the construction of HOS flats and should avoid massive construction. Wow! Even the Government has not said anything like this before, but he did. When did we request the construction of HOS flats on a large scale? In the previous motions, only the production of an appropriate amount of HOS flats was suggested. The Democratic Party has maintained a pretty low profile by proposing an initial production of 3 000 to 5 000 flats only. The Government had once produced some 10 000 flats in one year, but we merely proposed an appropriate amount and an even smaller amount to be built at the initial stage. We have never mentioned the construction of HOS flats on a large scale. He has wronged us with such groundless and non-existent remarks, and accused us of stirring up troubles and being careless, he will not support us based on such grounds. In fact, he is the one who smeared other people with groundless accusations and twisted facts. In view of the failure of the Chief Executive to implement proposals in the seven relevant motions which have been endorsed in this Chamber, we thus expressed grave dismay and accused him for disregarding public opinion. These are hard facts after all. And yet, the relevant wordings were deleted by him. This is no big deal after all, the wordings merely highlighted our different attitudes. The pro-government camp will reveal its true self anyway and we need not smear it, and the facts will be written down in the record of proceedings. They do not agree with the criticisms that the Chief Executive has "disregarded public opinion" and "expresses grave dismay at Chief Executive", and they will gnash their teeth and say that they would continue to strive for resuming the construction of HOS flats. If the Government refuses, they will continue to say vehemently that the construction of HOS flats should be resumed. This is the attitude they adopt.

I so submit.

MR LEE WING-TAT (in Cantonese): Deputy President, just now I had a chat with Mr James TO and we discussed whether this motion still had any significance. Although we have expressed our views time and again, the Government has never listened. I once said to the Secretary — and this time I also wish to say to the Secretaries of Departments — if she visited the community alone without being accompanied by any officials and discussed housing problem with local residents, and if she had not met with uproar opposition, I would

abandon my family name LEE. I do not think that she will be beaten up as Hong Kong people are very gentle.

I opine that senior officials are too well-protected nowadays, and have therefore completely divorced from public sentiments. The Government has not only turned a cold shoulder to the widely consented views, but has also told us face to face some ambiguous remarks which we all know are not true. Soon before last year's summer recess, the Secretary said to me, "Mr LEE Wing-tat, consultation exercise will be carried out to see how the housing problems can be resolved." Perhaps I am a bit too naïve, I believed in what she said. On completion of the consultation exercise in summer 2010, the My Home Purchase Plan (MHPP) was introduced. It had caused a great uproar in the community, and even the Democratic Alliance for the Betterment and Progress of Hong Kong and the Hong Kong Federation of Trade Unions had joined in to raise opposition. They said that the plan was infeasible. The Government subsequently decided to revise the plan by introducing a "rent-and-buy" measure. However, the Government now said that the present situation was more critical than ever with exorbitant property prices; and the Chief Executive said that great importance should be attached to this problem and a detailed account would be given in the policy address to be released in October.

I beg Secretary Eva CHENG and the Chief Executive not to lie to the public time and again. If they really want to do something, they should act when options are available instead of talking slickly. Mr LEE Wing-tat was not the only one who has been cheated, the entire Hong Kong population has been cheated. A wise man once said, "You can fool some of the people all the time, and all the people some of the time, but you cannot fool all the people all the time". We will soon find out what he intends to do in October. What actually will he do in October? Perhaps a committee will be set up for deliberation, and after that, the 2012 Chief Executive Election will be around the corner. In that case, the views collected by the incumbent government will have to be followed up by the next term government.

Deputy President, how come my speech sounds so powerless? Because I do not want to get angry, getting angry only tired me out. I do appreciate the capability of the Secretary, but being a principal official, if she works for someone who sacrifices the well-beings of the majority just to stand by his own convictions, I would consider them working in the same gang. I will not be a

Secretary in such a cabinet, nor will I be a supporter of such cabinet or government.

Deputy President, the information in hand has clearly indicated that it was Donald TSANG who rejected the HOS policy, and this will be recorded in history. History will tell us that Donald TSANG has made a fatal mistake, and all Secretaries of Departments and Directors of Bureaux were unable to advise him to overturn his decision. This decision has ruined the well-beings of many people, who have been suffering from high property prices and high rental. Deputy President, people are not reluctant to work. A couple may earn an income of some \$20,000 a month, but they have to pay \$5,000 to \$6,000 or even \$7,000 to \$8,000 as rent. I had once asked Secretary Eva CHENG, would she feel "painful" if she has to pay a rent of \$70,000 to \$80,000 out of her \$200,000 monthly income. This is the example that I would like to quote.

Therefore, Deputy President, I have no expectation of the incumbent Government and therefore I agree that Donald TSANG should be condemned. I do not think that what he did can help members of the public. There is nothing he can do except trust to chance and windfalls. He had stated on both public and private occasions that the global economic environment is currently very poor, and interest rate would increase at any time. Even the "PIGS" (meaning Portugal, Italy, Greece and Spain) would face a volatile economy sooner or later. Thus, the Government could just sit and wait for a natural adjustment of property prices after some incidents have happened. I have never seen a government more irresponsible than this. After discussing this matter with the Secretaries of Departments and the Chief Executive between 2008 and 2009, Deputy President, I have only one remark to make, that is, my hope of Donald TSANG has completely dashed. The only thing I can do is to call on people to take to the streets on 1 July if possible. Only people's power can force the Government to think whether it should respond actively to people's aspirations.

Thank you, Deputy President.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Deputy President, I thank Members for their concern about the development of Hong Kong's private residential property market, especially their views on how to help people acquire their homes.

The views expressed by Members in the original motion and its amendments cover the work of the Development Bureau and the Transport and Housing Bureau. I will make a consolidated response on behalf of these two Policy Bureaux, and relay Members' views to the relevant Policy Bureaux.

The Government's subsidized housing policy aims to provide public rental housing (PRH) flats for low-income households which cannot afford to rent private accommodation, and to keep the average waiting time of PRH applicants at around three years. Apart from the provision of public housing, the Government will ensure a stable land supply as well as a fair and stable operating environment to enable the healthy development of the private property market. The Government will continue to withdraw from housing assistance programmes other than PRH to minimize intervention in the market. We will also strive to enhance the transparency of sales information and fairness of transactions of first-hand private residential properties to protect consumers' rights.

The Government appreciates the importance of living and working in contentment and understands people's wish to improve their living and move upward through acquiring their own homes. It is also well aware of the general concerns of the public about the rising property prices and the difficulties in purchasing their first homes. The Government has always listened humbly to views of Members and the public on how to maintain the stable and healthy development of the private residential property market, and how to help people acquire their homes. As I have said during a motion on "Enhancing the My Home Purchase Plan (MHPP)" in the Legislative Council on 4 May this year, insofar as the general direction is concerned, we fully appreciate the proposals put forward by Honourable Members because the notion behind all these proposals is the hope of providing opportunities for members of the public to purchase affordable homes.

As to how the housing problem can be effectively tackled, we consider it necessary to examine from a macro perspective in order to find a comprehensive solution. To ensure the healthy and steady development of the property market, we have introduced a basket of short, medium and long-term measures in four areas. These include increasing land supply to tackle the problem at source; introducing a special stamp duty to combat short-term speculative activities in the private residential property market; enhancing the transparency of property transactions and preventing excessive expansion in mortgage lending.

To ensure a healthy and stable development of the property market, the Government has drawn up a land supply target to provide land sufficient for building an average of approximately 20 000 private residential units in each of the next 10 years. This year's Land Sale Programme adopts a two-pronged approach to increase land supply, namely is a market-driven Application List for sites to be triggered for sale; and direct sale of designated sites initiated by the Government. The 2011-2012 Land Sale Programme offers a total of 52 residential sites (including 47 residential sites in the Application List) with a capacity to produce about 16 000 units. Coupled with other residential sites from other sources, we estimate that approximately 35 400 units can be built on the land which can be used for private housing development in 2011-2012.

On 13 April this year, the Financial Secretary announced that the Government has decided to step up its effort in government-initiated land sale. Between April and June, the authorities would put up a total of nine residential sites through government-initiated land sale by auction or tender. It is estimated that about 3 000 units would be provided, among which about 70% will come from three sites with flat-size restrictions located in Hung Hom and Tung Chung. This ensures an increase in the supply of small- and medium-sized flats.

On public housing, we will also ensure an adequate supply of land to produce on average about 15 000 PRH flats each year so as to maintain the target average waiting time for general Waiting List applicants at about three years. At present, the average waiting time for general PRH applicants is two years. Some Members proposed to increase the supply of PRH flats, shorten the waiting time of PRH applicants and further relax the eligibility criteria for the application of PRH flats. I wish to point out that, after considering the possible changes in the economic environment, which include fluctuation in commodity prices and the uncertainties brought about by the statutory minimum wage which came to effect on 1 May 2011, the Hong Kong Housing Authority (HA) has increased the income and asset limits of PRH applicants on 1 April this year. When compared with that of 2010-2011, the income and asset limits for 2011-2012 have increased by 15.6% and 3.3% respectively, therefore providing a greater buffer for low-income households applying for PRH. When compared with 2010-2011, we estimate that an additional 25 000 households would be eligible for PRH. We will closely monitor the possible pressure that would be imposed on the demand for PRH following the relaxation of the income and asset limits, and extend the Public Housing Construction Programme on a yearly basis. The

review will be ongoing and appropriate adjustments will be made in accordance with the latest situation of supply and demand, so as to ensure sufficient supply of land for the development of PRH. Therefore, regarding the accusation made by Ms Cyd HO in her amendment that the Government has "refused to build more PRH flats", I must point out that it is not true and ungrounded.

In helping people to acquire their homes, I must stress that all housing assistance programmes can only serve as a buffer. In the long run, the Government should increase land supply to tackle the problem at source to provide opportunities for affordable homes. In the face of short-term market fluctuations, we consider it more appropriate to provide relief measures to potential home buyers who will be able to afford the purchase of property in the long term to give them time to save up to realize their home purchase plan. This is the underlying principle of the MHPP.

The Government has already earmarked sites in Tsing Yi, Sha Tin, Diamond Hill, Tai Po, Tuen Mun and other areas aiming for a total of some 5 000 flats to be built under MHPP.

As suggested in the original motion and its amendments, we should increase the supply of land for housing, resume the construction of HOS flats, reinstate the Tenant Purchase Scheme and enhance the MHPP. The underlying reason is that this would provide greater opportunities and choices for people to purchase affordable homes. As I said earlier, we have announced a basket of short, medium and long-term measures to ensure a healthy and stable development of the property market, as well as the MHPP to help people acquire their homes.

In fact, the special stamp duty has been effective in curbing short-term speculative activities. According to the latest statistics, there were only 72 cases of subsale through confirmor (commonly known as "confirmor transactions") in April 2011, an average drop of 78% per month in comparison with the first 11 months of last year (before the announcement of the special stamp duty). In addition, the Land Registry has received a total of about 7 600 sale and purchase agreements for residential property in April 2011, representing a drop of 42% from about 13 200 cases in November 2010.

As stated in the original motion and its amendments, the property market continues to boom even after the implementation of the abovementioned measures. I must point out that these measures aim to ensure a healthy and stable development of the property market. Some Members have pegged the provision of subsidized housing or the number of subsidized flats to the downward adjustment of property prices. I nonetheless cannot subscribe to this view. I want to reiterate that there is no easy way to control the property market and thereby resolve the relevant problem. We must start with land supply, and it will take quite a while before the effect can be felt. Now that we have already set a very specific target, we will move towards this target in a pragmatic manner.

Deputy President, all in all, the Government has formulated a basket of short, medium and long-term measures to ensure a healthy and stable development of the property market. Nonetheless, we must be very cautious in dealing with the housing problem, and have to take into account future anticipated developments and past experience. For future anticipated developments in land supply, clear targets and long-term strategies have been laid down. However, we must understand that the major premise of the housing policy is to ensure the healthy and stable development of the property market, instead of creating ups and downs. A fluctuating property market is not beneficial to the community at large as the property bought is not only a place of residence to many people, but a major asset in their entire life. Hence, it is equally important to look ahead and behind. There are currently more than 1 million property owners in Hong Kong. If the property market is subject to great fluctuation, the whole economy will be adversely affected. We have had such an experience before. Thus, while we intend to increase land supply, we have to combat short-term speculative activities which are unfavourable to market stability. The Government is determined to increase land supply. We shall closely monitor the development of the property market and continue to make available residential sites in the Application List for direct sale where necessary. We shall also consider announcing the Land Sale Programme in advance on a quarterly basis. The imposition of a special stamp duty has effectively repulsed short-term speculators.

Deputy President, being cautious does not mean that proper measures will not be implemented. The Financial Secretary has stated very clearly that more measures will be introduced without hesitation where necessary to safeguard the stability of the society's economy and finance. The idea "having regard to the

circumstances" highlighted by Mr CHAN Kam-lam earlier precisely reflects the need to introduce appropriate measures in a timely and suitable manner.

We believe the abovementioned comprehensive measures will enable us to provide choices of different levels of housing to people with different degrees of affordability. The first level is the PRH for low-income families who cannot afford private rental accommodation. Above the PRH, there are secondary HOS flats under the HOS secondary market in which HOS flat owners can sell their flats to green form applicants without having to pay the premium. Besides, there are lower-priced housing for the general public in the private property market (including the HOS flats offered in the open market) and the housing units under the MHPP. In the private property market, the primary and secondary markets will provide housing units of different market prices to satisfy the various needs of people who have the means.

Last of all, I wish to remind the public that an environment with abundant liquidity and low interest rates will not last forever; neither will the rising property prices. People should be cautious about the potential impact an interest rate rebound will have on the property market, and carefully assess the risk incurred and their own financial position when making a home purchase decision.

Deputy President, I will give a summarized reply after listening to the speeches made by Members in the motion debate. Thank you, Deputy President.

DR RAYMOND HO (in Cantonese): Deputy President, although the Government has, in the past few years, adopted different means, first verbal coercion and then implement various measures such as introducing the My Home Purchase Plan, levying a special stamp duty for combating property speculation, increasing land supply, and so on, to dampen the heated property market, all these measures are to no avail.

On the contrary, property prices have gone up rather than down. High prices have been recorded time and again even for second-hand Home Ownership Scheme (HOS) flats or public rental housing (PRH) units. In May, two transactions of PRH units with selling prices exceeding \$2.5 million were registered, while 11 transactions of second-hand HOS flats with selling prices exceeding \$4 million were registered over the same period. For some of these

units, the per-square-foot price has already exceeded \$8,000, which is near to the peak level in 1997.

In end-March this year, the accumulated number of singleton applicants under the age of 30 on the PRH Waiting List has reached almost 30 000, with the number of new applicants increasing rapidly by 23% within three months. That is indeed a record high, which also reflects the severity of the housing problem. It has been reported that some of these applicants are university graduates who want to become eligible for purchasing HOS flats after being qualified for PRH. As a matter of fact, with spiralling property prices in recent years, many young professionals also have difficulties in housing and home ownership.

The imbalance between supply and demand in the property market is a foregone conclusion. With rapid economic development in Mainland China in recent years, a large number of relatively well-off Mainlanders are also very keen on investing in properties in Hong Kong, thus pushing up property prices. Although the Government has already excluded real estate as a class of Permissible Investment Assets under the Capital Investment Entrant Scheme, the effect seemed limited. There seems to be certain technical difficulties in restricting the purchase of local residential properties by Mainlanders.

The attractiveness of Hong Kong's property market is further enhanced by our low interest and exchange rates. The high inflation environment attracts the inflow of capital to Hong Kong, which causes the continuous inflow of even more capital to the property market. However, the problems of interest rate, exchange rate and inflation are all beyond the control of the Government. While the introduction of a special stamp duty some time ago has no effect on dampening the property market, it even reflects the passivity of the Government in controlling the demand in the property market.

The Government has also tried to increase land supply by putting up more land lots for sale by auction and making available sites for constructing flats with limited floor areas, however, the anticipated effects cannot be attained. Hence, there are increasing voices in the community calling for the resumption of the construction of HOS flats, even some real estate developers have supported the idea, in this way, people who cannot afford private housing can acquire their homes. While the Government has always stressed its "people-based" approach in governance, it turns a deaf ear to the demand of the community in this regard.

By resuming the construction of HOS flats, the Government can, on the one hand, indicate that it is not indifferent to public sentiment, and on the other hand, send a strong message to the market. This can help cool down the blazing property market slightly, in particular lower-priced flats. In addition, the HOS will help speed up the turnover of PRH flats, thereby shortening the waiting time for eligible applicants. Of course, careful study is required to determine the quantity of flats produced under the resumed HOS so as to avoid any negative impact on the market.

Separately, many people in the community support the reinstatement of the Tenants Purchase Scheme. I think the Government should give careful thought to this suggestion. However, the overriding consideration is that its implementation must not reduce the number of PRH units available for allocation to applicants on the Waiting List, otherwise, the housing problem will only be shifted from one strata of society to another, which runs contrary to the original intention.

Deputy President, enabling the people to live and work in contentment is an important condition for promoting harmony and stability in the community. Many conflicts in our society are created because people can hardly catch up with the rises in property prices. Hence, the Government is duty-bound to implement effective measures to resolve people's difficulties in home ownership. With these remarks, I so submit. Thank you.

MR RONNY TONG (in Cantonese): Deputy President, when Ms Cyd HO spoke on her amendment, she shared with us a joke circulated on the Internet about a person who cannot afford to buy a luxury flat in The Arch even though he has been saving \$5,000 a month for several thousand years since the Xia-Shang-Zhou Dynasties. Deputy President, that was just a joke, but I want to share with Members a joke in real life that is hardly funny. Deputy President, in the latest May issue of *U-Beat Magazine* of The Chinese University of Hong Kong, there is an article about an interview with several university students who live in private rental housing. As they got used to living independently, but could hardly afford the rental of a normal flat, they could only live in rental en suite units or "sub-divided units".

Jerry, a graduate from an Australian university, is now working as a catering consultant for an airline. He rents a 90 sq ft room in Yau Ma Tei for \$2,700 a month. Another example is Bosco who is an overseas student from Macao. He works as a research assistant in Hong Kong. Starting from six months ago, he rents a 150 sq ft "sub-divided unit" for \$3,700 a month. The Secretary once said that "sub-divided units" were acceptable and they did not pose any hazards. However, should she ask any of these university students, I think she may get a different answer.

Deputy President, for a young person with a monthly income of \$10,000, if he has to spend \$2,000 or \$3,000 to rent a "sub-divided unit", and after paying for other expenses on meals, transport and clothing, it will be quite good if he can save about \$1,000. With a monthly saving of \$1,000, he can save \$12,000 in one year, \$120,000 in 10 years, and \$480,000 in 40 years which may be barely enough as down payment for a flat priced at \$2 million or \$3 million that is, if there are still flats priced around \$2 million or \$3 million in 40 years' time. In other words, he can buy his own home when he is 60 years old.

Deputy President, this is a fact of life and it is hardly funny, it is instead quite frightening. Deputy President, the Secretary has written an article entitled "'Home Ownership' is the objective, but is the Home Ownership Scheme the only solution?" on 4 May last year. In this article, she expounded a lot of grandiose theories such as home ownership was a major decision in one's life. Most of the home owners shared the same experience of working hard for many years before they could finally buy their own homes. They had to work very hard to save up enough money as down payment before their dreams came true. They could then improve their living environment gradually. What she meant was that young people should not have too many high hopes. If they wanted to buy a flat, they must save up. As the Chief Secretary for Administration had said, if they wanted to get rich, they must aspire to become another LI Ka-shing. Both of them mean more or less the same thing.

Deputy President, I do not know what the Secretary was like when she was young. Pardon me, luckily, the Secretary is not in the Chamber now because she is still quite young. I am just saying that I have no idea how she bought her first flat. As I recall, my own experience goes like this. After I returned from the United Kingdom, I did not have any salary because I was still in pupillage. My wife was an intern solicitor who earned a monthly salary of \$4,000. We

were lucky enough to buy a flat in Tin Hau Temple Road with a spectacular sea view. Deputy President, the price of that flat was \$240,000.

I was about 24 or 25 years of age when I bought the flat, a young person who just graduated and was preparing to practice law. Compared with young people nowadays, we did have more opportunities back then. Nowadays, if a young person aged 24 wants to buy a flat not to mention \$240,000, Deputy President, let us say, a flat priced at \$2.4 million, it is really quite impossible. Why are things so different now?

However, the Government is only saying, "You better learn from our experience when we were young." Deputy President, the problem is that times have changed. Young people nowadays want to live independently, and they want to have their own home, their own life and family. Regrettably, they must face a very gloomy future because their salaries are extremely low. The salaries they earn can hardly pay for their livelihood expenses such as expenses on transport, meals and clothing.

(THE PRESIDENT resumed the Chair)

Therefore, we can understand their great difficulties in acquiring their homes merely by their own savings. If they cannot acquire home ownership through their own savings, what assistance can be provided by the Government? The answer is none at all, President. Under the existing policy of the Government, young people, particularly the singletons, are discouraged from applying for public rental housing (PRH). Moreover, the construction of Home Ownership Scheme (HOS) flats has been halted now. The Government is adamant about not resuming the construction of HOS flats, and nobody understands the reason behind such a decision.

In respect of PRH allocation, under the so-called *ex gratia* policy of the Government, applicants who live with elderly persons will have a greater chance of being allocated a flat. As such, young people are prevented from buying their own home and living an independent life. That might be a good thing for the young people, but in respect of the overall environment of society, the overall ambience In fact, this is totally unacceptable for many young people.

President, I have recently obtained some data from the Secretary about the PRH Waiting List. The statistics are indeed quite frightening because as at end-March this year, there are about 152 400 applications on the Waiting List, representing an increase of 18% over the same period last year. In other words, there are about 23 000 new applications on the Waiting List, which is a record high in recent years. The most worrying of all is that the accumulated number of singleton applicants aged between 18 and 29 has risen from 21 000 to 29 000, representing an increase of a staggering 38.6%. This figure, as a percentage of overall non-elderly singleton applicants, has risen from 44.3% at the end of last year to 45.9% in March this year. President, these figures show that more and more young people have applied for PRH, in particular those with zero income. How can we deal with this problem? President, this is a problem which the Government must address.

MR LEUNG KWOK-HUNG (in Cantonese): President, this Council has made suggestions to Donald TSANG on seven occasions respectively, yet he still takes no heed at all. One can say this outcome is certain and the reason is simple. Surely, he became the Chief Executive because of TUNG Chee-hwa's "leg pain", but it was also because of his leading role in saving the property market. Just think, his present position as the Chief Executive was bestowed upon him by others, so how dare he go back on his promise?

I do not want to talk about these platitudes anymore. I just want to talk about the difference between TUNG Chee-hwa and Donald TSANG. TUNG thought he could save the property market by the "85 000 flats" policy. That was his fantasy. When the policy was put into implementation, he realized that he had gone into a blind alley. Of course, other factors were involved, such as the impact of the financial turmoil. One can say that he was a demented Chief Executive who aspired to making some achievements. He wanted to gain applause, yet he wanted to hide behind the scene. He wanted to have some accomplishments, just like the leaders in Singapore; he also wanted to prop up the market; that only led to a blind alley. That is why he later claimed that the "85 000 flats" policy no longer existed.

Many people say that TUNG Chee-hwa is a nice guy, but just think carefully, what kind of gift he had given to LI Ka-shing's son, that was the Residence Bel-Air. He is exactly that kind of person — to use the expression

that you have taught me — he is a fop who wants to revive his family's prosperity and at the same time, to gain advantages. He even wanted to save the people with a strong economy. Naturally, he was condemned by many people. Although TUNG Chee-hwa became the Vice Chairman of the National Committee of the Chinese People's Political Consultative Conference after his "leg pain", the sound of condemnation would not cease.

PRESIDENT (in Cantonese): Mr LEUNG, what does it have to do with the motion?

MR LEUNG KWOK-HUNG (in Cantonese): I am analysing why the Government's measures fail to help people acquire their homes.

The second Chief Executive is Donald TSANG. The Chief Executive is the head of the Government, but Donald TSANG is different from TUNG Chee-hwa. He has neither social status nor a family business to revive. Hence, he can blatantly, whole-heartedly and shamelessly save the property market according to the demand of the people. Now that the property market has been saved, property prices continue to spiral like a sky lantern — the Secretary is leaving the Chamber now, I guess she must be going out for dinner.

The life's possession of over 1 million home owners in Hong Kong hinges on the property market. He should not mess with it wilfully. This is a sky lantern he created himself. As property prices continue to spiral up, the flats of over 1 million home owners, especially those with substantial mortgage payment, have become all they have. That is not a consequence brought by me, "Long Hair", or other poor people. You have created a bubble. Then you caution those who do not have enough to eat that other people's bubble is very important. Although you are also a victim of this bubble, people will surely go after you if the bubble bursts.

President, my question is very simple. Starting from the 1990s, the amount of land put up for auction each year should not exceed 50 hectares, and with the interest rate being zero, the bubble was jointly created by the British Hong Kong Administration and the Mainland authorities; it had nothing to do with us. We have suffered greatly because of that bubble. However, the

Government is now saying, "Now that the bubble has become so big, and if you want me to pierce through it, would it create a lot of suffering for many people?" I do not think so because the bubble was created by them. Once the bubble bursts, bankers and developers will be safe because they have already got their money, right? Therefore, the Government's assertion that it is being considerate by not hastily constructing more Home Ownership Scheme (HOS) flats or public rental housing (PRH) units is flawed. You are the sinner. Ordinary folks like me will never have the chance to buy a flat with mortgage payment. All the small business operators and I are stuck with this predicament. Likewise, workers cannot have any pay rise as a result of the high land premium policy. Why do all these happen? As the Government's thinking is erroneous, there is no way to resolve this problem.

Another point I would like to raise is that in this Chamber, there are just too many Members speaking on behalf of the middle class. Are you so afraid of losing your votes? I can tell you that there are many people who, like me, do not want home ownership; we just want to have a roof above our head. But now, no such shelter is available for the impoverished, while some people may be as wealthy as a king. For the middle class, if they want to buy a flat, they can buy an HOS flat; if they only want to have a shelter like me, they can choose a better quality PRH unit. If everyone partakes in this game of property speculation and hopes to see property prices continue to rise after they acquired their flats, how selfish that is? They turn a blind eye to the suffering of other people, merely hoping that the price of their owner-occupied properties will continue to rise. Let me tell you a story from the *Bible*. Regarding Sodom — the city of impenitent sin, God said he would spare the city from destruction of fire out of heaven so long as there was one righteous person within the city. Anyone who thinks he can stand to gain by merely dancing to the tune of big property developers and bankers shall have no cause for complaint because he is one of the sinners in Sodom who locks himself inside the sinful city. If only there is one righteous person among them, they will be spared from destruction of fire and of the property bubble.

The Government has toyed with us to such an extent, it manipulates the middle class to suppress the poor, and manipulates the capitalists to suppress the middle class. Then what else can we do? The Government will never change its way. All the three so-called candidates for the next Chief Executive talk about legislating on Article 23. Is that really so urgently required? Why do

they not talk about this problem? When WANG Guangya meets with them during his forthcoming visit to Hong Kong, will they talk about this problem? I am not the person WANG is going to meet. None of the persons he is going to meet will speak for the proletariat. How can they call themselves members of the Communist Party? Special arrangements are even made to ensure that I will not meet with him. When you, President, meet with him, you better tell him to meet with "Long Hair" soon. These are the deep-rooted conflicts, that is, the acts of "land enclosure" and the exploitation by real estate developers and capitalists. Will these voices be heard by WANG Guangya? Of course not, that is just a waste of breath.

MS MIRIAM LAU (in Cantonese): President, we can all feel the intense summer heat lately, and the property market is just as blazingly hot. While workers in the transport sector are exempted from the statutory ban on idling vehicles with running engines under the very hot weather warning and can "get on board" to work, ordinary citizens are not so lucky under the blazing property market, for there is no way they can "get on board". The situation is indeed worthy of our concern.

Although the Government has announced five rounds of measures to counter the spiralling property market since February last year, no achievements have been made for the measures were either not forceful enough or they were inappropriate. Instead of cooling down, the property market continues to heat up so much so that the prices of many residential developments have already exceeded the high level in 1997. Nowadays, we can forget about luxury properties because even a second-hand Home Ownership Scheme (HOS) flat costs more than \$3 million. In fact, flats in new urban residential developments with per-square-foot price over \$10,000 are on the lowest threshold. How can the general public not have grievances? Therefore, we very much hope that the Chief Executive will embrace our views with an open heart and stop being obstinate so much so that a wrong diagnosis is made and wrong medicine prescribed, resulting in the continuous spiralling of property prices like an unbridled wild horse.

President, as pointed out recently by Joseph YAM, former Chief Executive of the Hong Kong Monetary Authority, one of the reasons for surging property prices is that the local property market is no longer limited to the 7 million people

of Hong Kong, it has become a market facing the entire Mainland China. Even if only 0.001% of its population come to acquire a property in Hong Kong, asset prices in Hong Kong will spiral.

Anthony CHEUNG, a Member of the Executive Council, holds the same view. At the Annual Special Open Meeting of the Hong Kong Housing Authority held yesterday, he pointed out that 40% of the newly-completed flats were bought by Mainlanders and this had already distorted the demand structure of the local market. Considering that the Government should not stand idle, he suggested that it should study the need for restrictive measures on the purchase of properties by foreign persons. His view is indeed very similar to that held by the Liberal Party.

In fact, as early as February this year before the announcement of the Budget, the Liberal Party has suggested openly that the Government should also include the element of "restricted buyer" when rolling out more sites with flat size restrictions. In other words, the Government should firstly increase the supply of sites with flat size restrictions for the construction of small and medium-sized flats with gross floor area below 500 sq ft for first-time buyers. Secondly, the target buyers of these "size-restricted" flats should be local permanent residents who are first-time buyers. The same restriction should also apply for the subsequent resale of such flats so as to ensure that the right of Hong Kong people in buying these "starter homes" would not be affected.

Unfortunately, the Chief Executive did not find our constructive proposal pleasing to his ears. Moreover, when responding to a question raised by an Honourable colleague in this Council, he even said that he would not consider the proposal of "restricted buyer" unless the property market had become desperate. I really want to ask the Chief Executive, what is meant by "desperate"? Does it mean that the property market must reach a critical point or a point of life and death before he will actually do something effective and consider our proposal? I think the people will surely not endorse this approach taken by the Chief Executive.

As to the Chief Executive's view that the practice of specifying Hong Kong people as the target buyers of these "size-restricted" flats, as proposed by the Liberal Party, does not conform to the business principle of maintaining an open door, I do believe there is room for discussion. In fact, both Australia and

Singapore have imposed restrictions on the purchase of properties by foreigners such that the sale of some properties are only restricted to locals. However, this initiative has obviously neither deterred investors nor disrupted the local investment environment. In the case of Hong Kong, even if the sale of "size-restricted" flats is restricted to Hong Kong people, there are still a lot of luxury properties available for sale to overseas investors (including those from the Mainland). In that case, why does the Chief Executive not discard his biased view and take stock of the situation with a clear vision, and not reject the proposal categorically?

President, in addition to rolling out "size-restricted" flats and flats "reserved for sale to Hong Kong people", we consider that the Government must also ensure sufficient supply in the market in order to rein in the rising trend of property prices. Earlier, the Secretary for Development said that the Land Sale Programme would be announced in advance on a quarterly basis. That has in effect taken on board the Liberal Party's suggestion of resuming regular land sales with a limited extent. However, we consider this initiative not adequate because the Government must send a clear message to the market that sufficient supply of land is available. For example, if sites for the construction of 2 000 "size-restricted" flats are rolled out every two months, 12 000 flats will be available for sale in the market in one year. If this can be done, the market will no longer have any excuse to push up property prices further.

On the other hand, the Government must also save for a rainy day. In addition to increasing the supply of disposed sites, it must also expedite the development of potential sites, such as by increasing the supply of land through reclamation and cavern development. If more land is made available to produce more flats, hopefully, it can rein in the rising property prices. We also hope that if the Government will indeed create more land through reclamation, it must learn the lessons from the judicial review of the Hong Kong-Zhuhai-Macao Bridge project and prepare the relevant Environmental Impact Assessment reports properly so as to avoid any unexpected disruptions in the process of making the land sites available.

Regarding the resumption of the construction of HOS flats, the Liberal Party understand Honourable Members' wish of assisting low to middle-income families to acquire their homes. However, we must stress that the Liberal Party disapproves of the reinstatement of the original HOS without any adjustment.

Instead, adjustments should be introduced in accordance with the latest circumstances such as to avoid over-production of HOS flats. Moreover, a resale restriction period must be imposed.

President, we expect that the Chief Executive will give some concrete response to our demand for helping people acquire their homes in the forthcoming policy address to be announced in October.

President, I so submit.

MR FREDERICK FUNG (in Cantonese): President, I recall that two years ago when the prices of luxury properties were spiralling, Chief Executive Donald TSANG had said that he was not concerned about prices of luxury properties because they had no impact on people's livelihood. However, he would monitor the small and medium-sized property market every day. Subsequently, he even said in radio and television programmes that it would be difficult for the Government to create a prosperous property market, but it would be easy for the Government to destroy it and the impact of much damage could be substantial. He said that the Government could not implement policies which caused extreme fluctuations in property prices, and he was most worried about a slump in property prices. He even used the prices and turnover of property transactions in 1997 and 1998 as a comparison and pointed out that the then property prices were still 28% lower than the high level in 1997. He therefore concluded that the market for small and medium-sized properties was still normal. That was his conclusion.

Although the Chief Executive said he would monitor the property market every day, the property prices of today has not gone down, but rather the prices have spiralled like an unbridled wild horse. It turns out that the leader of the SAR — who has the power to formulate policies and said that he cared about people's livelihood and would monitor the market every day — is no different from any ordinary citizens who are just powerless in face of the crazy spiralling property prices.

The Secretary may argue later that the Government has already implemented a lot of measures to stabilize property prices. For example, starting from February last year, the Financial Secretary announced in the Budget

about increasing housing supply, enhancing the transparency of the property market, and even implementing the "nine new measures" to regulate the sale of new flats. Starting from August, confirmor transactions for first-hand uncompleted flats approved for pre-sale were disallowed (that is, speculative activities in relation to "confirmor" cases were disallowed). Subsequently, the Chief Executive announced in the Policy Address that land would be made available for an average of 20 000 private residential flats per annum in the next 10 years, and the My Home Purchase Plan would be introduced. Then in mid-November, the Financial Secretary announced the levy of a special stamp duty to curb property speculation. Recently, taking further actions in respect of land supply, the Government announced that it would put up a total of nine residential sites through government-initiated land sale by tender or auction between April and June. These sites were expected to provide about 2 650 flats. It is hoped that the property market can be stabilized by controlling market supply.

Unfortunately, a review of the outcome indicated that the various measures stated above have no effect on the property market at all. According to the latest statistics published by the Government, property prices have increased by 9% in the first quarter of this year, exceeding the level in 1997. The mortgage-to-income ratio has increased to 48%, representing a 7% increase year-on-year. In other words, half of the household income is used on mortgage payment. That level is almost on a par with the average ratio over the past 20 years. In mid-May, all three sites put up for public auction were sold at prices at the high-end of market estimates, further fuelling the rampant property market.

We can see from both the statistics and the current situation that the people's income cannot catch up with the spiralling increases in property prices. Property prices have gone out of touch with public affordability. The difficulties faced by the public in respect of home ownership and housing generally have plagued our community and social development. The basic demand of the people to live and work in contentment is just some unrealistic fantasy of an idiot.

The root of all these problems lies with the Administration's misguided belief that the market is omnipotent, so much so that it has unilaterally relied on the market to resolve the housing problems. That belief is so deep-rooted that the Administration's land and housing policies are overly passive. In the past, the so-called measures to stabilize the market have all been market-oriented, for

example, increasing land sale continuously, trying to control prices through enhanced supply, and believing that the downstream property prices would be adjusted downward if the upstream cost of land to be procured by developers is lowered. In other words, the measures are all premised on the belief that by increasing supply and controlling the cost of flour, the price of bread will naturally be controlled.

However, it turns out that the developers' focus is not the purchasing power of the market as perceived by our leaders, but the purchasing power of people from our Motherland. The developers are willing to acquire land on increasingly higher prices so as to meet external demand. This has effectively overturned the Government's measures and fuelled the further increase in property prices. The Government's intention has backfired.

President, the fact that many land lots have been sold at prices at the high-end of market estimates well illustrate that the Government's approach is unfeasible, impractical and useless. Hong Kong's property market has been completely distorted and is no longer led by demand from local buyers. Instead, the property market is driven by external demand with capital from the Mainland, resulting in a fundamental and structural change in the local-buyer market.

Unfortunately, the current land and housing policies of the Government, except for those in relation to public rental housing (PRH), are totally blank. The only conclusion one can draw is that the Government totally relies on the market. As I said in the beginning, the property market is like an unbridled wild horse. Persons belonging to the upper class can of course buy their properties in the private property market, but those in the lower and middle classes cannot afford to do so. Faced with such a massive gap in housing, the Government still insists on doing nothing.

The Hong Kong Association for Democracy and People's Livelihood (ADPL) considers that this approach of relying on private market is utterly impractical, especially with the influx of "hot money" as a result of the United States monetary policy of quantitative easing, and under the prevailing low-interest environment. As the property market is driven by capital from the Mainland and asset prices have been pushed up far beyond the local growth of productivity and salary increment, property prices have gone completely out of touch with the purchasing power of local households.

The ADPL has all along considered that the Administration must revert to the well-established Home Ownership Scheme (HOS) in order to fill the housing gap, truly establish a comprehensive system of PRH and subsidized home ownership and build up a "bottom up" housing ladder so as to meet the housing need of persons belonging to the lower and middle classes and hence, achieve the real objective of social policies.

Unfortunately, the Government has all along disregarded or failed to listen to our views. The Government is only concerned about defending the free market and the benefits of those with vested interest. Acting on the wrong priorities, the Government has retreated from the market. It is regrettable that the Government should adopt such a stupid and passive policy.

All in all, the Administration must comprehensively review its current short-sighted housing policy, resume the construction of HOS flats, increase the production of PRH units, and distinctly separate "value-added acts of investment in the property market" from "housing demand". In the medium to long term, the Administration must re-establish the role of the Government in the housing market thorough *bona fide* public participation and consultation and step up its commitment in housing supply.

Thank you, President.

MR CHEUNG KWOK-CHE (in Cantonese): President, this Council has already passed two motions in the current legislative session on the housing problem, namely the motion on "Helping needy persons acquire their homes" moved by Mr LEE Wing-tat and the motion on "Enhancing the My Home Purchase Plan" moved by Mr CHEUNG Hok-ming. If the present motion moved by Mr James TO is passed today, that would be the third motion passed by this Council in relation to home ownership within this legislative session.

Why are discussions on housing problems held successively by the Legislative Council? I think the answer is clearly evident from the wording of the motion. Even though the people of Hong Kong and the majority of Honourable Members present have expressed their wish for resuming the construction of Home Ownership Scheme (HOS) flats to the Government, it has clung to its own course obstinately and just resorted to hard selling the "My

Home Purchase Plan" (MHPP) while refusing to resume the construction of HOS flats.

Obviously, the Chief Executive who had worked as a salesperson is a poor salesperson because the MHPP has failed to win the endorsement of the people and Honourable Members ever since the first day the Chief Executive kicked off its publicity. Even more so, it has been dubbed sarcastically as the "My Home Worry Plan". Nonetheless, the most worrying thing is that property prices in Hong Kong have not fallen even with the subsequent implementation of various stabilization measures by the Government. Instead, they go on a strong increasing trend and already exceeded the high level in 1997.

Moreover, the Government always assumes that property prices can be stabilized with the provision of additional land, and subsequently, increasing supply of residential flats. However, the Government is obviously wrong in its assumption. We all know that most of these sites made available for residential development would be used for constructing luxury properties. Just like the lot at Borrett Road to be auctioned tomorrow, these are sites suitable for luxury residential developments.

It is even more ironic that real estate developers have packaged residential developments in the vicinity of refuse chambers, markets or old industrial buildings as luxury properties to ensure that they get maximum profits out of these developments. For example, such properties in the urban areas invariably sell for \$10,000 per square foot, which is beyond the affordability of ordinary citizens. I cannot help but think, is the Government planning to drive away all grass-roots citizens from urban areas in the next 20 to 30 years so that they can only live in areas such as Tin Shui Wai, Tuen Mun and Fan Ling?

It is even more upsetting that whenever we made a suggestion about resuming the construction of HOS flats, the Government just rejected it categorically by citing some specious grounds as excuses in sophistry. It is most laughable that the Government has always cited the "lack of consensus" as an excuse. In that case, I would like to ask the Government, who has not reached a consensus? Is that the ordinary folk or major property developers? It is really unavoidable that there are accusations in the community about collusion between the Government and property developers.

Regarding the demand for building additional public rental housing (PRH) units, the Government is likewise stalling the issue by claiming that the provision of 15 000 units per annum is already adequate. With over 100 000 applicants on the PRH Waiting List currently, how can the Government meet its pledge of allocating PRH flats to applicants within three years? The Government has indeed disregarded the plight of the grassroots.

The Tuen Ng Festival happened to fall on last Sunday. I was reminded of the poet QU Yuan. Although he dedicated himself to the Warring State of CHU and rendered a lot of constructive advice, he was attacked by slanders, isolated and even exiled because the imperial court was infested by imbecile officials. In utter desperation, he finally drowned himself in a river.

Nowadays, we commemorate QU Yuan at Tuen Ng Festival because of his noble character. Unfortunately, our commemoration is merely a tribute in form. Considering in particular the Chief Executive and his senior officials, I can honestly see nobody with the noble character of QU Yuan. They only know how to flatter the developers and pay no attention to the plight of ordinary folks. Their governance was marked by neither vision nor long-term planning. Even if there is any such element, the relevant measures are invariably impractical because they are only perfunctory window-dressing, a classic case in point being the development of the six major industries. Hence, I support the motion proposed by Mr James TO to express grave dismay at the Chief Executive in order to show our dissatisfaction.

President, I so submit.

MR CHAN KIN-POR (in Cantonese): President, during the past year, although the Government has implemented a number of measures at different times to curb property prices, and the Legislative Council has discussed the problem of the property market time and again, property prices have continued to go up rather than down. Although the pace of increase has slackened recently, property prices are still at record high, causing much dissatisfaction among the people.

There are complicated reasons for the surging property prices in Hong Kong, both internally and externally. In fact, at the end of last year, the Government has introduced the special stamp duty which was once regarded as

the "ultimate stroke of the century". Although it did successfully eliminate short-term speculative activities from the market, supply in the secondary market had also been reduced, causing further distortion to the market and pushing up property prices instead. Moreover, starting from this financial year, the Government has increased land supply substantially and introduced measures which effectively resume regular land sales. However, many of these sites were auctioned off at high prices recently and this has become the momentum to sustain the property market.

All these phenomena reflect the complication of the property market. They also demonstrate that any government measures, no matter how powerful they are, cannot possibly achieve the intended effect in the short term unless the root cause of the problem is tackled. In my view, the Linked Exchange Rate system and buyers from the Mainland are two vital factors that directly push up the demand in the local property market.

Since the reunification, Hong Kong has been suffering from the Linked Exchange Rate system. Under the system, Hong Kong cannot have an independent monetary policy and local interest rates cannot surpass US dollar rates. As such, even with increasing property prices in recent years, local mortgage rates are bound by the low interest policy in the United States and have even stayed below 1% per annum for a certain period of time. Although mortgage rates have increased recently, they are still just slightly over 1% per annum and much lower than inflation. Given the serious distortion of the mortgage market, local banks are compelled to maintain very low mortgage rates even though housing demand is surging. This has effectively sent a wrong signal to the market.

Moreover, given the constraints of the Linked Exchange Rate, Hong Kong cannot increase the interest rate to curb inflation. As Hong Kong is entering another inflationary cycle and with public expectation of worsening inflation, there is strong demand for "brick-and-mortar" investment as a form of inflation protection. Despite rising prices, many people are still very keen on property acquisition as a means of fighting inflation.

Meanwhile, as a result of the quantitative easing policy in the United States, a large number of banknotes were "printed" and went into the financial markets. By virtue of the Linked Exchange Rate, there is no currency risk

between the Hong Kong dollar and the US dollar, and this has led to an influx of hot money into Hong Kong. According to the statistics of the Hong Kong Monetary Authority, the inflow of liquid funds into Hong Kong's banking system since 2008 has amounted to some \$1,300 billion. With such an astronomical amount of liquidity, it would need just a fraction to keep property prices afloat.

Although a number of housing and land policies have been mentioned in both the original motion and the amendments, I personally consider that they can hardly achieve the intended effect of cooling down the property market if fundamental issues arising from the Linked Exchange Rate system are not addressed in the first place. Hence, I hope the Government can seriously consider pegging the HK dollar to Renminbi. As a matter of fact, local economic cycles are now becoming more in tandem with those of the Mainland than the United States. Hence, it is in the long-term interest of Hong Kong to peg the HK dollar to Renminbi.

Another vital factor that I want to discuss is the buying spree of affluent Mainlanders. As a result, Hong Kong's property market is no longer a market for local buyers, but one facing the entire Mainland China. There are many reasons why Mainlanders are keen to acquire properties in Hong Kong. Apart from the inherent attractions of the local property market, there is the "price discount" factor by virtue of persistent devaluation of the HK dollar against Renminbi as a result of the Linked Exchange Rate system. This has fuelled their interests in acquiring local properties.

Meanwhile, the actual demand for local housing from Mainlanders is also rising. Apart from Mainlanders who do business and work in Hong Kong, some 30 000 to 40 000 pregnant women would come to give birth in Hong Kong each year. It is expected that some of these locally-born children would eventually come to live in Hong Kong. It is natural for the more well-off families to buy properties in Hong Kong in preparation. As a result, housing demand is pushed up further.

There are views that certain restrictions should be imposed on property acquisition by Mainlanders so as to protect the right of local residents in home ownership. However, Hong Kong is an internationally renowned free port. Funds are free to come and go, and assets are freely available for sale and purchase. These are the pillars of our success. Any restriction would be

harmful to our status as a free port. Thus, any restriction on target buyers is out of the question unless the situation turns detrimental.

Having said that, as demand from Mainlanders has become secular, the Administration must introduce some special measures to contain their buying spree, such as levying special taxation on non-local buyers or introducing measures to increase the cost of property acquisition by non-locals. These ideas, of course, would need more careful consideration, but I think fiscal measures are more viable.

Earlier in this debate, many Honourable Members called for resuming the construction of Home Ownership Scheme (HOS) flats and increasing the supply of public rental housing (PRH) units. All along, I have taken the view that the Government is duty-bound to help resolve the housing problems of the people. Therefore, the Government should accelerate the construction of more PRH units so that the grassroots living in poor conditions can be allocated with PRH expeditiously. That will also give more people the opportunity to live in PRH. On the question of resuming the construction of HOS flats, the Chief Executive has already given an undertaking to this Council that he would seriously consider the matter and follow up on it in the forthcoming policy address to be announced in October. I trust the Chief Executive would make a decision that is in the best interest of our society.

I so submit.

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

MR ABRAHAM SHEK (in Cantonese): President, I wish to declare that I represent the real estate sector. If I do not declare interests, I will be in trouble.

President, property prices in Hong Kong are now rising with each passing day. I believe property developers as well as the people of Hong Kong do not wish to see this situation, because it is not a healthy phenomenon to business operators, home purchasers as well as society in general. We hope that property prices and the property market can remain stable, which is conducive to the general policy in Hong Kong.

The motion proposed by Mr James TO today criticizes the Government for failing to assist Hong Kong people to acquire their homes. The problem is, is the Government duty-bound to assist everyone to acquire their homes? First, the Government is duty-bound to provide a home to needy citizens. Second, the Government is also duty-bound to ensure the healthy development of the market. We can explore further along these two lines.

First, let us examine whether the Government has played its regulatory role to ensure the healthy development of the market. Please note that there are 180 000 to 200 000 property transactions in Hong Kong every year. In the past three years, no more than 12 000 new flats were put up for sale in the market with a slight drop to 8 000 to 9 000 new flats in the year before last. The situation is not welcoming to property developers.

In the past eight years, property developers have urged the Government to increase the supply of land and to regain control to initiate land auctions, with a view to stabilizing the supply. However, has the Government done so? The answer is in the negative. Particularly in the past five years since the setting up of the Transport and Housing Bureau and the Development Bureau, housing supply and housing programmes of the Hong Kong Housing Authority have been put under the portfolio of the Transport and Housing Bureau, which has no authority to formulate land policy to prevent other policies from intervening with the market and to ensure the healthy development of the market because land-related issues are under the portfolio of the Development Bureau.

A simple case in point is, when Secretary Eva CHENG introduced the My Home Purchase Plan, she had no sites to take forward the scheme and the 1 400 flats will not be ready until 2014. Contrarily, the Development Bureau could grant sites at its will to the Urban Renewal Authority (URA) for the "flat-for-flat" arrangement. However, the URA does not need a "flat-for-flat" arrangement mainly because the affected citizens already own a flat and they can purchase another flat with the URA compensation and they are even entitled to purchase the flats of the redeveloped building. It is thus evident that the Policy Bureau led by Secretary CHENG lacks the power to properly implement its policy.

Another example is the Home Ownership Scheme (HOS) flats. The HOS market is different from the private property market because HOS flats are housing units that members of the public purchased with government subsidy. The Government did not launch any HOS schemes in 2002 and 2003 because it

had a historic duty or reason not to do so. However, the surging property prices in the past few years have dashed the hopes of many young people or the middle-aged of becoming a property owner. Just look at the government policy. In the recent land auction of a site in Yuen Long, the "flour price" (that is, the sale price of the site) is already over \$6,000 per square foot; assuming that the property developer needs to add another \$1,000-odd to \$2,000 as the construction cost, each completed flat will cost \$8,000-odd to \$9,000 per square foot. It is undesirable even if the property developer is willing to invest \$8,000 for the \$1,000 profit. Hence, if the flour price is high, the bread will definitely be expensive. This is not a situation which property developers would like to see, but when land premium is so high, serious problems will arise.

The Government said that it would roll out many sites for auction, five sites in three months to be exact, but it has put up different types of sites for auction each time, with one on the peak, one in Yuen Long and one at the Mid-Levels. The property developers feverishly bid the sites. However, if all the five sites were situated in Yuen Long or at the Mid-Levels, it would be a different picture. Hence, the Government has not clearly sorted out its purpose. On the one hand, it seeks to reaffirm its high-land-premium policy; on the other hand, it has formulated policies to curb the property prices, but the market is not something which can be reined by the Government.

President, I very much support the resumption of the construction of HOS flats because it can really address the present social problems, not only the problem of housing, but also the problem of people's demand on housing. This is very important. However, the Government has, by revitalizing the HOS secondary market, gone into the wrong direction again. HOS flats are subsidized housing and should not be put up for sale in the private market. Even if they are, they should be sold to people who have been queuing for HOS flats. This is the only way to address the problem. This is very important. Hence, I very much hope that the Chief Executive can listen to public opinion and to their voices for resuming the construction of HOS flats and propose corresponding measures in October. I hold that this is the only way to truly address this social problem.

Thank you, President.

MR ALAN LEONG (in Cantonese): President, even Mr Abraham SHEK, the Legislative Council Member representing the real estate sector, is of the view that the construction of the Home Ownership Scheme (HOS) flats should be resumed and he has pointed out the problems that have arisen after the Government has set up two Policy Bureaux to take charge of housing and land separately. The original motion of Mr James TO today seeks to express grave dismay at Chief Executive Donald TSANG and urge the Chief Executive to make serious reflection and respect public opinion. I believe the motion will very probably be passed.

President, the Civic Party pledges our full support to Mr James TO's original motion. Hence, the Civic Party cannot support any amendments which seek to delete the wordings that "this Council expresses grave dismay at Chief Executive Donald TSANG Yam-kuen, and urges the Chief Executive to make serious reflection and respect public opinion".

President, in fact, we are a little irritated for having to discuss in this Council that the public can no longer be shell-less snails or the public should be able to purchase their own home at a reasonable price. However, our Chief Executive Donald TSANG has turned a deaf ear to all these discussions, we really think that he is capable of doing something that common folks will not be able to do so. As a jest, this is positive because at least, there is something which makes him stand out.

President, after speaking in jest, the Civic Party has to express our grave discontent on behalf of the people of Hong Kong. President, if we refer to the price indices on private domestic buildings compiled by the Rating and Valuation Department, the indices on January 2009 was 107.1; the indices rose to 138.1 and 168.9 in January 2010 and January this year respectively. In other words, private property prices have risen by 60% in a matter of two years. Although the Government has introduced curbing measures, such as the so-called "10-stroke" measures and "12-stroke" measures, the property market continued to thrive no matter how many measures have been introduced. In October last year when the Chief Executive announced the My Home Purchase Plan (MHPP) in his policy address, the property price indices rose from 160.2 in October to 163.7 in November. We already knew from the property price indices that the MHPP was ineffective. Despite the fact that I heard Secretary Eva CHENG said just now that the two should not be linked together, how are we going to interpret the

phenomenon that prices of private properties keep rising without dropping if we do not link the two together?

Actually, Prof Anthony CHEUNG, a member of the Executive Council and the Housing Authority (HA), has repeatedly made one point and he reiterated it yesterday at the annual open meeting of the HA. President, what did he say? He said that Chief Executive Donald TSANG seemed unable to see a fact, that is, properties in Hong Kong are not purchased by Hong Kong people alone, but mainly by people in the Mainland because they are so affluent that they have countless money to spend. As such, it is indeed very disappointing if the Government continues to adopt the ostrich approach and pretend not to see the problem. This is why the property market continues to rocket no matter what measures are implemented. I believe a very important cause is the Mainland buyers. If the Chief Executive does not direct his measures at this cause, it will be very difficult to guide our property market back to a sensible track.

President, the community has long forged the consensus that the construction of HOS flats should be resumed and quite many academics have pointed out the advantages of HOS flats. Today it is more than clear that Mr Abraham SHEK, the Legislative Council Member representing the real estate sector, also expressed his aspiration for resuming the construction of HOS flats. A rare consensus among all political parties is seen today in this Council, which is made possible by our unanimous support to this issue. It is indeed amazing to see that the Government still goes against public opinion.

As an institution which represents public opinion, the Legislative Council is certainly duty-bound to express grave criticism against the obdurate SAR Government. This is how we truly discharge our duty to monitor the executive authorities and serve our supervisory function. The Civic Party expresses our grave dismay at the Government's performance in the past few years in addressing people's difficulty in acquiring their homes. In order to get rid of the incompetent image of the sunset Government, Donald TSANG should indeed consider following the public opinion and resume the construction of HOS flats in the last year of his term, so as to win back some respect from the people before his term ends. I so submit.

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

MR IP KWOK-HIM (in Cantonese): President, in his original motion, Mr James TO expresses grave dismay at the Chief Executive for the inability of the Government to respond to public aspirations for the resumption of the construction of the Home Ownership Scheme (HOS) flats and to help people acquire their homes. Mr Alan LEONG said just now that Mr Abraham SHEK, who represents the real estate sector, also clearly expressed his view on resuming the construction of HOS flats. In fact, the stance of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) in this subject is also very clear. When we learnt that the Government declined to resume the construction of HOS flats, the DAB has expressed our disagreement and have explicitly requested the Government to resume the construction of HOS flats because HOS flats play an important role in the entire property market.

Nevertheless, we have some reservation about the use of the words "grave dismay". Members should know how the HOS and private property market had been affected by the decision of supplying 85 000 flats made in 1997 and the prevailing situation after the SARS. I believe relatively senior Members or colleagues of the social service sector can still vividly remember the situation at that time. Hence, in finding a proper arrangement to tackle the present property market, we should not be too aggressive and abruptly jump to a simple decision.

Clearly, we have to consider the whole picture if we want to drive away gradually the demon of the HOS experience from our heart. We think differently if we are at a different position, and we have already learnt from the Chief Executive at the last Question and Answer Session that he would seriously consider this issue.

For the DAB, we very much hope and strongly request the Chief Executive to make a decision about the HOS issue. Indeed, we note that the My Home Purchase Plan (MHPP) is one of his endeavours trying to strike a balance on this issue, but the MHPP cannot fully satisfy people's aspirations in this regard.

I remember in the previous Chief Executive's Question and Answer Session, Mr James TO had urged the Chief Executive to implement special measures in special times and resume immediately the construction of a few

thousand HOS flats, so that people can have the opportunity of acquiring a flat by drawing lot. We understand that Mr TO is very anxious about resuming the construction of HOS flats, so are Members of the DAB and I believe many Members here are equally anxious. However, resuming the construction of HOS flats is a long-term housing policy. It is not an urgent rehousing measure in which the approach of adopting special measures in special times can be policy. Once we decide to resume the construction of HOS flats, there must be a comprehensive plan to go with it, including how fast and in what intensity the construction should be taken forward. These questions must be sorted out first.

In fact, the resumption of the construction of HOS flats will lead to planning problems, which Mr SHEK and other Members have already mentioned just now. The Government has made it clear that it will not use sites earmarked for public housing for constructing HOS flats. It cannot use sites for private development projects for HOS flats either, because this would reduce the supply of private properties. We agree with these two points in principle. In particular, we beg to differ with the views that sites earmarked for public housing be used for HOS housing because public housing is serving the people who have an even greater need to acquire a home.

How can the supply of land be increased? The Chief Executive has undertaken in the Question and Answer Session that he would address this issue in his coming policy address in October. No matter which approach the Chief Executive will propose to increase land supply, be it reclaiming the sea or opening up the mountains, I earnestly hope that the public and different political parties and groupings in this Council can discuss it in a sensible manner and not to rule it out all at once in the name of "undermining the environment".

The imbalance between supply and demand with the latter greatly exceeding the former is a prominent problem in the property market in Hong Kong. Mr Joseph YAM, the former Chief Executive of the Hong Kong Monetary Authority, said a few days ago that the local property market is not only the property market for the 7 million citizens, but one that is facing the entire mainland populace. People in the Mainland wish to buy properties in Hong Kong. Even if only a tiny fraction of them come to Hong Kong to buy properties, our property demand will greatly multiply, further pushing the local property market upwards.

The current land policy of the Government is to provide sites large enough to construct 20 000 private building flats annually in the coming decade. To begin with, the construction of these 20 000 flats is not a rigid target, let alone the fact that even if the Government can guarantee the supply of 20 000 private building flats each year, this target still lags behind the reality. The Government must take into consideration the multitude of mainlanders who will come here to buy properties. I hope that the Chief Executive can adopt a macro market perspective in proposing a long-term land and housing strategy in the coming policy address.

The property market of Hong Kong today has already surpassed the one at 1997. However, the incomes of the people cannot match up with the rising property prices at all. Hence, we need to construct HOS flats more than any time in the past. We anticipate that the Chief Executive can provide the people of Hong Kong with a satisfactory reply in the coming policy address this year.

With these remarks, I support Mr CHAN Kam-lam and Mr WONG Kwok-hing's amendments. Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr James TO, you may now speak on the amendments.

MR JAMES TO (in Cantonese): President, in the past year or so, I often heard people in different strata, from the grassroots to the super rich, asking the same question time and again: Why is Donald TSANG so reluctant to resume the construction of Home Ownership Scheme (HOS) flats? We are really at a loss. Did he refrain from building HOS flats to escape from the blame for the collapse of the property market possibly caused by HOS flats, basing on the belief that property prices will, just as some Members have said, drop sooner or later?

From the speeches delivered by Members who have spoken earlier, no one oppose the resumption of the construction of HOS flats. Why did Chief

Executive Donald TSANG choose to stand by his own judgment work against the general consensus of the public and this Council? Is he afraid that he would be blamed for causing the collapse of the property market? Presumably, if an appropriate amount of HOS flats is built, say a few thousand, no one would possibly blame him as everyone is well aware of how the economic environment is like. Even if there are drastic changes, his initiative would not be the straw that broke the camel's back.

President, I believe it is not the wish of any Executive Council members, Legislative Council Members, major real estate developers, major real estate agents or research teams to see the collapse of the property market. They have carefully considered this problem. Most academics, except one whom I know hold an opposite view, see eye to eye with people in the community. Can Donald TSANG go against the mainstream view of the entire society by insisting not to resume the construction of HOS flats on its own? What is the purpose of doing so?

Today, I still consider it necessary for this Council to exert the greatest pressure on the Chief Executive by expressing our grave dismay at him, thereby forcing him to resume the construction of HOS flats. However, given the short time of his remaining office, someone persuaded me to abandon any hope in him and leave him alone. This is tantamount to saying that instead of assigning any task to a dying person, he should be left to go quietly. After all, the candidate for the next term Chief Executive will probably work on this matter as long as the situation warrants. I nonetheless cannot agree with this. So long as he is our Chief Executive and members of the public have strong aspirations, I can assure you that people in different strata would definitely have strong grievances against the Government's refusal to resume the construction of HOS flats, even if the situation is not as dire as described by Donald TSANG.

President, I have no idea why the Chief Executive would act in this way. Mr IP Kwok-him just now said that he supported the resumption of the construction of HOS flats in principle, but warned against any hasty implementation through unusual measures for this is a long-term policy which warrants careful consideration. Is there any difference between this approach and that of Donald TSANG? Actually, the underlying principle is the same.

PRESIDENT (in Cantonese): Mr TO, you should speak on the amendment.

MR JAMES TO (in Cantonese): President, as the words "grave dismay" have been deleted from the amendment proposed by a Member from the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), I must therefore highlight why Chief Executive Donald TSANG has come up with the decision of not resuming the construction of HOS flats. It is probably because he also shared the view that the measure should not be pushed through too hastily, and wondered why people cannot wait for four more months. However, President, we have not only waited for four months, but a few years. What is more, Members from the DAB and the Hong Kong Federation of Trade Unions have also moved motions on this subject before.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I thank Members for their earlier speeches and views on the measures introduced by the Government under the housing policy. I will now give a summarized reply of the matters under the purview of the Transport and Housing Bureau and the Development Bureau.

The Government has been monitoring the development of the private residential property market closely and remains vigilant on the risk of a property bubble. The abundant liquidity and permanently ultra-low interest rates are the major causes of the current soaring property prices. In this connection, the Government has reminded the public time and again that the environment of abundant liquidity and low interest rates will not last forever; neither will the rising property prices. The public should be cautious of the potential impact an interest rate rebound will have on the property market, and carefully assess the risk incurred and their own financial position when making a home purchase decision.

Therefore, in February, April, August, October and November last year, the Government had introduced a number of measures to ensure the healthy and stable development of the property market along four directions. The Financial Secretary has also indicated that proper measures would again be introduced without hesitation where necessary.

I notice that some Members are concerned about the rising property prices even after the Government has allocated lands for constructing "flats with limited floor area". They queried the effectiveness of the relevant measure. As the Development Bureau had stated very clearly earlier, the sale of lands for constructing "flats with limited floor area" aims to increase the supply of small and medium-sized flats rather than provide affordable flats. The main purpose is to approach the problem from land supply.

Some Members considered that the effect of the special stamp duty still remains to be seen. Since the announcement of the levy of the special stamp duty on 19 November last year, the number of short-term speculative activities has decreased significantly. As I said earlier, there was an average drop of 78% per month in the number of confirmor cases in April when compared with the first 11 months of last year. We anticipated that the number will drop further, which reflects that the measure has effectively curbed short-term speculative activities. It is therefore hoped that when the bill on special stamp duty resumes its Second Reading debate in the Legislative Council, Members will support the bill and our amendments, thereby enabling the relevant bill to be passed smoothly.

A number of Members considered that neither the My Home Purchase Plan (MHPP) nor the basket of measures can help curb property prices. In this connection, I must reiterate that the MHPP is not intended to serve as a measure to curb property prices nor a tool to monitor the property market. In fact, we should not regard any subsidized housing programmes as a means to curb property prices. Prices of private housing may be affected by all kinds of factors such as the supply and demand for such flats, the economic environment and trend in interest rate. Thus, whether or not the Government will introduce measures to help people acquire their homes should not in any way relate directly to the rise and fall of property prices. Experience tells us that subsidized sale flats cannot solve those cyclical problems, nor smooth out short-term fluctuations.

Let us look back at history and take the Home Ownership Scheme (HOS) flats as an example. We rolled out about 46 000 subsidized sale flats between 1996 and 1997, but the prices of private flats still rose by more than 50% during that period. We started to sell the surplus flats under the HOS since 2007, totalling about 17 000 flats, but property prices were also seen to be climbing.

Therefore, President, on the whole, there will be a cascade of housing options available to people with varying affordability. The first level is the public rental housing (PRH) for low-income families who cannot afford private rental accommodation. Public housing is very important as it is the cornerstone of our housing policy. Above the PRH, there are secondary HOS flats under the HOS secondary market in which HOS flat owners can sell their flats to green form applicants without having to pay the premium. Besides, there are lower-priced housing for the general public in the private property market, including the HOS flats offered in the open market and the housing units under the MHPP. In the private property market, the primary and secondary markets will provide housing units of different market prices to satisfy the various needs of people who have the means.

We noted that Members wish to include the "rent-and-buy" concept under the MHPP. We will continue to listen carefully to the views of Members and the public, and are willingly to look for room for improvement to enhance the plan.

Besides, a Member proposed an increase in the supply of potential sites and disposed sites. Regarding an increase in the supply of potential sites (meaning land still held by the Government and has yet to be granted), under the 2011-2012 Land Sale Programme, 52 residential sites have been offered (of which 47 are included in the Application List whereas five are included in the Sale by Tender List). Among them, 18 are additional potential sites.

Regarding an increase in the supply of disposed sites (meaning land granted by the Government on which construction works may initiate by the grantee at any time), the Financial Secretary announced on 13 April this year that the Government has decided to step up its effort in government-initiated land sale. Between April and June, we would put up a total of nine residential sites through government-initiated land sale by auction or tender. Three of them are newly added sites for government-initiated land sale and included in the 2011-2012 Application List for direct sale. It is estimated that those nine residential sites would provide about 3 000 units. Once the land is granted, it will become a disposed site.

A number of Members proposed an increase in the supply of PRH flats. I would like to highlight that the objective of the Government and the Housing Authority (HA) is to provide subsidized rental housing to low-income families

who cannot afford private rental accommodation, under the target of maintaining the average waiting time at around three years.

The HA has in place the Public Housing Construction Programme (PHS) which will be extended yearly within a period of five years, and appropriate adjustments will be made to the PHS in accordance with the latest situation of supply and demand. We estimate that there will be 75 000 newly built PRH flats in the next five years, with an average of about 15 000 flats per year. Together with the existing PRH flats envisaged to be recovered each year, we estimate that the target concerning the average waiting time for PRH allocation can still be maintained at around three years. Just as I have said in my opening speech, after the relaxation of the eligibility criteria, an additional 25 000 households would be eligible for PRH. We will closely monitor the possible pressure on the demand for PRH caused by the relaxed limits and extend the PHS year on year. We will also review if the target three-year waiting time for PRH allocation can still be maintained, and appropriate adjustments will be made where necessary.

A Member also mentioned the Tenants Purchase Scheme (TPS) in the amendment. The TPS was launched in early 1998 to assist the Government in attaining the policy target of home ownership by 70% of the households in the entire territory within 10 years as set at that time. However, since the launching of the TPS, the target of home ownership which I mentioned earlier ceased to be our policy. What is more, some management problems had become very complicated. Above all, the recovery of PRH flats is actually the main source PRH supply, which enables the target three-year waiting time to be maintained. Therefore, we will not consider reinstating the TPS in the meantime.

A Member put forth the concept of the middle-class PRH scheme. Under the Government's subsidized housing policy, PRH flats are provided for people who cannot afford to rent private accommodation. At present, there are more than 150 000 applicants on HA's Waiting List, but land available for the development of PRH is limited. Hence, the target three-year waiting time is now subject to serious challenge. Any proposal which might impair our pledge to maintain the target three-year waiting time will be carefully considered.

A Member suggested that we should consider restricting non-Hong Kong residents from buying Hong Kong residential flats. This proposal warrants our serious consideration. If it is used as a means to curb property prices and

increase housing supply for local residents, we must be mindful if free movement of capital in Hong Kong would be affected for this is an economic factor contributing to our success. We should also consider if the proposal would affect our status as an international financial centre or pose any far-reaching implications on Hong Kong's long-term economic development. This subject does worth our serious consideration and a proper balance should be struck.

President, in conclusion, a basket of short, medium and long-term measures have been put in place to ensure a healthy and stable development of the property market. We must nonetheless be very careful when dealing with the property market. Just as I have said earlier on, we must consider future anticipated developments and also past experience. For future anticipated developments, clear targets have been laid down on land supply. Past experience must also be considered as there are currently more than 1 million property owners in Hong Kong. We do not want to see great fluctuations in the property market, which might adversely affect our economy. Under this circumstance, our measures aim to increase land supply on the one hand, and curb short-term speculative activities which are unfavourable to market stability on the other. For land supply, I have just said that the Government is resolute in increasing land supply. This is beyond doubt. We shall closely monitor the development of the property market. As I have said time and again earlier on, the Financial Secretary has stated clearly that more measures will be introduced without hesitation where necessary having regard to the circumstances.

Thank you, President.

PRESIDENT (in Cantonese): Mr CHAN Kam-lam, you may now move your amendment to the motion.

MR CHAN KAM-LAM (in Cantonese): President, I move that Mr James TO's motion be amended.

Mr CHAN Kam-lam moved the following amendment: (Translation)

"To delete 'regarding people's problem of' after 'That,' and substitute with 'focusing on the problems of property price increases and people's difficulties in'; to delete ', and the relevant motions were passed by this

Council, but the Government has turned a deaf ear and disregarded public opinion;' after 'Tenants Purchase Scheme' and substitute with '; yet,; to add 'recently' after 'by the Government'; to add ', etc.' after 'sale by auction'; to delete 'in Hong Kong' after ', property prices'; to delete 'these government' after 'reflecting that' and substitute with 'the relevant'; to add 'curb property price increases and' after 'unable to'; and to delete 'expresses grave dismay at Chief Executive Donald TSANG Yam-kuen, and urges the Chief Executive to make serious reflection and respect public opinion' after 'connection, this Council' and substitute with 'urges the SAR Government to act appropriately having regard to the circumstances, and proactively respond to public aspirations by formulating a land and housing supply strategy to restore the healthy development of the real estate market, including resuming the construction of Home Ownership Scheme flats, reinstating the Tenants Purchase Scheme and enhancing My Home Purchase Plan, as well as building additional public rental housing flats, and rolling out middle-class public rental housing scheme and youth rental housing scheme to assist people in saving money for acquiring their homes'."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr CHAN Kam-lam to Mr James TO's motion, be passed.

PRESIDENT (in Cantonese): Before I deal with Mr CHAN Kam-lam's amendment, I should first deal with Mr Fred LI's amendment to Mr CHAN Kam-lam's amendment. But since Mr Fred LI is not in the Chamber now, I declare the suspension of the meeting.

8.24 pm

Meeting suspended.

8.25 pm

Council then resumed.

PRESIDENT (in Cantonese): Mr Fred LI, you may now move your amendment to Mr CHAN Kam-lam's amendment.

MR FRED LI (in Cantonese): President, sorry, I move that Mr CHAN Kam-lam's amendment be amended.

Mr Fred LI moved the following amendment to Mr CHAN Kam-lam's amendment: (Translation)

"To delete 'by formulating' after 'public aspirations' and substitute with '; and regarding the Government's repeated failure to proactively respond to the consensus of the public and this Council, this Council expresses grave dismay and calls upon Hong Kong people to make continuous efforts in expressing their strong aspirations to Chief Executive Donald TSANG Yam-kuen to strive for the formulation of'; and to add 'to provide Hong Kong people with opportunities for acquiring affordable homes' after 'enhancing My Home Purchase Plan'."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Fred LI to Mr CHAN Kam-lam's amendment, is passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised hands)

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

(Members raised hands)

Mr CHAN Kam-lam rose to claim a division.

PRESIDENT (in Cantonese): Mr CHAN Kam-lam has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Dr Margaret NG, Ms LI Fung-ying and Mr CHEUNG Kwok-che voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Ms Miriam LAU, Mr Abraham SHEK, Dr LAM Tai-fai, Mr CHAN Kin-por and Mr IP Kwok-him voted against the amendment.

Dr Joseph LEE and Mr IP Wai-ming abstained.

Geographical Constituencies:

Mr Albert HO, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Andrew CHENG, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr KAM Nai-wai, Ms Cyd HO, Mr WONG Sing-chi, Mr Alan LEONG and Miss Tanya CHAN voted for the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG and Mr LEUNG Kwok-hung voted against the amendment.

Mr WONG Kwok-hing and Mr WONG Kwok-kin abstained.

THE PRESIDENT Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 14 were present, three were in favour of the amendment, nine against it and two abstained; while among the Members returned by geographical constituencies through direct elections, 23 were present, 13 were in favour of the amendment, seven against it and two abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

MS MIRIAM LAU (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "The inability of the Government's measure to help people acquire their homes" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

I order that in the event of further divisions being claimed in respect of the motion on "The inability of the Government's measure to help people acquire their homes" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): I now put the question to you and that is: That Mr CHAN Kam-lam's amendment to Mr James TO's motion be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised hands)

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

(Members raised hands)

Mr James TO rose to claim a division.

PRESIDENT (in Cantonese): Mr James TO has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Dr Raymond HO, Mr WONG Yung-kan, Mr Abraham SHEK, Ms LI Fung-ying, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Wai-ming and Mr IP Kwok-him voted for the amendment.

Dr Margaret NG, Dr Joseph LEE and Mr CHEUNG Kwok-che voted against the amendment.

Mrs Sophie LEUNG, Dr Philip WONG and Ms Miriam LAU abstained.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG and Mr WONG Kwok-kin voted for the amendment.

Mr Albert HO, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Andrew CHENG, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Mr WONG Sing-chi, Mr Alan LEONG, Mr LEUNG Kwok-hung and Miss Tanya CHAN voted against the amendment.

THE PRESIDENT Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 14 were present, eight were in favour of the amendment, three against it and three abstained; while among the Members returned by geographical constituencies through direct elections, 24 were present, eight were in favour of the amendment and 15 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr WONG Kwok-hing, you may move your amendment.

MR WONG KWOK-HING (in Cantonese): President, I move that Mr James TO's motion be amended.

Mr WONG Kwok-hing moved the following amendment: (Translation)

"To delete 'Government has turned a deaf ear and disregarded public opinion' after 'this Council, but the' and substitute with 'Government's various corresponding strategies and their intensity have failed to achieve any result, causing growing public discontent'; to add 'to levels comparable to those in 1997' after 'continued to rise'; to delete 'these' after 'reflecting that' and substitute with 'the aforesaid'; to delete 'help people acquire' after 'unable to' and substitute with 'resolve people's difficulties in acquiring'; and to delete 'expresses grave dismay at Chief Executive Donald TSANG Yam-kuen, and urges the Chief Executive to make serious reflection and respect public opinion' after 'connection, this Council' and substitute with 'urges Chief Executive Donald TSANG Yam-kuen to respect the consensus of the Legislative Council and the community to formulate appropriate measures to assist local people in acquiring their homes and draw up timetables for their implementation, including expeditiously resuming the construction of an appropriate quantity of Home Ownership Scheme flats annually and reinstating the Tenants Purchase Scheme, enhancing My Home Purchase Plan, introduce more housing and home acquisition measures to assist the sandwich class, striving to further increase the supply of potential sites and disposed sites for constructing residential buildings, and expeditiously formulating a long-term housing policy for Hong Kong, with a view to enabling Hong Kong people to live and work in contentment'."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr WONG Kwok-hing to Mr James TO's motion, be passed.

PRESIDENT (in Cantonese): Mr LEE Wing-tat, you may now move your amendment to Mr WONG Kwok-hing's amendment.

MR LEE WING-TAT (in Cantonese): President, I move that Mr WONG Kwok-hing's amendment be amended.

Mr LEE Wing-tat moved the following amendment to Mr WONG Kowk-hing's amendment: (Translation)

"To delete 'by formulating' after 'the community' and substitute with '; and regarding the Government's repeated failure to respect the consensus of the Legislative Council and the community, this Council expresses grave dismay and calls upon Hong Kong people to make continuous efforts in expressing their strong aspirations to the Chief Executive to strive for the formulation of'."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr LEE Wing-tat to Mr WONG Kwok-hing'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 hands)

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

(Members raised hands)

Mr IP Kwok-him rose to claim a division.

PRESIDENT (in Cantonese): Mr IP Kwok-him has claimed a division. The division bell will ring for one minute.

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

PRESIDENT (in Cantonese): Ms Miriam LAU, have you cast your vote?

(Ms Miriam LAU pressed the button to vote)

PRESIDENT (in Cantonese): Will Members please check their votes

MS AUDREY EU (in Cantonese): President, I have pressed the "present" button many times, but I still cannot change my vote.

PRESIDENT (in Cantonese): Is it still not okay? I will mark down your voting intention.

MS AUDREY EU (in Cantonese): President, I have finally succeeded in changing my vote.

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

Functional Constituencies:

Dr Margaret NG, Ms LI Fung-ying and Mr CHEUNG Kwok-che voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Ms Miriam LAU, Mr Abraham SHEK, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Wai-ming and Mr IP Kwok-him voted against the amendment.

Dr Joseph LEE abstained.

Geographical Constituencies:

Mr Albert HO, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Andrew CHENG, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Ronny TONG, Mr

KAM Nai-wai, Ms Cyd HO, Mr WONG Sing-chi, Mr Alan LEONG, Mr LEUNG Kwok-hung and Miss Tanya CHAN voted for the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG and Mr WONG Kwok-kin voted against the amendment.

THE PRESIDENT Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 14 were present, three were in favour of the amendment, 10 against it and one abstained; while among the Members returned by geographical constituencies through direct elections, 24 were present, 15 were in favour of the amendment and eight against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): I now put the question to you and that is: That Mr WONG Kwok-hing's amendment to Mr James TO's motion be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised hands)

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

(Members raised hands)

Mr James TO rose to claim a division.

PRESIDENT (in Cantonese): Mr James TO has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Mr WONG Yung-kan, Ms Miriam LAU, Ms LI Fung-ying, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Wai-ming and Mr IP Kwok-him voted for the amendment.

Dr Margaret NG, Dr Joseph LEE and Mr CHEUNG Kwok-che voted against the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG and Mr Abraham SHEK abstained.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan and Mr WONG Kwok-kin voted for the amendment.

Mr Albert HO, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Andrew CHENG, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Mr WONG Sing-chi, Mr Alan LEONG, Mr LEUNG Kwok-hung and Miss Tanya CHAN voted against the amendment.

Dr Priscilla LEUNG abstained.

THE PRESIDENT Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 14 were present, seven were in favour of the amendment, three against it and four abstained; while among the Members returned by geographical constituencies through direct elections, 24 were present, seven were in favour of the amendment, 15 against it and one abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Ms Cyd HO, you may now move your amendment.

MS CYD HO (in Cantonese): President, I move that Mr James TO's motion be amended.

Ms Cyd HO moved the following amendment: (Translation)

"To add 'at the same time, the Administration has all along refused to build more public rental housing flats to alleviate people's demand for private residential flats;' after 'acquire their homes;'. "

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Ms Cyd HO to Mr James TO'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 hands)

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

(Members raised hands)

Ms Cyd HO rose to claim a division.

PRESIDENT (in Cantonese): Ms Cyd HO has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Dr Margaret NG, Ms LI Fung-ying and Mr CHEUNG Kwok-che voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Abraham SHEK, Mr CHAN Kin-por and Mr IP Kwok-him voted against the amendment.

Ms Miriam LAU, Dr Joseph LEE and Mr IP Wai-ming abstained.

Geographical Constituencies:

Mr Albert HO, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Andrew CHENG, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Mr WONG Sing-chi, Mr Alan LEONG, Mr LEUNG Kwok-hung and Miss Tanya CHAN voted for the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan and Dr Priscilla LEUNG voted against the amendment.

Mr WONG Kwok-hing and Mr WONG Kwok-kin abstained.

THE PRESIDENT Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 13 were present, three were in favour of the amendment, seven against it and three abstained; while among the Members returned by geographical constituencies through direct elections, 24 were present, 15 were in favour of the amendment, six against it and two abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negated.

PRESIDENT (in Cantonese): Mr James TO, you may now reply and you have six minutes and seven seconds.

MR JAMES TO (in Cantonese): President, now that all amendments have been negated and only the original motion is left behind.

President, on behalf of the Democratic Party, I am issuing an ultimatum to the Government, especially Chief Executive Donald TSANG. Given that the community and the Legislative Council have forged a clear consensus that the Government should resume the construction of Home Ownership Scheme (HOS) flats, so if the Chief Executive refuses to go along with or respect this strong consensus and public opinion, the Democratic Party will propose a motion of no confidence in the Chief Executive later.

The fact that there are only a few months left in the Chief Executive's terms of office does not justify our tolerance for a government with seemingly no Chief Executive. The HKSAR Government is obliged to take care of people's living. It is rare that a mainstream view has emerged among the community, including most academics and even real estate developers, Executive Council members and the majority of Legislative Council Members. They all supported the resumption of the construction of HOS flats. Our Chief Executive, however, has turned down the community's unanimous request on his own will and wisdom. President, I do not think such a Chief Executive should remain in office. He is actually creating social conflicts and causing social instability, thereby intensifying social grievances, increasing social volatility and seizing the hopes of the community. Certainly, the resumption of the construction of HOS flats alone cannot bring a complete change in society. If the Chief Executive insists

to stand as enemy of the people, thinking that he is wiser than anyone else, the community will have to decide whether he should continue to be our Chief Executive.

President, some colleagues said that the Chief Executive had, in the Question and Answer Session, requested us to give him a few more months. Today, in this Council, we are imploring an endorsement of a motion which has been pursued for years, in the hope exerting greater pressure on and conveying a clearer message to the Government. Regrettably, all amendments have been negated. They are, after all, the objectives and purposes intended to be achieved by the original motion. President, the message is very clear.

The Secretary just now told us that some measures would be introduced, including the special stamp duty. There are still two weeks before the proposed special stamp duty will be endorsed and the relevant bill has yet to be enacted, but it has already lost its effect. We are probably more terrified to hear the Government saying that all "confirmors" and speculators have left the market, because this would mean that it is now the buyers' market. And yet, property prices are climbing indefinitely. The Government said that it would refrain from implementing any measures to avoid causing ups and downs in property prices. I wonder if the Government has ever thought that the upsurge in property prices is actually caused by a long-standing lack of land supply and the Government's refusal to resume the construction of HOS flats.

President, I notice from the Government's reply that the least mentioned subject is the resumption of the construction of HOS flats. Why? Why did the Government not take this opportunity to discuss the pros and cons of the HOS? Can the Government let us know and hear its opinions? Can the Government show us the wisdom and vision of Chief Executive Donald TSANG so as to convince the entire society that it is wrong to propose the resumption of the construction of HOS flats? So far, the Chief Executive has not demonstrated his wisdom and vision, via the Secretary, to prove to the entire society that we are wrong. In fact, the Chief Executive has not done anything at all, not over the past few years.

President, our tolerance is limited. I hope that people will come out on 1 July to tell the Chief Executive that we need to resume the construction of HOS flats. Can the Government give us a little hope and not to leave the Chief Executive standing as an enemy of the people?

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr James TO be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised hands)

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

(Members raised hands)

Mr James TO rose to claim a division.

PRESIDENT (in Cantonese): Mr James TO has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Dr Margaret NG, Ms LI Fung-ying and Mr CHEUNG Kwok-che voted for the motion.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Ms Miriam LAU, Mr Abraham SHEK, Mr CHAN Kin-por and Mr IP Kwok-him voted against the motion.

Dr Joseph LEE and Mr IP Wai-ming abstained.

Geographical Constituencies:

Mr Albert HO, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Andrew CHENG, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Mr WONG Sing-chi, Mr Alan LEONG, Mr LEUNG Kwok-hung and Miss Tanya CHAN voted for the motion.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan and Dr Priscilla LEUNG voted against the motion.

Mr WONG Kwok-hing and Mr WONG Kwok-kin abstained.

THE PRESIDENT Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 13 were present, three were in favour of the motion, eight against it and two abstained; while among the Members returned by geographical constituencies through direct elections, 24 were present, 15 were in favour of the motion, six against it and two abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the motion was negated.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11 am on Wednesday, 15 June 2011.

Adjourned accordingly at thirteen minutes to Nine o'clock.

INLAND REVENUE (AMENDMENT) (NO. 3) BILL 2011

COMMITTEE STAGE

Amendments to be moved by the Secretary for Financial Services and the Treasury

<u>Clause</u>	<u>Amendment Proposed</u>
3	In the proposed section 89(8), by deleting “(8)” and substituting “(7)”.
3	In the proposed section 89(8), by deleting “Schedule 23” and substituting “Schedule 22”.
4	In the proposed section 93, by deleting “Schedule 24” and substituting “Schedule 23”.
7	In the heading, by deleting “ Schedules 23 and 24 ” and substituting “ Schedules 22 and 23 ”.
7	In the proposed Schedule 23, by deleting – <div style="text-align: right; margin-right: 100px;">“Schedule 23 [s. 89(8)]”</div> and substituting – <div style="text-align: right; margin-right: 100px;">“Schedule 22 [s. 89(7)]”.</div>
7	In the proposed Schedule 24, by deleting “ Schedule 24 ” and substituting “ Schedule 23 ”.